

Executive Summary of Joint Proposal by Governors, DCC, Exelon, PPL

- The Joint Proposal includes four pillars: load forecasting enhancements, one-year price collar extension, demand response products that unlock additional flexibility from LLAs, and a new voluntary/state-sponsored BYOG flexibility for the expedited interconnection track.
- **Load Forecasting:** PJM will prioritize a load forecasting methodology that reduces inclusion of LLAs not actually likely to come online in a given year. PJM will include LLA in forecasts that can demonstrate a meaningful or verifiable commitment to placement in service (e.g., Energy Service Agreements, Transmission Security Agreements, EIT related contract details including ramp rates), will improve modeling assumptions (including related to ramp rates, utilization rates, and “double-counting”), and implement checks to enhance confidence in forecasts.
- **One-Year Price Collar Extension:** Appropriately balances concerns expressed in the stakeholder process surrounding encouraging market solutions while balancing the ongoing affordability challenges.
- **DR Flexibility:** PJM will design a new limited demand response product, allowing load to offer to be flexible in a range of options for a limited number of hours each day, for a total of between 24 and 240 total hours each year. Separately, PJM will establish a new voluntary emergency procedure at Step 9A allowing load to opt-in to voluntary curtailment in advance of curtailment of any residential customer. Participating load would retain the option of using a back-up generator during an emergency, consistent with all applicable laws and regulations.
- **Voluntary/State Sponsored BYOG:** LLAs with a financial commitment to BYOG with a qualifying resource on a one-for-one accredited capacity basis including the reserve margin locked at the initial DY, matched with the LLA’s ramp and utilization schedule, would receive expedited load interconnection processes and expedited siting and permitting from participating states (with specific actions differing from state to state) and the associated resource (where needed) would be eligible for expedited generator interconnection processes from PJM.
 - Qualifying resources include: (1) one or more new generation resources, (2) uprates or expansions, (3) prevention of resource retirement (validated through an independent audit), (4) support for a resource that did not clear in the most recent capacity auction, or (5) support for a resource to undergo fuel-switching. Additionally, to address concerns that EIT should not be solely contingent on a specific customer's voluntary actions and allows states to act in the interest of all customers if considered appropriate, the proposal includes a state-sponsored track for resources specifically identified by a state for expedited treatment and identified to PJM by a letter from the Governor.

- PJM would also commit to explore making modifications to the ERIS interconnection pathway to increase the pathway's speed and utility as a distinct option from the NRIS pathway.
- To reduce price volatility during implementation of this proposal, PJM would extend the current price collar to the 2028/2029 delivery year.

Key Differences with PJM Proposal

- Load Forecasting:
 - PJM proposes to retain default historic utilization and ramp rate expectations; Joint Proposal would revise these assumptions.

- Flexibility-Enabling Products:
 - PJM retains demand response product status quo; Joint Proposal would create both a new improved limited DR product AND a new emergency step allowing large loads to opt-in to be voluntarily curtailed prior to manual load dump of residential customers.

- Expedited Interconnection Track:
 - Joint Proposal includes more flexibility for participating generation resources (for example, allowing participating LLA load to pair with multiple generators with multiple points of interconnection, not limiting participating projects to 10 annually, not limiting participating projects based on a minimum number of megawatts).
 - Joint Proposal proposes a shorter timeline for interconnection, and continued discussion on the feasibility of a separate physically proximate fast-track pathway. All subject to PJM's reasonable best efforts.
 - PJM Proposal includes no commitment to explore future modifications to the ERIS expedited interconnection pathway, which is currently significantly underutilized.
 - PJM Proposal lacks consumer protection from price volatility while the package is being implemented via extension of the existing price collar for one more auction.
 - Joint Proposal minimizes the impact of EIT on the primary generation interconnection queue cycle process.

- Contingency Measures:
 - PJM will undertake a five-month process in consultation with OPSI, the Governors' Collaborative, and PJM Stakeholders to explore if there are necessary contingency measures to prevent unacceptable reliability and affordability outcomes and under which circumstances any such measures

would trigger. Nothing here is intended to alter the existing jurisdictional framework for load interconnection.