

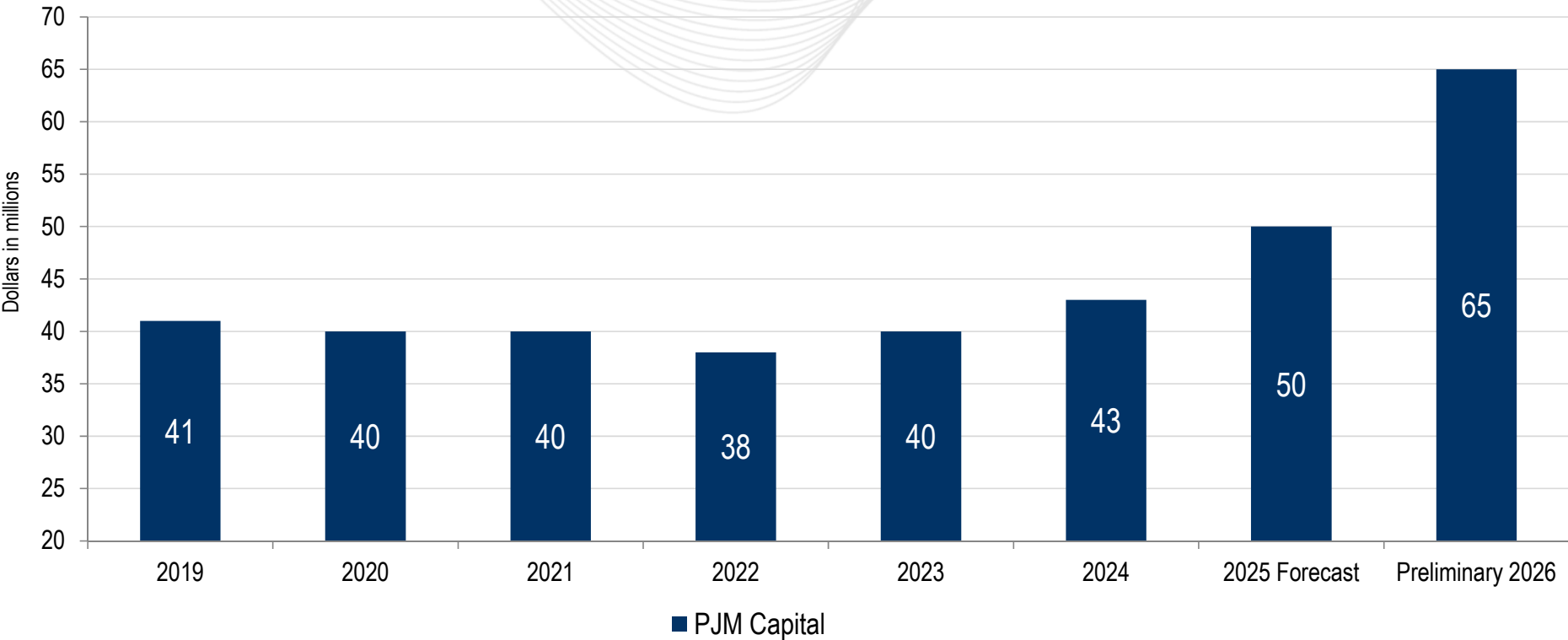


Preliminary 2026 Project Budget

Planning Committee
September 9, 2025
Jim Snow



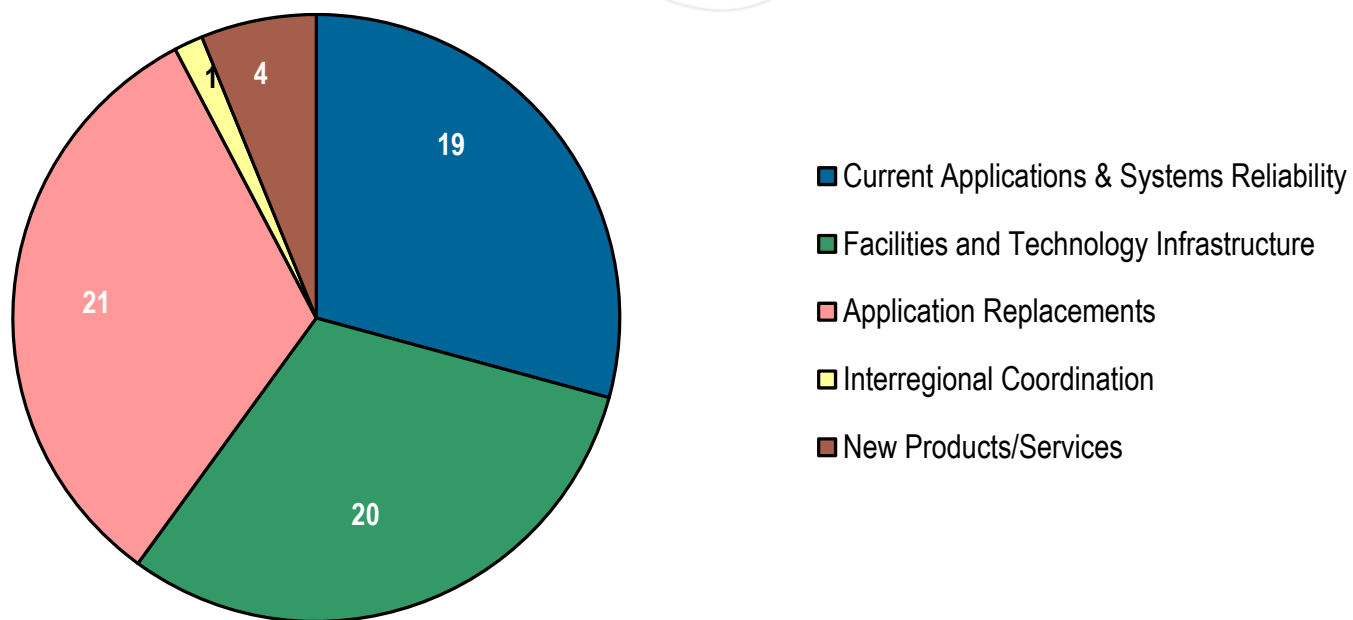
Annual Capital Expenditures





Preliminary 2026 Capital Budget

Total = \$65 million





Application Replacements/Retrofit

(dollars in millions, except rates)	2025	2026
Capital	21	21
Expense	5	7
<p>Energy Management Network Application and Training Systems – This project will implement updated architecture for PJM’s Transmission Network Application (TNA) and the Operator/Dispatch Training (OTS/DTS) systems. <i>Service Category: 9-1 Control Area Services</i></p> <p>Energy Management Model Manager – This project will implement updated architecture for PJM’s Model Manager (IMM) system. <i>Service Category: 9-1 Control Area Services</i></p> <p>Next Generation Markets Systems (nGEM) – This project is a collaborative project with vendor and ISOs/RTOs to transform the market systems architecture, technology and products. <i>Service Category: 9-3 Market Support Services</i></p> <p>SAP ERP Refresh – This project will replace the legacy ERP tool with the newest SAP ERP product. <i>Service Category: 9-5 Management Services</i></p> <p>Market Settlements Billing Refresh – This project will replace an out-of-support application critical to the weekly and monthly billing system. <i>Service Category: 9-PSI PJM Settlements Inc.</i></p> <p>Governance, Risk and Compliance Tool Replacement – This project will replace and automate existing compliance tool and manual processes for compliance documentation, as well as improve internal controls and risk assessment capabilities. <i>Service Category: 9-5 Management Services</i></p> <p>New Forecast Model Implementation – This project will implement a new short-term load forecast model. <i>Service Category: 9-1 Control Area Services</i></p>		



Current Applications & Systems Reliability

(dollars in millions, except rates)	2025	2026
Capital	18	19
Expense	7	7
<p>Data Analytics – A series of projects to enhance and modernize PJM's data and analytical capabilities, skills and tools. <i>Service Category: 9-5 Management Services</i></p> <p>DART Refresh and Enhancements – A series of projects to integrate the Dispatcher Application and Reporting Tool (DART) into PJM's updated standardized software tools framework, and to provide functional enhancements to the application. <i>Service Category: 9-1 Control Area Services</i></p> <p>Credit and Risk Enhancements – A series of projects to integrate credit/risk applications into PJM's standardized software tools framework, automation and to provide functional improvements. <i>Service Category: 9-PSI PJM Settlements & 9-2 FTR Services</i></p> <p>System Planning Enhancements – A series of projects to improve and automate RTEP processes, regional transmission planning, and to support Transmission Reform. <i>Service Category: 9-1 Control Area Services</i></p> <p>Cyber Security Enhancements – A series of projects to enhance monitoring and security access of PJM's computer systems, and remediate potential vulnerabilities. <i>Service Category: 9-5 Management Services</i></p> <p>Membership Services Tool Enhancements – A series of projects to enhance the customer relationship management, the Learning Management and Training system tools. <i>Service Category: 9-5 Management Services</i></p> <p>Dispatch Tools Enhancements – A series of enhancements to improve dispatcher situational awareness, automate operational processes, maintain support and provide functional enhancements within the applications. <i>Service Category: 9-1 Control Area Services</i></p> <p>PJM.com and Intranet Enhancements – A series of projects to address functionality updates to PJM.com and PJM's internal employee website. <i>Service Category: 9-5 Management Services</i></p>		



Facilities and Technology Infrastructure

(dollars in millions, except rates)	2025	2026
Capital	8	20
Expense	3	2

Building Purchase – Purchase of 955 and 975 Jefferson Avenue properties. *Service Category: 9-5 Management Services*

Technology Infrastructure Upgrades – Projects purchasing network, server, and storage infrastructure equipment. This scope will align technology with PJM’s current architecture as older infrastructure becomes obsolete. *Service Category: 9-5 Management Services*

Computing Environment Cooling Replacements – A series of projects to replace key cooling components in the computer environment rooms at Milford and Valley Forge. *Service Category: 9-5 Management Services*

Cyber Security Infrastructure Upgrades – A series of projects to replace and update technology for cyber security monitoring infrastructure. *Service Category: 9-5 Management Services*



New Products and Services

(dollars in millions, except rates)	2025	2026
Capital	2	4
Expense	---	---

Stakeholder-Driven Efforts – A series of projects to address market system and market settlement enhancements for areas identified in various task force committees. *Service Category: 9-3 Market Support Services, 9-4 Capacity Reserve Services, & 9-PSI PJM Settlements Inc.*

Generator model data enhancements – Series of projects expanding ability to collect, store and process a wider range of generators in PJM's model. *Service Category: 9-1 Control Area Services*

Dispatcher Application and Reporting Tool Enhancements – This project will create a tool to identify transformers with load tap changers and submission of tap changes providing transmission owners visibility of neighboring non-telemetered tap information. *Service Category: 9-1 Control Area Services*



Interregional Coordination

<i>(dollars in millions, except rates)</i>	2025	2026
Capital	1	1
Expense	---	---
Market-to-Market Enhancements – Projects will address work required to implement necessary changes within the market-to market application. <i>Service Category: 9-3 Market Support Services</i>		



Capital Initiatives Considered and Deferred

- **Combined Cycles \$3.8M** – Optimize modeling for multi-configuration resources in existing markets models.
- **Energy Management System (EMS) One Line Unification \$1.3M** – Render both Real-Time and Study one line diagrams in the OSI Monarch application.
- **Technology Upgrades \$1.3M** – Infrastructure upgrades with flexibility in upgrade timing



2026 Budget Timeline

Date	Group	Topics
August 19	Finance Committee	Preliminary 2026 Budget and Projects & Multi-year projections
September 9	Planning Committee	Preliminary 2026 Projects
September 10	Market Implementation Committee	Preliminary 2026 Projects
September 11	Operating Committee	Preliminary 2026 Projects
September 17	Finance Committee	Proposed 2026 Budget and Projects
September 30	Finance Committee Member Representatives	Recommendation Letter to PJM Board of Managers
October	Board of Managers	Consideration of Proposed 2026 Budget