

Co-Sponsors: Data Center Coalition, Aligned Data Centers, Amazon Data Services, Equinix, Google, Meta, and Vantage Data Centers

Draft Issue Charge: *Development of a Bring Your Own New Generation (BYONG) Framework for Large Load Additions*

Issue Source

Stakeholders have raised questions regarding the role of **Bring Your Own New Generation (BYONG)** as a mechanism for large load additions to offset their incremental reliability impact on the PJM system. While the concept has been referenced in recent discussions regarding large load growth, PJM's governing documents do not currently provide a defined framework describing how BYONG resources may be recognized or integrated into PJM markets and planning processes.

Given the anticipated growth in large loads and increasing interest in co-located or dedicated generation arrangements, PJM and stakeholders have identified the need to explore whether additional business rules are necessary to support BYONG arrangements in a manner consistent with PJM's reliability and market design objectives.

Issue Content

The issue will evaluate the potential development of a framework through which new large loads may demonstrate that they have secured **incremental generation resources** to offset the reliability impacts of their load additions.

This work will explore the planning, market, and operational considerations necessary to support BYONG arrangements, including the relationship between large load additions, associated generation resources, and PJM's resource adequacy and operational reliability requirements.

Key Work Activities and Scope

1. Education and Background

- Provide education on current PJM processes for large load additions and load forecasting.
- Provide education on how similar concepts have been addressed in other policy frameworks.

2. Definition of New Load for purposes of BYONG

- Evaluate options for how to identify individual customer sites and associated load that is subject to the BYONG or C&M framework

3. Definition of BYONG Resources

- Develop potential criteria for what constitutes “**new generation**” eligible to offset incremental load growth.
- Evaluate eligibility considerations such as:
 - Greenfield projects, uprates, or repower.
 - Resource type and operational characteristics
 - Locational requirements
 - Bilateral contracting requirements including any necessary terms such as duration

4. Planning and Capacity Market Considerations

- Evaluate how BYONG resources may be recognized relative to **load included in PJM’s forecast and the Reliability Pricing Model (RPM)**.
 - Is a 1:1 between load and generation required only at entry? If so, is that load subsequently treated as “organic” load that can rely on the grid for supply? In that case, would the associated new generation be available as needed by the grid subject to must-offer and other criteria to ensure its performance?
 - Alternatively, is there an ongoing obligation to cover that same load? Does this include adjusting for changes in accreditation, reserve margins, or other requirements in each delivery year?
- Consider whether BYONG participation can be structured on a **portfolio basis**, where a customer with multiple sites may develop and allocate generation across locations, shift that allocation over time, and potentially change LSEs, while maintaining compliance with RPM requirements. Identify potential frameworks to support this portfolio approach.

5. Operational and Reliability Considerations

- Identify any distinguishing requirements between BYONG and other capacity resources:
 - Do the must-offer and performance requirements in the PJM tariff apply to BYONG supply like any other capacity performance resource, or does that resource and its performance remain tied to the individual large load?

6. Market and Settlement Considerations

- Evaluate whether BYONG resources should participate in PJM markets and under what conditions - including whether the resource must be offered in as price taker.
- Assess potential impacts on energy, ancillary services, and capacity markets.

7. Stakeholder Engagement

- Engage stakeholders in evaluating potential frameworks and developing recommendations for Tariff, Operating Agreement, and Manual revisions as appropriate.

Out of Scope

- Fundamental redesign of the PJM capacity market structure.
- Changes to the overall methodology used for determining PJM reserve margins.
- Determination of individual retail customer curtailment obligations.

Expected Deliverables

- Proposed framework describing how BYONG resources may be recognized in relation to large load additions including clear requirements.
 - Recommended revisions to PJM Tariff, Operating Agreement, and relevant PJM Manuals if needed.
 - Documentation of reliability, market, and operational considerations associated with BYONG arrangements.

Decision-Making Method

Tier 1 – consensus (unanimity) on a single proposal.

Stakeholder Group Assignment

Markets and Reliability Committee (MRC), with work potentially conducted through a dedicated task force such as task force created for Connect and Manage.

Expected Duration of Work Timeline

Either phased before or concurrent with Connect and Manage: Four to Six months.

Start Date: Immediate

Priority Level: High

Timing: Near Term

Meeting Frequency: 2x/month

The accelerated timeline reflects the need for stakeholders to obtain clarity on the potential structure of BYONG arrangements in order to support near-term commercial, financing, and development decisions associated with large load additions and new generation resources.