



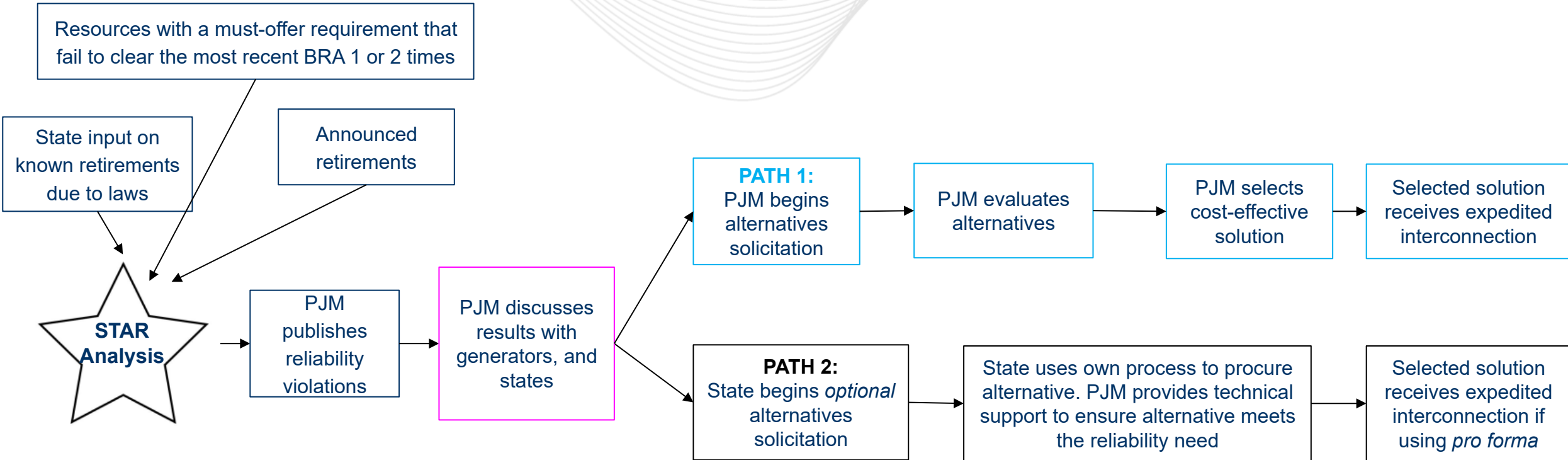
Updated PJM DESTF Package

Michael Herman, Lead Engineer,
Planning
DESTF
April 14, 2026

- Feb 2025 - PJM resumed DESTF discussions – focusing on phase 2 (Reduce/Eliminate RMR & Pro Forma legal language).
- Feb-Nov 2025 - Nine meetings focused on education and package development.
- Sept 2025 - PJM Presented preliminary package.
- Nov 2025 – Coalition presents initial proposal concepts
- Jan/Feb 2026 – Coalition presents proposal
- April 2026 – PJM to present updated proposal accepting certain design components from coalition proposal

- Key Work Areas 4 and 5 of the DESTF Problem statement look to shorten/eliminate any required RMR in PJM.
- PJM has heard the desires of stakeholders which include:
 - Proactive reliability analysis
 - Utilize a competitive window to seek least cost alternatives
 - Allow a path for Generation solutions to address RMR needs
 - Expedited Interconnection

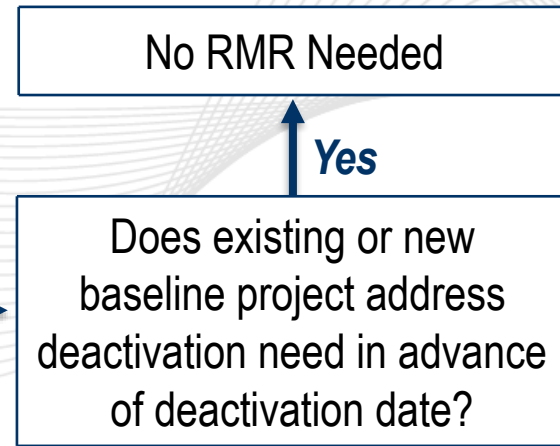
- PJMs initial package covered order 1920 and how it addresses the longer-term retirements/plans.
- Updated package builds on this framework with similar concepts
- Also considers shorter term De-Activations
- Addresses stakeholder desires



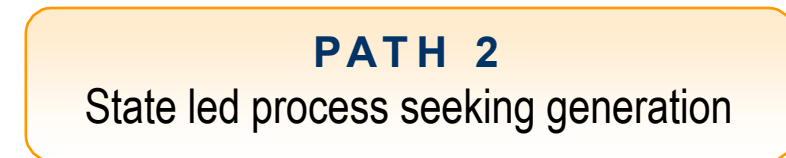
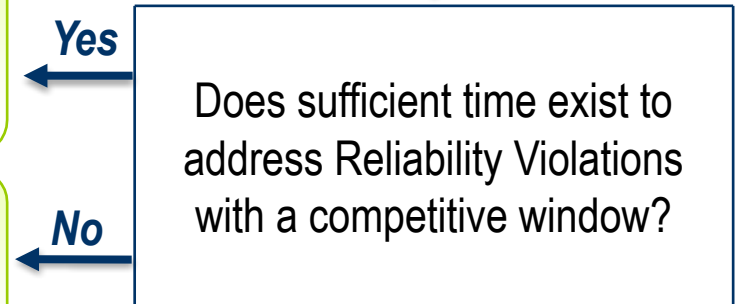
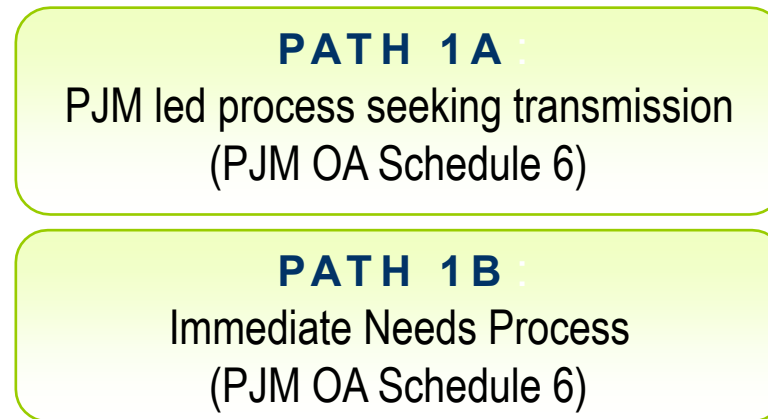
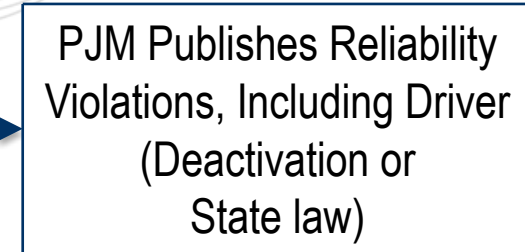
- Coalition provided arguments pointing to need for short term deactivation analysis. The following are concepts from the coalition package that PJM is adopting:
 - Annual 5 year look ahead analysis focusing on:
 - Announced Retirements and Known retirements primarily due to state law
 - Respecting the immediate need process
 - Dual path process where PJM conducts transmission alternative solicitation and state conducts optional alternative solicitation which includes Generation solutions (State Run process)
- PJM Considerations: the proactive, short-term deactivation analysis and associated transmission solutions will not be actionable without affirmed deactivation plan or State-Commitment to proceed proactively.

- Selecting a Generator as an alternative to an RMR (replace Transmission Development)
 - Federal Power Act give jurisdiction to the states to order generation
 - PJM does not have this authority.
 - Certain single state ISOs like CAISO and NYISO may have the ability to order generation based on specific state law
 - There are currently many streams where generation could be expedited offering faster paths to interconnection.
 - Concerns regarding expedited interconnection as a standard practice (continuous one-off solutions)
 - PJM needs to identify a backstop (transmission solution) in the event that the generation solution does not move forward or states shift policy/priorities;
 - Outgoing (deactivating) generation will need to be held until either replacement generation or backstop-transmission is energized.
 - Ability for PJM to force CIR transfer

- State input on known retirements due to laws
- Announced retirements



PJM Proposal



All paths will require PJM to hold outgoing generation under RMR until selected PATH 1 or 2 solutions are in place.

 **New processes**  **Existing PJM Process**



New processes



Existing PJM Process

PJM Proposal

- State input on known retirements due to laws
- Announced retirements

Near Term Deac Analysis

Does existing or new baseline project address deactivation need in advance of deactivation date?

Yes

No
RMR
Needed

No

PJM Publishes Reliability Violations, Including Driver (Deactivation or State law)

Does sufficient time exist to address Reliability Violations with a competitive window?

Yes

PJM begins Competitive window solicitation

PJM evaluates Tx proposals

PJM selects cost-effective solution

PJM Assigns cost-effective solution to proposing entity

PATH 1A (PJM OA Schedule 6)

No

PJM works with incumbent TO

PJM evaluates Tx proposals

PJM selects cost-effective solution

PJM Assigns cost-effective solution to proposing entity

PATH 1B (PJM OA Schedule 6)

PATH 2

State begins optional generation alternatives solicitation

State uses own process to procure generation alternative. PJM provides technical support to ensure alternative meets the reliability need

PJM and State document process in an SAA like agreement

All paths will require PJM to hold outgoing generation under RMR until selected PATH 1 or 2 solutions are in place.

- PJM will conduct a proposal window in accordance with M14F seeking alternatives to RMR proposal
- Proposals may include transmission solutions, including GET/ATTs and SATOA.
- Generation solutions are not within scope of Path 1

- PJM will follow the existing immediate needs process, direct assigning transmission projects
- Proposals may include transmission solutions, including GET/ATTs and SATOA.
- Generation solutions are not within scope of Path 1

- If a state elects to sponsor a replacement Project (Generation) to avoid an RMR, PJM will require that state to enter an agreement with PJM
- Once the state has committed, PJM will model this state sponsored generation as an assumption in RTEP analysis
- Proposals are limited to Generation solutions
- Existing Generation will remain in place until replacement generation is interconnected.
 - Gen will need to file a revenue requirement at FERC
 - How does Generator recover cost of doing so?

- Seeking feedback on PJM update proposal
- Bring updated package back to next DESTF meeting for review and comment
- Vote on packages following May 19th DESTF

Facilitator:

David Anders, David.Anders@pjm.com

Secretary:

Jonathan Ruffin,
Jonathan.Ruffin@pjm.com

SME/Presenter:

Michael Herman,
Michael.Herman@pjm.com

DESTF Updated Package



Member Hotline

(610) 666 – 8980

(866) 400 – 8980

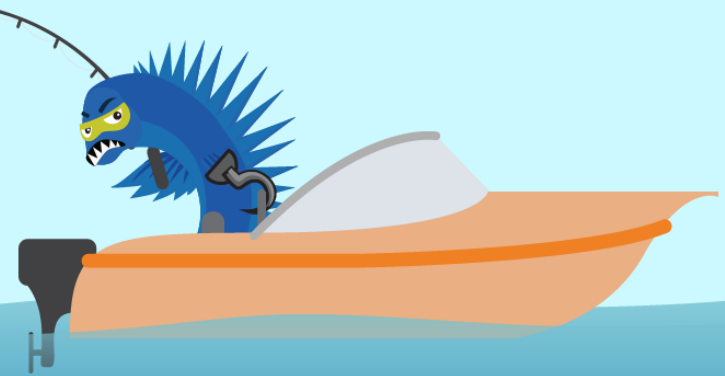
custsvc@pjm.com

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