

Board Directed ‘Connect and Manage’

Amendment: Reflection of Connect and Manage Loads in the Capacity Market

Problem / Opportunity Statement

PJM is experiencing an unprecedented volume of large electric load interconnection requests, particularly from data centers and other high-density loads, many of which seek service on accelerated timelines. As discussed in the Board’s 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-cifprocess-large-load-additions.pdf>), the PJM Board of Managers has directed PJM to implement a “Connect and Manage” framework that allows qualifying large loads to connect to the PJM system subject to defined operational controls, including curtailment during specified system conditions to protect residential customers from potential power outages. However, the current PJM Tariff, Operating Agreement, and Manuals do not explicitly define the eligibility criteria, operational triggers, curtailment mechanics, or market implications necessary to implement such a framework in a transparent, consistent, and enforceable manner.

The “Connect and Manage” framework was attributed to the NRDC/PJM Legislators Collaborative proposal and the Joint Consumer Advocates proposal in the CIFP-Large Load Additions which concluded on November 19, 2025. The proposals removed connect and manage loads from the RPM demand curve, but that component is currently excluded from consideration in any active stakeholder group. In order to fully design a Connect and Manage paradigm that fairly manages costs, the issue must be revisited, which the Board indicated was a possibility in their decisional letter on the Critical Issues Fast Path – Large Load Additions.

There is wide agreement that Connect and Manage load should be excluded from the Base Residual Auction in order to protect other customers from cost increases. In their January 15, 2026 Statement of Principles, all Governors in the PJM region and the White House repeatedly differentiate between “new data centers that have not self-procured new capacity or agreed to be curtailable.” Other stakeholder processes are examining ways for data centers to be paired with new capacity, including the impacts on the market. The Connect and Manage process must also be holistic in its approach and include when, if, and how connect and manage loads are reflected in the RPM demand curve. With the connect and manage framework addressing operational resource adequacy and the Reliability Backstop Auction providing incentive for new entry, stakeholders should be given the opportunity to consider when and if connect and manage loads are added to the RPM demand curve.