

Shaping a Powerful Change

PJM Five-Year Strategy

PJM Members Committee
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Aftab Khan
Chief Strategy Officer

Tim Burdis
Director, State Policy Solutions
Project Manager – Strategy

Disclaimer: While materials are current at the time of publishing, applicable requirements may change. PJM Governing Documents control.

Our Mandate

Reliability Is Our North Star

PJM is a mission-driven organization that serves the public interest as a FERC-authorized RTO. While reliability is our North Star, PJM knows that affordability matters.

- ④ **Reliable Operations:** PJM will continue to keep the lights on.
- ④ **Resource Adequacy:** PJM will lead competitive market reforms, working with states and stakeholders, to meet regional supply needs.
- ④ **Leadership:** PJM will provide clear direction and efficient decision-making to meet emerging needs.

We will deliver power reliably and cost-efficiently through our competitive markets and decisions in planning and operations.

We conducted stakeholder strategy listening sessions and a survey across all sectors, including environmental interests and OPSI, seeking feedback on key trends and prioritization.



The stakeholder input received helped shape the strategic objectives as well as prioritization for the five-year strategy.

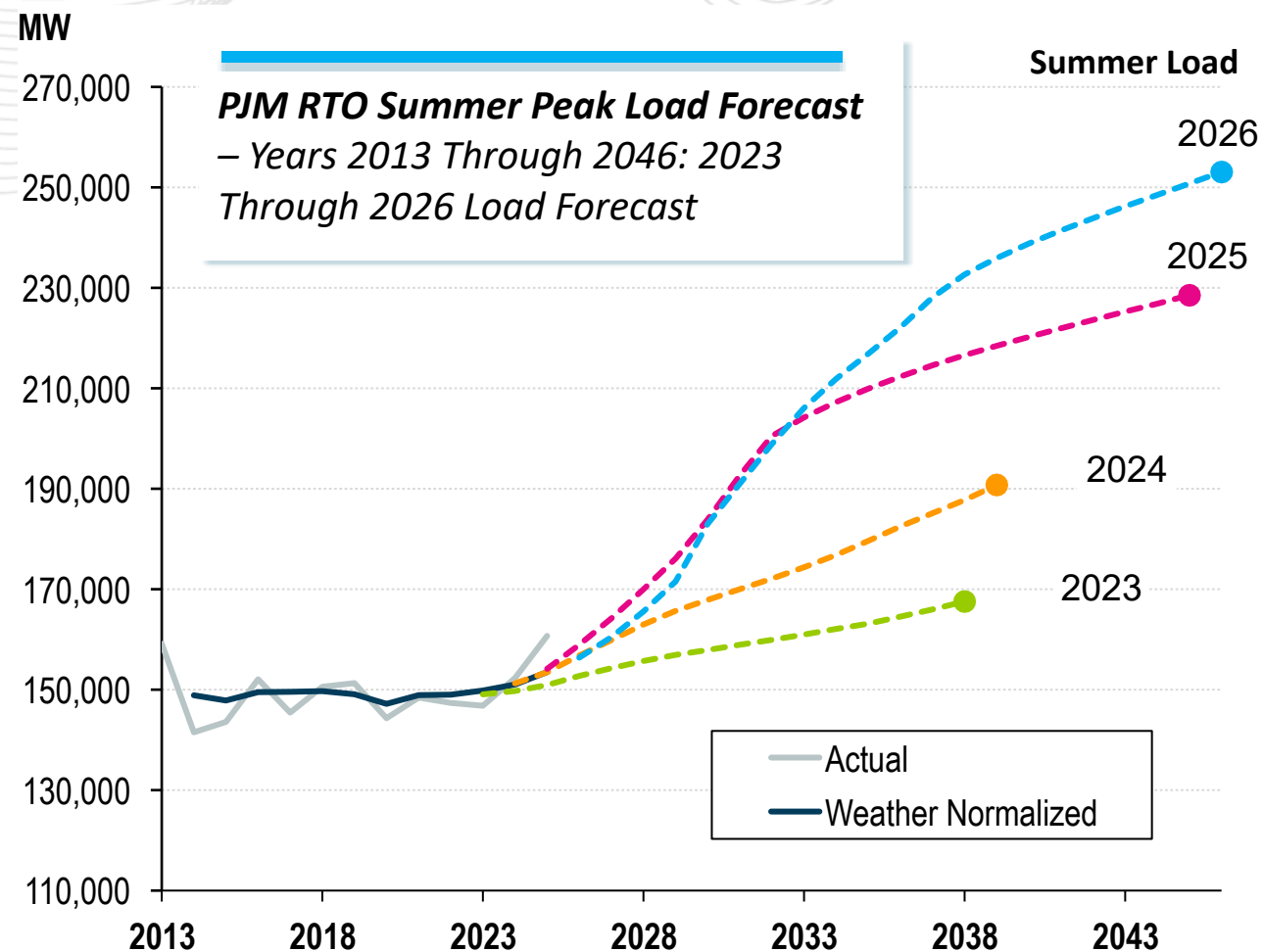
PJM will continue to have annual stakeholder input & listening sessions.



- ④ Thank you for your input and help in creating this strategy.
- ④ We will continue to solicit feedback as we progress.

Over a decade of predictable flat load growth is over.

- Demand for electricity is accelerating.
- Capacity is increasingly constrained.
- Our grid's operational characteristics and risks are evolving.
- Our macroeconomic environment is becoming more volatile.
- Our industry is changing in structural ways.



Who We Are

Ensure reliability | Orchestrate resource adequacy | Operate competitive markets | Provide trusted expertise & leadership

What We Will Do

Reliably operate
an increasingly
dynamic grid



Ensure durable
market incentives &
state alignment



Proactively
adapt planning
processes



Improve
decision-making
efficiency



How We Deliver

Evolve & enable the workforce

Harness technology & innovation

Provide value by ensuring reliable service cost-efficiently

1 Reliably Operate an Increasingly Dynamic Grid



We will:

Start

A	Create a tech-enabled Control Room with AI-decisional support to augment human judgment.	2026
B	Develop critical new capabilities to maintain reliability with Large Load growth , including greater controllability and visibility/transparency in partnership with impacted stakeholders.	2026
C	Improve market coordination for operational needs , including gas-electric market alignment and unit commitment decisions.	2026/27
D	Improve cybersecurity resilience capabilities, including prevention, detection, response and recovery for emerging risks.	2026

2 Ensure Durable Market Incentives and States Alignment



We will:

Start

A	Develop clear alignment on resource adequacy responsibilities with states and stakeholders.	2026
B	Establish clear future pathways and execution plan for capacity and energy market reforms introduced in the Powering Reliability Through Market Design white paper to achieve support by PJM states and provide investor confidence.	2026/27
C	Advance reserve and ancillary service reforms to better reflect real-time operations uncertainty, ramping and reliability needs.	2026

3 Proactively Adapt Planning Processes



We will:

Start

A	Achieve significant improvements in New Service Request process through technology and process changes (e.g., one-year generator interconnection).	2026
B	Improve regional transmission planning , including Large Load forecasting and modeling, long-term scenario planning, and construction risks and contingencies.	2026
C	Evaluate planning process improvements to determine interim solutions for near-term reliability needs.	2026/27
D	Create more synchronized regional transmission planning and interconnection processes for greater efficiency and transparency.	2026/27

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Improve Decision-Making Efficiency



We will:

		Start
A	Drive efficiencies in the existing stakeholder processes by strengthening guardrails, process discipline and supporting data/analysis, including defining and prioritizing annual stakeholder work plan.	2026
B	Implement new accelerated stakeholder decision-making process.	2026
C	Evaluate and implement targeted governance reforms that support PJM independence for timely response to critical issues while considering stakeholder input.	2026/27

PJM is currently working to bring a stakeholder priority road map to prioritize strategy initiatives and other member priorities.

The road map should be thought of as durable, but adaptable to emerging needs – this is a living document.

- ④ We are looking for your feedback as to prioritization and timing of initiatives.
- ④ Many activities start in the next year or two, but expectations of completion vary between months and years.

Target Completion by End of 2026



Build a modern, innovative technology backbone.

Empower our workforce for the future.

***Deliver value by ensuring
reliable service cost-efficiently.***

PJM has technology work plans that prioritize the capabilities and outcomes needed to advance enterprise strategy initiatives.



- Enable data-driven, augmented operations that support reliable grid management, risk assessment and efficient dispatch.
- Support market analytics that aid decision-making in market design and anomaly detection.
- Innovate transmission planning tools to support accelerated load and generation interconnection.

PJM has a robust workforce ready to expand upon PJM's capabilities and operational excellence.



Training and development to build skill sets to manage an increasingly complex grid and accelerate innovation

Strengthening workforce-driven process improvement and continuous-improvement programs

PJM knows that affordability matters. We recognize the pressure that rising electricity costs place on families and businesses.



We will act within our power to help address this challenge by providing power reliably and cost-efficiently through our decisions and operations, while providing insight into PJM and system costs.

Although PJM does not set retail rates, we will be transparent and accountable for costs that are within our control.



PJM is launching a new strategy webpage, which includes:

Shaping a Powerful Change, PJM Five-Year Strategy

Soon to be home to a Strategy Road Map

Additional supplemental details to support as the strategy unfolds

www.pjm.com

Reliable electricity is part of the foundation of modern life. It powers our communities, supports economic growth, and enables security and prosperity. PJM takes seriously the magnitude of its responsibilities and its importance to national energy leadership.

This strategy sets PJM's ambition to ensure that foundation remains strong – with clarity, urgency and leadership to strengthen reliability across the region.

Most importantly, the work ahead will require our partnership with states and members.

We look forward to working with you to:

- ④ Strengthen reliability and resource adequacy.
- ④ Support the investments needed in generation, transmission and demand-side resources.
- ④ Advance policies that sustain a reliable electric system through a period of rapid change.

*We will work to inspire your trust through our actions and results.
Together, we can ensure that the PJM system works for the millions of people who depend on it.*

Presenters:

Aftab Khan, Aftab.Khan@pjm.com

Tim Burdis, Timothy.Burdis@pjm.com

Shaping a Powerful Change PJM Five-Year Strategy

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Member Hotline

(610) 666 – 8980

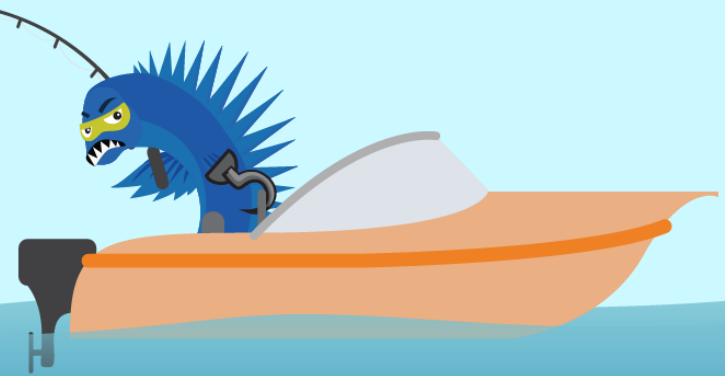
(866) 400 – 8980

custsvc@pjm.com

**PROTECT THE
POWER GRID**
**THINK BEFORE
YOU CLICK!**



**BE ALERT TO
MALICIOUS PHISHING
EMAILS**



Report suspicious email activity to PJM.
Call (610) 666-2244 or email it_ops_ctr_shift@pjm.com