



Transmission Expansion Advisory Committee (TEAC) Recommendations to the PJM Board

PJM Staff White Paper

PJM Interconnection
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For Public Use

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I. Executive Summary

On February 12, 2026, the PJM Board of Managers approved changes to the Regional Transmission Expansion Plan (RTEP), totaling a net increase of \$12,241.25 million for baseline projects to resolve baseline reliability criteria violations, to improve the market efficiency and operational performance of the system, and to address changes to existing projects.

Since then, the New Jersey Board of Public Utilities (NJBPU), acting on behalf of the state of New Jersey, issued an order in which it cited a series of “material changes” surrounding offshore wind (OSW) generation and the fact that there are “no identified, large-scale in-state generation projects under active development” in concluding that it is no longer in the best interests of New Jersey ratepayers to continue the State Agreement Approach (SAA) with PJM. Because New Jersey determined that the OSW generation is unlikely to materialize in the near term, the public policy need for which previously-selected baseline public policy projects (SAA Projects) were initially selected no longer exists. PJM and the NJBPU therefore entered into a Mutual Agreement to Terminate the Amended and Restated State Agreement Approach Agreement, designated as Rate Schedule FERC No. 53 (the Mutual Termination Agreement) to (i) terminate the Amended and Restated State Agreement Approach Agreement between PJM and the NJBPU, designated as Rate Schedule FERC No. 49 (the Amended SAA Agreement) and (ii) identify (a) the 42 SAA Projects that will be canceled and removed from PJM’s RTEP, (b) the six (6) SAA Projects that will continue to be developed and remain in the RTEP, and (c) the 10 SAA Projects that were already canceled and removed from the RTEP.

PJM: (i) filed the Mutual Termination Agreement in Federal Energy Regulatory Commission (FERC) Docket No. ER26-2294, (ii) requested that FERC issue an order accepting the Mutual Termination Agreement without modification no later than June 23, 2026, and (iii) specified that, per the terms of the Mutual Termination Agreement, the agreement will become void if not accepted on or before June 23, 2026.

Cancellation of the cancelled SAA Projects, identified below, will result in a net decrease of \$1,044.49 million. With these changes, RTEP projects will total approximately \$69,719.58 million since the first Board approvals in 2000.

PJM sought the Reliability and Security Committee consideration and full Board conditional approval of the cancellation of the RTEP baseline projects summarized in this white paper, and requested that the Board’s approval become effective as of the date of a FERC order accepting the Mutual Termination Agreement, provided that FERC issued such order no later than June 23, 2026. On June 22, 2026, FERC issued an order accepting the Mutual Termination Agreement (*PJM Interconnection, L.L.C.*, 195 FERC ¶ 61,227 (2026)). Accordingly, the condition to the Board’s approval has been satisfied, and the changes to the RTEP described herein are effective..

II. Changes to Previously Approved Projects

A. Cancellations

Consistent with the terms of the Mutual Termination Agreement, the following cancellations were approved (listed by region):

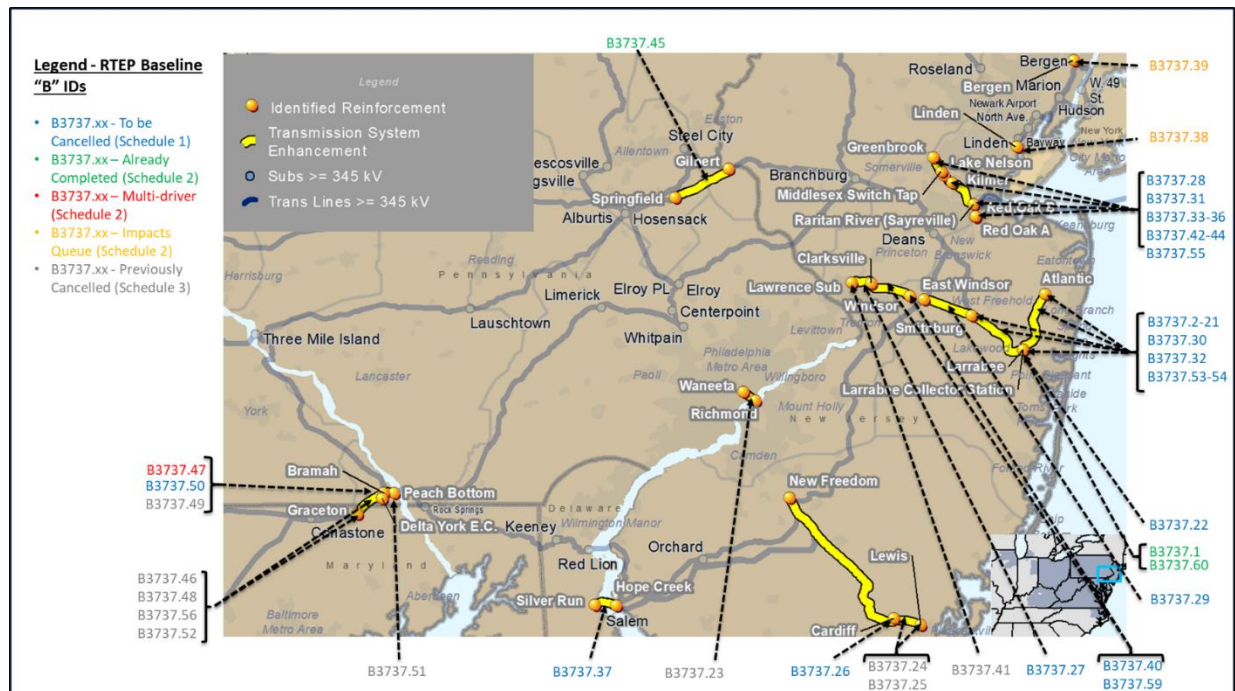
- Larrabee Tri-Collector Solution: b3737.2, b3737.3, b3737.4, b3737.5, b3737.6, b3737.7, b3737.8, b3737.9, b3737.10, b3737.11, b3737.12, b3737.13, b3737.14, b3737.15, b3737.16, b3737.17, b3737.18, b3737.19,

b3737.20, b3737.21, b3737.22, b3737.27, b3737.29, b3737.30, b3737.32, b3737.40, b3737.53, b3737.54, and b3737.59.

- Northern New Jersey: b3737.28, b3737.31, b3737.33, b3737.34, b3737.35, b3737.36, b3737.42, b3737.43, b3737.44, and b3737.55
- Southern New Jersey: b3737.26
- Southeastern Pennsylvania (PA-MD Border): b3737.50
- New Jersey-Delaware ties: b3737.37

The locations of these projects are shown in Map 1, below.

Map 1: SAA Project Locations by Status Under the Mutual Termination Agreement



Of the 42 projects that will be terminated, 29 projects relate to the Larrabee Tri-Collector Solution. The intention of the Larrabee Tri-Collector Solution was to be a coordinated transmission project that establishes a centralized onshore interconnection point and shared infrastructure to aggregate and deliver OSW generation to multiple points on the PJM grid. These projects would be located in close proximity to the OSW generators and the proposed Larrabee Collector Station, and were therefore most affected by delays in the permitting and construction of OSW generation facilities. PJM has determined that canceling these projects is not harmful because they were developed to support the OSW generation that is now unlikely to materialize in the near-term. In absence of that generation, the projects do not provide corresponding system benefits, and canceling them avoids imposing unnecessary costs without compromising reliability.

With respect to the remaining 13 projects, these projects mitigated reliability violations on the existing transmission system associated with the OSW generation injections. PJM has not currently identified these 13 projects as either multi-driver projects or facilities that will impact queue projects, and therefore PJM intends to remove these projects from the RTEP cases, and will address any reliability violations determined as a result of the cancellation through the 2026 RTEP process. That is, PJM will further evaluate the impact of the termination of the canceled projects as part of its ongoing 2026 RTEP cycle. To the extent that the termination of these projects results in any reliability violations through its established planning analyses, PJM will address them by seeking solutions for any such violations, and selecting appropriate reliability solutions as part of the ongoing RTEP cycle.

III. Review by the Transmission Expansion Advisory Committee (TEAC)

The Mutual Termination Agreement was publicly filed at FERC on April 23, 2026. Following that filing, PJM discussed the Mutual Termination Agreement with stakeholders at the May 8, 2026 TEAC meeting, including explaining which SAA Projects would be retained and which projects would be canceled pursuant to the agreement. Interested parties had the opportunity to comment on the Mutual Termination Agreement filing at FERC (three parties filed comments in support), and PJM requested that TEAC participants submit written comments to PJM to communicate any concerns with project recommendations. No such written comments were received.

IV. Cost Allocation

As set forth in the Mutual Termination Agreement, the NJBPU has agreed that New Jersey customers will continue to bear prudently incurred costs associated with the SAA Projects to be terminated, while also remaining responsible for costs associated with the SAA Projects that will remain in the RTEP.

FERC previously approved the cost allocation methodology applicable to the SAA Projects, which is set forth in Tariff, Schedule 12 - Appendix C, section (1). That section also lists each of the previously-approved SAA Projects, and the cost responsibility assignments applicable to each such project. All SAA Projects will continue to be listed in PJM Tariff, Schedule 12 - Appendix C, section (1), and PJM will annually update the cost responsibility assignments for such projects to reflect the prior year's load ratio share in accordance with Tariff, Schedule 12, section (c)(4).

V. Board Approval

The PJM Reliability and Security Committee endorsed the cancellations of and removal from the RTEP of the 42 SAA Projects as described in this white paper, and recommended to the full Board the conditional approval of such cancellation and removal, with such approval being conditioned upon acceptance by FERC of the Mutual Termination Agreement no later than June 23, 2026. On June 22, 2026, FERC issued an order accepting the Mutual Termination Agreement (*PJM Interconnection, L.L.C.*, 195 FERC ¶ 61,227 (2026)). Accordingly, the condition to the Board's approval has been satisfied, and the changes to the RTEP described herein are effective.