



June 23, 2026

Attn: David.Anders@pjm.com
Matthew.Connolly@pjm.com

Subject: PJM's Stage 4 Proposal Comments

Tract Holding Company I, LLC through its affiliates (collectively, "Tract"), acquires land and develops shovel-ready development sites for data centers—pre-positioning power, fiber, zoning, and entitlements—to expedite speed to power and provide data center operators with faster build cycles at lower risk. Tract is currently developing multiple data center projects within PJM which are targeted for commercial operation as soon as 28/29 DY. As a large load likely to be impacted by PJM's Reliability Backstop Proposal ("RBP"), Tract submits these comments recommending refinements to PJM's Stage 4 Proposal.

- **Recommendation No. 1: Coordinate the Bilateral RFP and RBP Central Procurement Processes**

PJM's Stage 4 Proposal requires EDCs and large loads to either execute bilateral contracts by approximately September 2, 2026, or permit EDCs to include their load in the RBP Central Procurement. Because FERC is not likely to rule on PJM's proposal until September, and because Charles River Associates will not begin matching large loads with potential supply as part of the bilateral contracting process until August 2026, few parties will have sufficient time to negotiate and execute bilateral contracts before the Central Procurement commences.

To provide adequate time for bilateral contracting, PJM should permit large loads to either present evidence of a bilaterally negotiated capacity contract by *October 2026*, rather than September, or declare their intention to proceed under the applicable state's BYONC or connect-and-manage construct. Extending this deadline would facilitate additional bilateral agreements and avoid shifting the majority of large loads into the Centralized Procurement process, the costs of which may ultimately be borne by large loads or a broader cohort of ratepayers. Under this proposal, the large loads themselves take the risk that their bilateral contract or BYONC will not materialize before the applicable DY and the load will be subject to their state's applicable connect and manage construct.

- **Recommendation No. 2: Clarify Large Load Security Requirements**



It is Tract's understanding that a large load included in the Centralized Procurement will not incur independent security obligations. Tract requests that PJM either confirm the accuracy of this understanding or otherwise clarify the security obligations applicable to a large load that is bid by an EDC into the Centralized Procurement. To the extent EDCs may impose or pass through their security obligations to individual large loads, PJM should address such obligations as part of its Tariff filing to FERC this July. Any security imposed by an EDC on a large load should be offset by preexisting security that the large load has already posted with the EDC, especially security agreements already approved by FERC (e.g. Transmission Security Agreements).

- **Recommendation No. 3: Clarify and Refine Requirements Applicable to Retail Choice States**

Tract is developing a data center project in Illinois, a retail choice state, and accordingly has a right under Illinois law to procure electricity from Alternative Retail Electric Suppliers. In crafting its RBP Proposal, PJM should respect applicable state laws, including those governing retail choice, and permit loads in retail choice states until March 2027 to bring their own capacity (BYONC) and thereby avoid the costs associated with participating in the Central Procurement. Likewise, PJM ratepayers could avoid incurring the costs associated with procuring such supply by clarifying that any supply and load bid into the Central Procurement after September/October 2026 but which subsequently reaches a bilateral agreement, will be deducted from, and not be bid into, the third incremental auction.

Tract appreciates PJM's consideration of these comments and welcomes the opportunity to discuss any questions regarding the substance of these proposed refinements.