

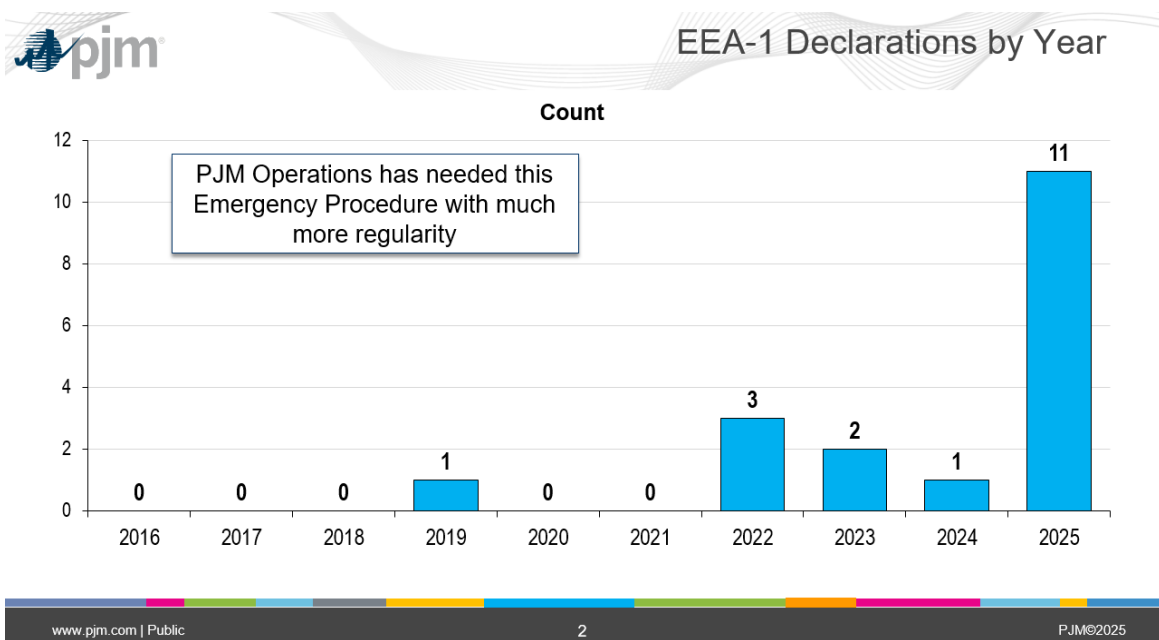
EXPANSION OF PROVISIONAL SERVICE

PROBLEM / OPPORTUNITY STATEMENT

PJM has communicated growing resource adequacy concerns in recent years driven by the following factors:

- Significant load growth, including large data centers
- Supply chain, permitting, and financing challenges have slowed the development of new generation resource additions
- Accelerated generator retirements due to age and environmental policy concerns

Additionally, from an operational perspective, this concern is reflected in the sharp increase in EEA-1 declarations in the current operation year which has not yet even completed. A NERC Energy Emergency Alert (EEA) Level 1 (EEA-1) is a notice issued by a Balancing Authority (BA) when all available generation resources are committed to meet electricity demand, firm transactions, and reserve commitments, and there are concerns about maintaining required contingency reserves.



PJM believes there may be projects that advance to the Phase III of the Cycle interconnection process that could, under certain circumstances, be permitted to safely and reliably generate prior to the completion of certain studies.

PJM's current provisional service process (i.e. interim deliverability study process) allows for generating facilities to generate prior to the project base case study year and/or prior to the completion of all



Problem/Opportunity Statement

required system Network Upgrades under certain study conditions, but only after a project has entered into their final interconnection-related service agreement.