January 29, 2026

Notice from PJM to Members, State Regulators, and Owners and Operators of backup generation resources at data centers (including, but not limited to, hyperscaler facilities) and at other large load industrial and commercial customer sites (whether auxiliary, standby, directly connected, battery storage or other generation).

As you likely have heard, on January 26, 2026, in response to the Secretary of Energy's letter,[1] PJM Interconnection, L.L.C. requested an order under section 202(c) of the Federal Power Act directing certain customer-owned backup generation facilities to operate under emergency conditions and authorizing PJM in collaboration with its Transmission Owners to implement that directive if needed to avoid or mitigate an Energy Emergency Alert ("EEA") level 3 during the current extreme winter weather event designated Winter Storm Fern.[2]

The Secretary granted that request and issued an Order later that same day. The Order was immediately effective and currently runs through 11:59 p.m. EST on January 31, 2026.[3] The Order specifically "requires the operation of . . . backup generation resources." By the Order's express language, this is a requirement, although the Order also acknowledges that whether certain backup generation resources are directed to operate involves a fact-specific analysis based on whether the generation services "a critical reliability or backup need." PJM and the Transmission Owners are to implement this directive as follows:

> "PJM, in collaboration with its Transmission Owners, is authorized to direct backup generation resources at data centers (including, but not limited to, hyperscaler facilities), and at other large load industrial and commercial customer sites (whether auxiliary, standby, directly connected, battery storage or other, and whether synchronized or not to the bulk power system), to operate as a last resort before declaring an Energy Emergency Alert (EEA) 3 (i.e., before firm load interruption) or during an EEA 3."

The Secretary's Order finds that using backup generation in this manner "can prevent avoidable blackouts, thereby saving lives and reducing costs to the American people." Further, the Secretary's Order states that "Rate recovery is available pursuant to 16 U.S.C. § 824a(c)."

PJM appreciates the interest of the Data Center community and others in this development. We expect that we will be able to continue operating the bulk electric system reliably through these recent challenging

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[1] Letter from Secretary of Energy Chris Wright to Reliability Coordinators and Balancing Authorities (PDF) (Jan. 22, 2026)

[2] PJM's Request for Section 202(c) Order (PDF) (Jan. 26, 2026). Please note that this Order is different from the Section 202c Order issued by the Secretary on January 25. That Order allows for the operation of front of the meter generation (as opposed to on-site back-up generation) and is not limited to situations where PJM is approaching an EEA3 condition.

[3] Department of Energy, Order No. 202-26-06 (PDF) (Jan. 26, 2026)

weather conditions without having to implement this new back-up generation procedure, but we also want to have every tool at our disposal to avoid power outages if conditions get significantly worse.

This communication is intended to:

- Notify large load customers of what is being asked of them
- Emphasize that PJM will be working with the Transmission Owners (and other appropriate entities) to implement the Order
- Reinforce that the Transmission Owners (and other appropriate entities) will be the main operational and communications point of contact for affected customers
- Outline the procedure through which large load customers would ultimately be called upon by the Transmission Owners (and other appropriate entities) to move to backup generation

Please note this key part of the Order: PJM must implement the Order "in collaboration with its Transmission Owners."

It is the Transmission Owners with whom PJM will work to effectuate the directives of the Order. Transmission Owners, in turn, must partner with Electric Distribution Companies and Load Serving Entities (collectively "retail service providers") to implement the directives of the Order in coordination with retail customers consistent with law. Accordingly, Data Centers and other retail customers with on-site back-up generation of sufficient size should be conferring with their retail service providers in the first instance about how the Order will be implemented in their particular area. Ultimately, the retail service providers will be coordinating with retail customers in their territories to potentially transfer to backup generation if needed based on system conditions and based upon PJM declarations about system conditions.

Upon issuance, the Secretary's Order was notably sent to State Commissioners in the PJM Region (and PJM shared this Order with its states separately). PJM and the Transmission Owners anticipate the need for increased coordination with the states in the PJM Region to facilitate the implementation of grid-wide emergency operating procedures relating to backup generation contemplated in the Order, especially to the extent alignment is needed regarding state-regulated emergency procedures for retail service providers.

Importantly, pursuant to the Secretary's Order, covered on-site backup generation is only authorized to operate "before [PJM] declar[es] an [EEA] 3 (i.e., before firm load interruption) or during an EEA 3." An EEA 3 typically follows after an EEA 1 and EEA 2 are issued and all available generation resources and all load management procedures (pre-emergency and emergency demand response) have been exhausted. As a result, the use of the Order is limited to a *very discrete and narrow triggering event,* namely PJM declaring that it is already in a NERC EEA 2 condition, which would then trigger Transmission Owners contacting back-up generation in their regions to prevent a further degradation of the PJM system into an EEA 3 condition.

For this reason, it is important that PJM, the PJM Transmission Owners, and the Owners and Operators of backup generation implement these procedures as quickly as is safely and reliably possible. Any exceptions to this implementation, either as identified in the DOE Order or identified in coordination with the Order, should reflect safe and reliable operations. Implementation of this procedure is vital to implementing more widespread load shed procedures to maintain reliability.

Once PJM deploys Demand Response (DR), EEA 2 and EEA 3 can happen quickly if PJM's system is low on capacity. Accordingly, we encourage Data Centers and other large loads with back-up generation to monitor the status of PJM emergency procedures. To view when PJM is in an EEA 1, 2 or 3, PJM system conditions and emergency procedures can be accessed via the PJM Now app[4] or via the public-facing Emergency Procedures page.[5]

With the Order now issued, and while PJM is assessing whether to enter or stay in an EEA 1 during this week's cold weather, PJM has begun the process of coordinating with the Transmission Owners on how to implement the Secretary's Order. As an end-use customer of the retail service providers, large loads with on-site backup generation should expect to engage directly with their retail service providers that serve their facility or their direct service provider (i.e., your Load Serving Entity) on implementation of the Order. Moreover, if you are running your on-site back-up generation during this period, any return to grid power would also need to be coordinated with the Transmission Owner.

The PJM Transmission Owners have requested that communications regarding the implementation of this Order go through the existing account representatives assigned to a large load customer's account.

Following the conclusion of the EEA conditions triggering the application of the Order, PJM also observes that the DOE is providing sufficient time for an orderly ramp down, consistent with industry practices. Certain backup generation resources serving critical reliability/backup needs may also be excepted.

Lastly, the Order provides "PJM shall provide notification to the Department within one day following the date any backup generation resources have been directed to operate pursuant to this Order. The reporting shall include a list of all backup generation resources directed to operate pursuant to this Order."

This reporting requirement would only apply if any backup generation resources have been directed to operate. If no directive is given, there is no reporting requirement.

If there is a directive to operate, by the next day at 11 a.m. EST, PJM requests that you cooperate with the Transmission Owner (or other appropriate entity) to provide a list of all backup generation resources that were directed to operate pursuant to the Order. That list should be sent to Kevin.Hatch@pjm.com with the subject line, "COMPANY NAME Backup Generation 202(c) Daily Report DATE."

PJM appreciates your help in effectuating the Order. Attached is an Addendum to Manual 13, entitled Behind the Meter Emergency Procedure, to facilitate implementation of the Secretary's Order. If you have questions about this matter, please contact your local retail service provider or Kevin Hatch, PJM, at Kevin.Hatch@pjm.com.

[4] PJM Now app

[5] PJM Emergency Procedures

Addendum to Manual 13: Behind the Meter Emergency Procedure
Emergency use of Back-up Generators
January 27, 2026

Background: On Thursday, January 22, 2026, NERC Reliability Coordinators (RC) and Balancing Authorities (BA) received a letter[6] from the Secretary of Energy Chris Wright providing instructions when RC/BA authority will be granted by the Department of Energy to leverage Backup Generation Facilities during Energy Emergencies.

General Process: PJM shall notify the Department of Energy when PJM issues NERC EEA 1 and expects an emergency warranting the potential issuance of an EEA3 to direct backup generation facilities to run as a last resort avoiding potential blackouts. Backup generation facilities may be used after NERC EEA 1 and NERC EEA2 steps are issued and all available generation resources and all load management procedures (pre-emergency and emergency demand response) have been exhausted.

PJM applies for and receives a 202c Order from the Department of Energy authorizing the use of back-up generation at data centers in the PJM region.

Capacity Emergencies Procedure:

1. PJM issues a Maximum Generation Emergency / Load Management Alert and NERC EEA 1 day-ahead and provides notification to the DOE. PJM may issue additional Alerts Day-ahead depending on system projections.
2. PJM issues Pre-Emergency Load Management, Emergency Load Management and a Public Appeal to reduce Demand and NERC EEA 2 and provides notification to DOE indicating whether PJM anticipates they will be unable to meet their Contingency/Primary Reserve Requirements (i.e. NERC EEA 3 is anticipated)
3. PJM will issue all Capacity Emergency Procedures, up to Step 7 – Deploy All Resource Action but will not issue a Voltage Reduction Action since a Voltage Reduction relief provides Contingency Reserves.
4. Prior to issuing a Manual Load Dump Warning (NERC EEA 3), PJM will issue an Emergency Use of Back-up Generators Warning (new procedure Step 7.1) and communicate directly to the impacted Transmission Owners notifying them of the expected relief.
5. PJM will issue an Emergency Use of Back-up Generators Action (new procedure Step 7.2) directly to the impacted Transmission Owners, communicating expected relief in order to maintain Contingency/Primary Reserves.

PJM will issue a Manual Load Dump Warning (NERC EEA3) upon being informed by the transmission owners that efforts have been made to reach data centers seeking their use of back-up on-site generation.

Note: Emergency procedure steps may escalate and some steps could be issued simultaneously due to system conditions.

[6] A copy of Secretary Wright's correspondence is available here: https://www.energy.gov/documents/leveraging-backup-generation-facilities-during-energy-emergencies

Transmission Emergency Procedure:

1. PJM issues a Maximum Generation Emergency / Load Management Alert (for Transmission Security noting the impacted transmission zones) and NERC EEA 1 day-ahead and provides notification to the DOE.
2. PJM issues Pre-Emergency Load Management, Emergency Load Management and a Public Appeal to reduce Demand and NERC EEA 2 (for transmission security noting the impacted Transmission Zones) and provides notification to DOE indicating whether PJM anticipates they will be unable to maintain Transmission Security requiring possible load shed (i.e. NERC EEA 3 is anticipated) requesting advanced DOE approval to use Emergency Back-up Generators, if needed.
3. PJM will issue all Emergency Procedures (for transmission security noting the impacted Transmission Zones) up to Step 7 – Deploy All Resource Action (for transmission security noting the impacted Transmission Zones).
4. Prior to issuing a Manual Load Dump Warning (for transmission security noting the impacted Transmission Zones) and NERC EEA 3, PJM will issue an Emergency Use of Back-up Generators Warning (new procedure for transmission security noting the impacted Transmission Zones) and communicate directly to the impacted Transmission Owners notifying them of the expected relief.
5. PJM will issue an Emergency Use of Back-up Generators Action (new procedure for transmission security noting the impacted Transmission Zones) directly to the impacted Transmission Owners, communicating expected relief in order to maintain Transmission Security.
6. PJM will issue a Manual Load Dump Warning (for transmission security noting the impacted Transmission Zones) and NERC EEA3 once Emergency Back-up Generator relief is exhausted and additional emergency procedures are necessary in order to maintain Transmission Security.

Note 1: Emergency procedure steps may escalate and some steps could be issued simultaneously due to system conditions.

Note 2: This addendum is intended to become part of Manual 13 after input and review from stakeholders.