Joint Stakeholder Package
Amazon, Calpine, Constellation, Google, Microsoft, Talen
PJM CIFP – Large Load Additions
Stage 4, November 19, 2025

Package Overview

- Large Load Forecasting Improvements
- Demand Side
- Reliability Backstop Alternative

Large Load Forecasting Improvements

- Only include large new load that has a meaningful/verifiable commitment. Examples of which include:
    - Energy Service Agreement
    - Credit/collateral support
    - Financially significant infrastructure investment
    - Long-term supply commitment with new or existing resources
- Improve large load modeling assumptions including, but not limited to, ramp rate assumptions, utilization rates, and reduction of double counting
- Implement a Large Load Forecast "Reality Check": Consider other relevant factors that may predict whether all proposed large load is likely to come to fruition. Examples include, but are not limited to:
    - Historic large load success rate and development progress reviews along with comparison to supplemental projects
    - Supply chain and other limitations such as chip (un)availability
    - Other business expert reviews (McKinsey, S&P, BNEF, LEI Study, LBNL, etc.)
    - Conversations/information exchange among large load customers, PJM, and TOs

New Demand Side Products

- Voluntary large load limited demand response
    - Allow large load to clear as limited demand response. Discounted Effective Load Carrying Capability (ELCC) to reflect the reduced availability. Two, new limited products would be defined as:
        - 24 hours/year with no single interruption greater than 6 hours
        - 100 hours/year with no single interruption greater than 10 hours
- Back-up generator operations
    - Provide relief during system emergencies using back-up generators. Agree to operate within criteria acceptable to the owners (i.e., consistent with their commitment to the environment, noise reduction, etc.). Establish new PJM

emergency procedure step, 9A, for deployment immediately prior to manual load dump. Discounted ELCC to reflect the reduced availability.

Reliability Backstop Alternative

- The reliability backstop alternative would only be utilized if triggered.
    - Trigger: Only used in years when RPM clears below 98% of the reliability requirement.
- Avoid overreliance on potentially lower quality and/or out-of-market services which could have a long-term impact on the market and its ability to signal investment when needed. Every attempt made to minimize such impact although it can't be eliminated.
- Eligible resources can (at their option) offer a minimum term supply commitment at the top of the Variable Resource Requirement (VRR) curve.
- Bidders may offer up to **7** years but shorter-term offers will clear first.
- Eligible resources include: new/reactivated generation, existing generation with an offer cap above top of the VRR curve, traditional demand response.
- Eligible resources must be reasonably likely to perform in the delivery years cleared.
- In subsequent years, cleared resources with multi-year commitments will be entered into the RPM potentially based on the technology-specific default gross avoidable cost minus the unit-specific projected Energy and Ancillary Services (EAS) offset.
- If the market clearing price in subsequent years is different than their original offer price of cleared multi-year resources, the resource will receive the multi-year price agreed – no higher/lower.
- Mechanism will be in place for the four BRAs corresponding to the current Quadrennial Review (2028/29 through 2031/32) and will automatically sunset

Summary

Proposed Solution Options

- Improve load forecast.
- Utilize new demand side resource products.
- In the event the system remains short, utilize reliability backstop alternative.

Other Future Potential Considerations

- Extension of cap and floor, with price adjustments
- Improvement of energy and ancillary service markets

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