

IMPLEMENTATION OF CONNECT AND MANAGE FRAMEWORK FOR LARGE LOAD INTERCONNECTIONS

Issue Source

As discussed in the Board's January 16, 2026 Decisional Letter on the Critical Issue Fast Path – Large Load Additions (<https://www.pjm.com/-/media/DotCom/about-pjm/who-we-are/public-disclosures/2026/20260116-pjm-board-letter-re-results-of-the-cifp-process-large-load-additions.pdf>), the PJM Board of Managers has directed PJM to implement a “Connect and Manage” framework for new large load additions that do not Bring Your Own New Generation (BYONG) that will be curtailed prior to the deployment of pre-emergency Demand Response.

Issue Content

As instructed in the Board's January 16th letter:

“Where an LSE identifies a shortfall between forecasted load additions and the availability of new incremental generation to offset that growth, the Board is directing development of a similar framework articulated by the PJM Legislators Collaborative/NRDC and the Joint Consumer Advocates. Under this framework, the incremental demand associated with such load growth would be subject to curtailment prior to the deployment of pre-emergency Demand Response. This will help to preserve Demand Response as a valuable reliability tool by not disrupting its business model through a dramatic increase in its use and will provide an incentive for new load to secure capacity or provide flexibility.

Consistent with its operation of the system today, PJM will take all reasonable steps to maintain grid stability and avoid curtailment. However, should system conditions over a given period force PJM to invoke its emergency procedures, the Board finds it reasonable for certain large loads, including data centers, to move to their backup generators, or curtail their demand, for a limited number of hours during the year to prevent a larger scale outage for residential and other consumers. Such curtailment would be expected to occur infrequently, for limited durations, and only when necessary to prevent broader system impacts, consistent with PJM's longstanding operational practice of avoiding curtailment whenever possible.

Ultimately, the determination of which loads are curtailed during emergency conditions rests with TOs, and with LSEs that have direct relationships with their customers. PJM does not have authority to direct individual retail loads to curtail demand. However, PJM will establish an allocation framework whereby TOs and LSEs have advanced notification of the potential magnitude of load reductions that may be required

under such conditions. PJM intends to explore how to design curtailment allocations based on the contributions of any shortfall to PJM's required reserve margin.

The Board does not propose that “connect and manage” new large load be removed from the capacity market. Based on current load projections, the system is expected to tighten to a degree that excluding this demand would be unlikely to reduce capacity prices below point “A” on the Variable Resource Requirement (VRR) curve. Removing such load from the market would instead result in large new loads avoiding capacity costs altogether, with those costs shifted to existing consumers. The capacity market is designed to support system-wide resource adequacy, recognizing that PJM may be required to direct load curtailments to maintain system reliability, with TOs ultimately determining which customers to curtail.”

Key Work Activities and Scope

As directed in the Board letter, the scope is defined as addressing the following items:

1. Development of a new emergency procedure to be used prior to pre-emergency Demand Response for PJM to allocate aggregate MWs, and issue to the LSE/Transmission Owners to curtail the identified Large Loads

As instructed by the Board letter, the following items are considered out of scope:

1. Changes to the demand included in the Capacity Auction
2. Changes to the determination of which specific retail load/customers a TO will shed when receiving an instruction from PJM to shed load
3. Changes to the overall load shed allocation approach across the RTO. It is intended that this work be handled as a follow-on stakeholder effort.

Expected Deliverables

1. Education on the Large Load Addition process and its inclusion in the Base Residual Auction (BRA)
2. Education on existing reporting requirements for LSEs to identify new generating capacity additions to offset their Large Load Additions.
3. Proposed solutions to identify and quantify (in MWs) the Areas/Load Serving Entities (LSEs) that have shortfalls and if these shortfalls are associated with Large Load Additions included in the BRA and Incremental Auctions that did not bring sufficient new incremental generation.
4. Proposed solutions for transparency into the MW quantities identified for potential curtailment to the LSE/TO and the broader PJM stakeholder community. This would include both

communications in advance of the Delivery Year and in the operations horizon as appropriate and subject to Confidentiality and CEII restrictions.

5. Corresponding revisions to the PJM Tariff or other governing documents consistent with the solution proposed will be brought to the MRC and MC for review and endorsement. Proposed revisions to PJM Manuals conforming to the FERC accepted solution will be brought to the appropriate Standing Committees for review and endorsement.

Decision-Making Method

Tier 1, consensus (unanimity) on a single proposal

Stakeholder Group Assignment

A new Senior Task Force reporting to the MRC

Expected Duration of Work Timeline

The Board has directed this to be implemented by the end of the year. Accounting for Stakeholder approvals and FERC filings, it is expected that the final packages should be finalized by August.

Start Date	Priority Level	Timing	Meeting Frequency
Add Date	<input checked="" type="checkbox"/> High <input type="checkbox"/> Medium <input type="checkbox"/> Low	<input checked="" type="checkbox"/> Immediate <input type="checkbox"/> Near Term <input type="checkbox"/> Far Term	<input type="checkbox"/> Weekly <input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly

Charter

(check one box)

<input checked="" type="checkbox"/>	This document will serve as the Charter for a new group created by its approval.
<input type="checkbox"/>	This work will be handled in an existing group with its own Charter (and applicable amendments).

More detail available in M34; Section 6