PJM Statement on Public Policies Submitted for Consideration in the 2026 RTEP

In conformance with its obligation under the PJM Operating Agreement, Schedule 6, section 1.5.6(b), PJM provides this statement to explain which Public Policy Requirements and Public Policy Objectives offered by stakeholders at the assumptions stage of the 2026 RTEP development process were and were not considered in performing the evaluation and analysis of transmission needs in the 2026 planning cycle.[1]

Background

On December 12, 2025, ISAC submitted the "State Policies Workbook" to PJM.[2] ISAC indicated the workbook's stated purpose is an effectuation of the PJM Operating Agreement, Schedule 6, section 1.5.4(c), which states "The Office of the Interconnection also shall solicit from the Members, Transmission Customers and other interested parties, including but not limited to electric utility regulatory agencies within the States in the PJM Region, Independent State Agencies Committee, and the State Consumer Advocates, information required by, or anticipated to be useful to, the Office of the Interconnection in its preparation of the enhancement and expansion study, including information regarding potential sensitivity studies, modeling assumption variations, scenario analyses, and Public Policy Objectives that may be considered."[3]

The State Policies Workbook detailed the PJM states' respective Public Policy Requirements and Public Policy Objectives related to:

- Renewable portfolio standards (RPS).
- Generator deactivations driven by state retirement policies and private corporate commitments (through 2034 and beyond).
- Clean energy targets and other clean energy policies.
- Policies supporting existing generation.
- Electrification policies for buildings and electric vehicles.
- Generator siting restrictions and opportunity zones.
- Resource-specific targets for offshore wind and storage technologies.
- Assumptions on new gas build in each PJM state.
- Additional incentives that may influence new generation being built.
- State-approved integrated resource plans.
- State tariffs for large loads.

[1] PJM Operating Agreement, Schedule 6, section 1.5.4(b).
[2] The State Policies Workbook was submitted by ISAC via email to staff within PJM's Governmental Services Department. The workbook is publicly available on PJM's website – https://www.pjm.com/-/media/DotCom/committees-groups/state-commissions/isac/postings/2026-rtep-isac-assumptions-submission.xlsx.
[3] PJM Operating Agreement, Schedule 6, section 1.5.4(c).

2026 RTEP – 8-Year Case

The 2026 RTEP includes an 8-year base case suit that represents a 2034 planning horizon. The 2034 planning year is forecasted to have a significant amount of demand (218,339 MW summer peak load and 204,549 MW winter peak load). This large amount of load exceeded the available generation capacity in the original model and necessitated the use of a capacity expansion model to supplement the existing and planned generation with additional generation capacity, which is informed by generation development economics, industry trends and state policies, such as RPS targets. The final assumptions for the 2026 RTEP's 8-year planning cases and the associated capacity expansion model were presented to stakeholders at PJM's June 2, 2026 Transmission Expansion Advisory Committee (TEAC) meeting.[4]

PJM modeled the 8-year planning base case suit to include two scenarios (Scenario A.1 and Scenario B.1) and additional sensitivities on Scenario A.1 (Sensitivities A.2, A.3., A.4, and A.5). All scenarios and sensitivities in the 2026 RTEP's 8-year base case suit adopt the PJM 2026 Load Forecast.[5]

Scenario A Overview

To make the 2034 planning horizon be resource adequate in the 8-year case, Scenario A.1 uses the capacity expansion model to identify an economic resource mix of the additional generation needed from within the Transition Cycle 2 (TC2) and Cycle 1 (C1) interconnection queues.

New resources that were considered for the capacity expansion model included solar, onshore wind, offshore wind, hybrid resources, combined cycle gas facilities, combustion turbine gas facilities, battery storage, and uprates to nuclear facilities. Many of these resource classes also contributed to states' RPS targets. PJM made additional determinations for the Scenario A.1 modeling assumptions that were reviewed with stakeholders at the April 7, May 8, and June 2 TEAC meetings, such as limitations on eligible new offshore wind and new natural gas that the capacity expansion model can use.

PJM also derived a number of sensitivity scenarios based on Scenario A.1 to capture the impact of changes in specific assumptions on the resulting capacity expansion model, including the resource mix and location. These sensitivities include:

- Sensitivity A.2 – removes restrictions on eligibility of new gas in PJM.
- Sensitivity A.3 – models the PJM states' energy storage targets, as provided by ISAC.
- Sensitivity A.4 – models the retirement of the entire coal fleet in PJM.
- Sensitivity A.5 – increases the fuel and capital costs for gas units in the capacity expansion model (30% higher capital cost for new combustion turbine and combined cycle resources, and a 25% higher price for natural gas).

[4] 2026 RTEP – Capacity Expansion Scenarios for 8-year cases (2034) (June 2, 2026). Presented to the PJM Transmission Expansion Advisory Committee – https://www.pjm.com/-/media/DotCom/committees-groups/committees/teac/2026/20260602/20260602-item-13---2026-capacity-expansion-for-rtep-feedback-assumptions-results.pdf.

[5] 2026 PJM Load Forecast Report (Jan. 14, 2026) – https://www.pjm.com/-/media/DotCom/library/reports-notices/load-forecast/2026-load-report.pdf.

Scenario B Overview

Scenario B.1 takes more policy considerations into account. This scenario models the PJM states' RPS targets and battery storage targets. It also takes into account deactivations driven by state and federal policies. In addition to other determinations, Scenario B.1 also allows for new natural gas to be built in any PJM state but still limits the eligibility of new offshore wind. Because the resources in TC2 and C1 are vastly insufficient to meet the state RPS targets, Scenario B.1 only uses information from those two cycles if consistent with policy and economics and models additional unplanned resources to economically meet the states' RPS targets.

Determination of Submitted Public Policies Used for the 2026 Planning Cycle

PJM offers the following on which policies submitted for consideration were and were not included as part of the 2026 RTEP planning process. The policy categories listed here reflect the policies and policy categories provided by ISAC for consideration in the State Policies Workbook.

Renewable Portfolio Standards (RPS)

State RPS targets can influence the types of new resources being proposed in and around states with such policies. Many RPS-eligible resources are already in service, and more are being proposed through PJM's New Services Request process for interconnecting generation. The planning models used for the PJM RTEP, as per current Planning Manual 14B provisions,[6] include those proposed RPS-eligible resources that have signed a Generation Interconnection Agreement (GIA) or Wholesale Market Participation Agreement (WMPA) but have not begun commercial operation. The 2026 RTEP's 5-year case included planned RPS-eligible resources that have a signed GIA or WMPA.

PJM also considers resources at earlier stages (pre-GIA/WMPA) to meet the growing load, as necessary. An expanded list of RPS-eligible resources in TC2 and C1 were used to serve the demand in the 8-year case, as identified by the capacity expansion model. Scenario A.1 and Sensitivities A.2 – A.5 did not specifically model for state RPS targets, but they all pulled from the aforementioned expanded list of RPS-eligible resources in TC2 and C1. Scenario B.1 did model state RPS targets.

Generator Deactivations Driven by Retirement Policies

ISAC submitted a list generators anticipated to retire by 2034 and beyond.[7] The state policies affecting this list of generators are:

- **Illinois** – Climate and Equitable Jobs Act (CEJA)
- **New Jersey** – New Jersey Department of Environmental Protection's CO2 Rule
- **Virginia** – Virginia Clean Economy Act

[6] PJM Manual 14B: PJM Region Transmission Planning Process, Attachment B: Regional Transmission Expansion Plan – Scope and Procedure, Section B.4.

[7] Anticipated to retire means that these resources have not submitted an official deactivation notification to PJM but are expected to retire by a certain date in compliance with the relevant state policy impacting the resource.

PJM incorporated the policy-driven deactivations as part of Scenario B.1 in the 8-year case in the 2026 RTEP. PJM also included policy-driven deactivations that specifically impacted existing coal facilities in Sensitivity A.4. PJM did not include policy-driven deactivations in Scenario A.1 or Sensitivities A.2, A.3, or A.5.

Clean Energy Targets and Other Clean Energy Policies

In addition to RPS targets, ISAC's State Policies Workbook included other clean energy targets and clean energy policies. With the exception of policies submitted in this category that also are captured as RPS targets, PJM did not specifically model the states' clean energy policies in the 2026 RTEP, as these types of policies can be abstract from a transmission planning perspective. Abstract in this context generally means that these policies, absent a roadmap via supporting implementing regulations, are unable to be modeled for purposes of identifying the transmission needs of the system.

However, clean energy policies do influence new projects being proposed in PJM's New Services Request process for interconnecting generation and also influence some resources that submit official deactivation notices to PJM. The PJM Load Forecast also takes clean energy policies into consideration, such as when developing assumptions for distributed resources. PJM's 2026 RTEP planning model does account for the proposed generation as necessary and also resources that have submitted official deactivation notifications to PJM in response to a state or federal policy.

Policies Supporting Existing Generation

ISAC's State Policies Workbook included policies supporting specific resources in certain PJM states. These policies extend the lifespan of certain existing facilities either until a specific year or "indefinitely." In the 2026 RTEP, PJM modeled all of these provided resources in the power flow analysis.

Electrification Policies for Buildings and Electric Vehicles

PJM used the 2026 Load Forecast for the 2026 RTEP's 5-year case and for all scenarios and sensitivities in the 2026 RTEP's 8-year case.

Some of the electrification policies included in ISAC's Dec. 2025 workbook submission were also provided to PJM's Load Analysis Subcommittee for consideration in the 2026 Load Forecast. PJM did not include any additional electrification policies in the 2026 Long-Term Load Forecast above what is included in the 2025 Energy Information Administration's Annual Energy Outlook.[8] For the 2026 Load Forecast, PJM decided to no longer include New Jersey's Executive Order 316, which was included in the 2025 Load Forecast.

States' electric vehicle policies were provided by ISAC. PJM's Annual Load Forecast utilizes S&P vendor data for electric vehicle projections.[9] The vendor data takes into consideration state electric vehicle policies to produce its forecast, which is then utilized for PJM's planning efforts.

[8] U.S. Energy Information Administration's Annual Energy Outlook 2025 (April 15, 2025). – https://www.eia.gov/outlooks/archive/aeo25/.

[9] 2026 PJM Long-Term Load Forecast (January 23, 2026). Presented to the PJM Load Analysis Subcommittee – https://www.pjm.com/-/media/DotCom/committees-groups/subcommittees/las/2026/20260123/20260123-item-03---pjm-2026-long-term-load-forecast---presentation.pdf.

Generator Siting Restrictions and Opportunity Zones

ISAC provided policies for both siting restrictions and opportunity zones for new resource development. For the 5-year case, PJM did not require this information since all future generation projects were modeled at their proposed locations. For the 8-year case, PJM used National Laboratory of the Rockies's Limited Access siting scenario for wind and solar to calculate build limits at the state-zonal level.

Resource-Specific Targets for Offshore Wind and Storage Technologies

Like RPS and other clean energy policies, discrete policies around offshore wind and energy storage technologies help drive projects toward entering PJM's New Services Request process for interconnecting generation. By default, PJM models all generation projects with a signed GIA and WMPA, including offshore wind and storage projects, unless the project is suspended (which may still be included on a case-by-case basis). This approach is what PJM used for the 5-year case, except for offshore wind unless an offshore wind project was already under construction. For the 8-year case, PJM included state energy storage targets in Scenario B.1 and Sensitivity A.3. PJM did not include offshore wind targets in the 8-year case and only included specific offshore projects if they are already under construction or supported by an existing FERC-accepted State Agreement Approach (SAA) Agreement. PJM made this decision for its offshore wind assumptions in response to current challenges facing the offshore wind industry in the United States and to ensure the PJM RTEP will maintain system reliability under excessive development delays or cancelations for offshore wind projects.

Assumptions on New Gas Build in each PJM state

In the State Policies Workbook, ISAC indicated if PJM should allow for new gas build or not within each state. In the 8-year case, the capacity expansion model allowed for new gas to be built in any PJM state for Scenario B.1 and Sensitivity A.2. PJM did not allow new gas to be built in certain states in Scenario A.1 and Sensitivities A.3, A.4, and A.5 unless a new gas project has a GIA/Interconnection Service Agreement or is backed by a FERC-accepted SAA Agreement.[10] PJM made this decision on new gas build in response to trends in new gas development, such as siting and pipeline buildout, as well as additional state policies that may discourage investments in new gas generation in these locations. The consistency among the results of all scenarios developed indicates the impact of each assumption, or lack thereof, as it relates to the resulting capacity expansion model.

Additional Incentives That May Influence New Generation Being Built

PJM did not include this policy information, as it was not necessary for the assumptions needed in the 5-year case or the 8-year case. PJM currently views this policy category as relevant to PJM's long-term planning efforts.

State-Approved Integrated Resource Plans

PJM did not include this policy information, as it was not necessary for the assumptions needed in the 5-year case or the 8-year case. PJM currently views this policy category as relevant to PJM's long-term planning efforts.

[10] These states include Delaware, Illinois, Maryland, New Jersey, and eastern Pennsylvania (PECO, Eastern PPL, and METED zones).

State Tariffs for Large Loads

PJM did not include this policy information, as it was not necessary for the assumptions needed in the 5-year case or the 8-year case. PJM currently views this policy category as relevant to PJM's long-term planning efforts.