



American Municipal Power, Inc. CIFP Proposal
Fixed Resource Requirement – Large Load (FRR-LL)
Executive Summary
June 23, 2026

Overview

AMP's proposal to adapt the Fixed Resource Requirement rules to the challenges of the Reliability Backstop Procurement is an immediately executable method to achieve the goals stated by the Board in their [January Letter](#) creating the CIFP.

Under FRR-LL, incremental large load growth would be responsible for demonstrating matching capacity for delivery years 2030/2031 through 2037/2038. As under the current FRR rules, FRR-LL loads or their Load Serving Entities (LSEs) would annually inform PJM of the capacity committed to serve them. The first four years of the plan would be due immediately, encouraging long-term commitments and satisfying key [Principles](#) identified by the National Energy Dominance Council and Governors, including immediate commitment of new generation to serve large loads and allocation of the corresponding costs solely to large loads.

Features and Benefits of the FRR-LL

The FRR-LL proposal will further load forecasting improvements. The four-year plans required by the proposal will inform PJM with actionable and realistic load growth information provided by the entities who best know what load will materialize, when the loads will be energized, and where the loads are located, based on first-hand knowledge obtained in their role as LSEs. The proposal provides strong incentives to ensure that this information is accurate. During the first four years, the plans will be subject to a Plan Inaccuracy Charge to encourage accurate forecast reporting. During the full eight-year period, if the load does not elect Connect and Manage and commits less capacity than load to be served, it is subject to a deficiency charge equal to the existing FRR deficiency charge.

The FRR-LL proposal provides realistic and actionable information to PJM, the Transmission Owners, and the Electric Distribution Companies regarding the specific loads subject to Connect and Manage. Unlike the PJM proposal, or any other proposal, the detailed information contained in the FRR-LL plans will largely satisfy the goals of both Connect and Manage and the Reliability Backstop Procurement. Moreover, the FRR-LL plans will provide much more detail regarding which customers should receive Connect and Manage service, adding critical transparency for the benefit of all loads that will aid the bilateral procurement of new capacity.

The FRR-LL plans provide substantial flexibility to FRR-LL entities. Although the entities must provide detailed plans proving committed capacity for four years and then one year at a time for years five through eight, the design maximizes freedom for contracting

parties. First, during years one through four, FRR-LL entities may elect Connect and Manage, which recognizes that new capacity may not ramp at the same rate as the load. Second, the contents of the plan are fully tradable between FRR-LL entities. The topline requirement is that committed accredited capacity (UCAP) is equal to and contained in the same Zone as the subject load. Further, any excess capacity may be sold into the Base Residual Auction subject to existing FRR rules. These features allow large loads to contract for new capacity in a variety of bilateral or multilateral arrangements, and do not unduly burden either the load or the capacity resource if conditions deviate from expectations.

At the same time, AMP's FRR-LL proposal satisfies stakeholder desires for including a wide variety of proven new capacity. PJM's CFP polling shows that supply eligibility is extremely important to stakeholders, and for good reason. Given impending shortages, needlessly limiting supply eligibility will limit the quantity of supply procured and raise prices. The AMP proposal would allow all new incremental UCAP megawatts to qualify as supply, so long as it is not subject to an existing must offer requirement. We exclude Demand Response due to the difficulty of verifying that new Demand Response is in fact new. New steel-in-the-ground producing accredited capacity, whether behind-the-meter or in-front, and of all resource types, must be encouraged to manage the challenges of the region. This feature should be adapted into any selected solution.

Perhaps most importantly, the bilateral and multilateral agreements required by the FRR-LL proposal allocate costs in the most direct manner possible. This feature not only protects existing grid customers, but is also the key feature supporting many of the load forecasting benefits.

Adaptation to a Centralized Procurement

The Board's decision to adopt a central procurement auction starting in September may be used alongside the FRR-LL Proposal. In this regard, PJM should make one change to the proposed central procurement: Allow LSEs to bid demand directly into the auction instead of having PJM determine the procurement quantity, but allow PJM to include any parameters necessary to achieve an acceptable procurement quantity. The use of buy bids instead of a PJM determined procurement quantity creates direct identification of cost responsibility and identifies those LSEs who would receive the benefit of avoiding Connect and Manage. As adapted in the FRR-LL Proposal, the LSEs serving large loads would simply enter that quantity of purchased capacity into their FRR-LL plans. Like all other megawatts in the proposal, these quantities would be fully tradable for those LSEs.

Changes to the Initial FRR-LL Proposal

After receiving feedback during the Stage 2 and 3 discussions, AMP is changing four aspects of the proposal. First, we add a safe harbor for load growth by smaller large loads to mitigate the potential for the FRR-LL requirements to impair economic development. Second, the Plan Inaccuracy Charge is sunset after the fourth year, as it is no longer needed for anti-gaming after the Connect and Manage election becomes unavailable. Third, we reduce the period of applicability from ten years to eight years. Finally, we have adjusted the definition of New Capacity to be inclusive of prior

prospective contracts by Large Loads for generation that would have been new at the time, as well as including Demand Response.

Options for the Board

In crafting solutions through this CFP process, the Board will have to account for many competing interests. We therefore highlight the adaptability of the FRR-LL proposal. Additionally, because the proposal is based on the current FRR product, the proposal does not require the development of a large quantity of substantially novel rules. Ultimately, the accounting mechanism at the core of the proposal can be used along with centralized procurement. Even as an add-on, the FRR-LL proposal would provide many of the same load forecasting, connect and manage identification, and flexibility benefits to large loads and new capacity. If the Board chooses to adapt pieces from multiple proposals, we offer these aspects for its consideration, with the objective of achieving a durable solution.