



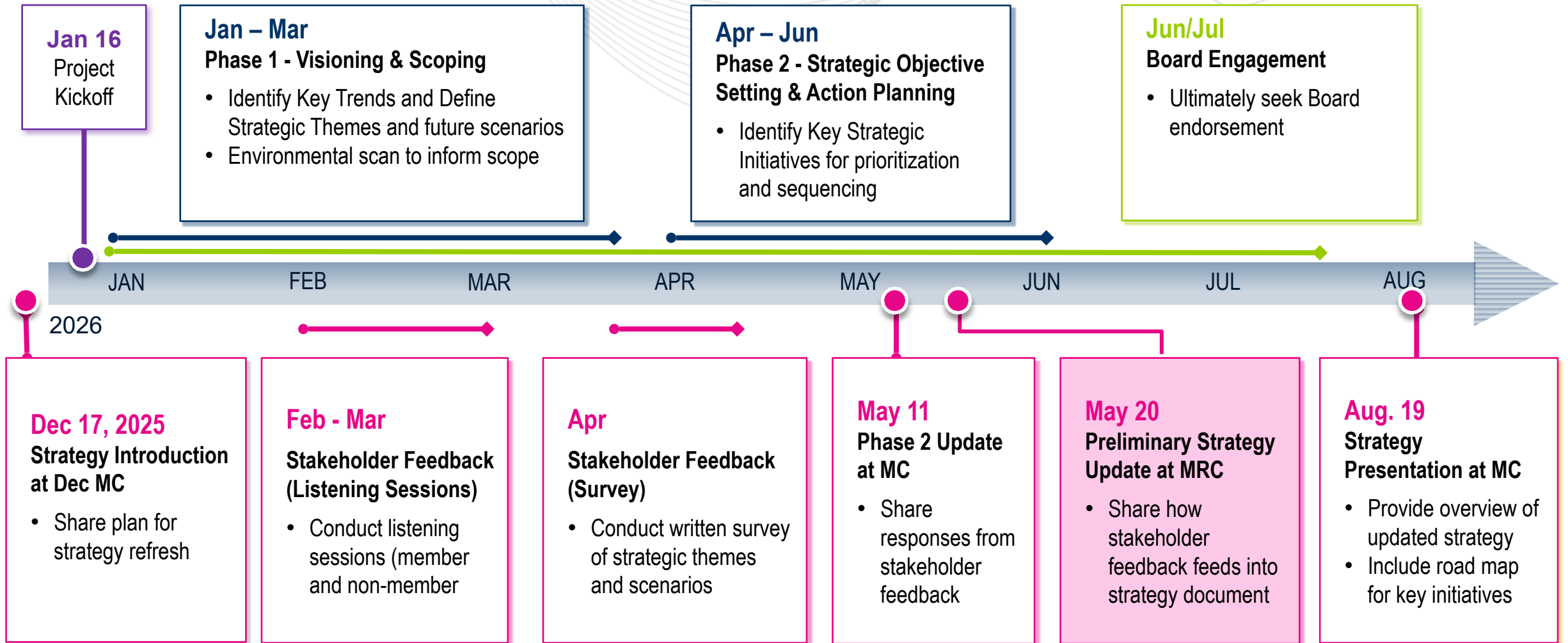
2026 PJM Strategy Update

PJM Markets and Reliability Committee
May 20, 2026

Aftab Khan
Chief Strategy Officer

Recap: PJM strategy development schedule

— Stakeholder process



Your input has been instrumental to this effort:

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

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

**Proposed
strategy
objectives**

**Reception
from survey**

1
We will **reliably operate an increasingly dynamic grid**

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”*

2
We will **enhance durable market incentives and state alignment** to orchestrate resource adequacy

Vast majority of respondents believe it is a high priority to PJM to *“enhance market incentives and coordinate states to facilitate sufficient resource adequacy”*

3
We will **proactively adapt planning processes** to address system needs

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”*

4
We will **improve decision-making efficiency** to meet rapid industry change

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

Proposed strategy objectives

Specific topics considered

	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	<ul style="list-style-type: none"> Advanced grid tech & storage Stakeholder & state coordination Gas-electric & fuel security Demand flexibility & demand response Data center & large load curtailment Resource performance and flexibility 	<ul style="list-style-type: none"> Market & price-signal reform Large-load carve-out Deeper state partnerships Capacity construct redesign Forward-looking signal & bilateral contracting levels for load-serving entities 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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

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

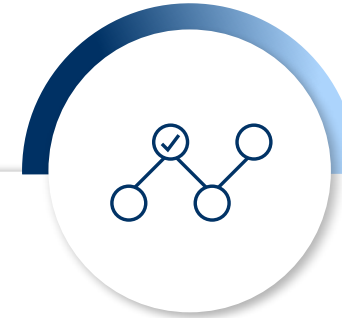


Generation/storage tech breakthrough



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