2026 PJM Strategy Update

PJM Markets and Reliability Committee
May 20, 2026

Aftab Khan
Chief Strategy Officer

Recap: PJM strategy development schedule

Stakeholder process

Jan 16
Project Kickoff

Jan – Mar
Phase 1 - Visioning & Scoping
- Identify Key Trends and Define Strategic Themes and future scenarios
- Environmental scan to inform scope

Apr – Jun
Phase 2 - Strategic Objective Setting & Action Planning
- Identify Key Strategic Initiatives for prioritization and sequencing

Jun/Jul
Board Engagement
- Ultimately seek Board endorsement

Dec 17, 2025
Strategy Introduction at Dec MC
- Share plan for strategy refresh

Feb - Mar
Stakeholder Feedback (Listening Sessions)
- Conduct listening sessions (member and non-member

Apr
Stakeholder Feedback (Survey)
- Conduct written survey of strategic themes and scenarios

May 11
Phase 2 Update at MC
- Share responses from stakeholder feedback

May 20
Preliminary Strategy Update at MRC
- Share how stakeholder feedback feeds into strategy document

Aug. 19
Strategy Presentation at MC
- Provide overview of updated strategy
- Include road map for key initiatives

Topics for today's update

Your input has been instrumental to this effort:

Input (through listening sessions and survey)	**Incorporation into strategy**
Strategy themes & prioritization: members and stakeholders' perspective on themes and their relative importance for PJM's long-term direction	**Informs strategy objectives** that structure the effort
Priority topics: specific topics, anchored in these themes, that PJM's strategy should address	**Reviewed for inclusion** in the strategy within the objectives; exclusions aligned and documented
Trends & scenarios: trends and future state scenarios that members and stakeholders want PJM to be prepared for	**Reviewed for inclusion** in scenarios and test cases, which the strategy is then evaluated against

Proposed strategy objectives

Four **summary objectives** structure the strategy effort:

	1	2	3	4
Proposed strategy objectives	We will **reliably operate an increasingly dynamic grid**	We will **enhance durable market incentives** and **state alignment** to orchestrate resource adequacy	We will **proactively adapt planning processes** to address system needs	We will **improve decision-making efficiency** to meet rapid industry change
Reception from survey	**Vast majority** of respondents believe it is a high priority to PJM to *"reliably operate an increasingly complex grid with resource mix changes, extreme weather challenges and tighter reserve margins"*	**Vast majority** of respondents believe it is a high priority to PJM to *"enhance market incentives and coordinate states to facilitate sufficient resource adequacy"*	**Vast majority** of respondents believe it is a high priority to PJM to *"implement innovative and forward-looking planning processes to help solve resource adequacy challenges"*	**Many** respondents believe it is a high priority to PJM to *"improve decision-making and implementation efficiency to meet the industry's pace of change"*

These topics correspond to strategy objectives

	1	2	3	4
Proposed strategy objectives	We will **reliably operate an increasingly dynamic grid**	We will **enhance durable market incentives** and **state alignment** to orchestrate resource adequacy	We will **proactively adapt planning processes** to address system needs	We will **improve decision-making efficiency** to meet rapid industry change
Specific topics considered	▪ Advanced grid tech & storage ▪ Stakeholder & state coordination ▪ Gas-electric & fuel security ▪ Demand flexibility & demand response ▪ Data center & large load curtailment ▪ Resource performance and flexibility	▪ Market & price-signal reform ▪ Large-load carve-out ▪ Deeper state partnerships ▪ Capacity construct redesign ▪ Forward-looking signal & bilateral contracting levels for load-serving entities	▪ Advanced transmission technologies ▪ Order 1920 / holistic long-term transmission ▪ State coordination & involvement ▪ Consolidated gen-transmission planning ▪ Interconnection process reform / flexible interconnection ▪ Regional & interregional planning ▪ Proactive generator retirement modeling ▪ Order 2222 (DER) integration	▪ Member and stakeholder engagement and transparency ▪ Streamlined & consolidated decision-making processes ▪ Decision-ready data and scenarios earlier in process ▪ Published issue summaries ▪ Broader public & non-member participation ▪ Structured written feedback channels ▪ More engagement with stakeholder-led / bolder ideas

Strategy scenarios and test cases

Your input has validated the following scenarios to pressure-test the strategy against:

Primary scenarios

A. Demand reversion
Example situation: The expected demand surge does not materialize – but capacity has already been built, creating new market imbalances

B. Balanced growth
Example situation: Supply keeps pace with load growth, stabilizing prices and reliability constraints

C. Capacity squeeze
Example situation: Demand growth accelerates while grid expansion further slows; reliability risks spike

D. Load diversion
Example situation: Demand surges while grid expansion stalls, leaving the bulk system unable to keep up

E. Accelerated decarbonization mandate
Example situation: Region accelerates push for net-zero targets

Other test cases (non-exhaustive)

- **Major geopolitical conflict**
- **Global asset price slump**
- **Fiscal crisis / borrowing cost increase**
- **Generation/storage tech breakthrough**

Next steps for the strategy development process

We want your input and feedback!

Please share your comments with Tim Burdis (timothy.burdis@pjm.com) and Kevin Hatch (kevin.hatch@pjm.com).

Upcoming milestones

- **Board engagement** – June / July
- **Members Committee presentation of strategy** – August 19