Issue Charge

COST ALLOCATION ISSUES RELATED TO DOE ORDERS

Issue Source

The PJM Board of Managers (PJM Board) issued a Letter on June 9, 2025 in which the Board initiated the Critical Issue Fast Path (CIFP) process delineated in Manual 34: PJM Stakeholder Process, section 8.6.4. That CIFP resulted in proposals that address the issue in the Letter (specifically relating to cost allocation issues arising from the DOE's May 30, 2025 202(c) order regarding Eddystone Units 3 and 4), and it is anticipated that any proposal ultimately selected may sunset within some period of time.

This more generic issue charge is initiated to address potential future DOE 202(c) Orders requiring resources to run beyond deactivation dates, and therefore require allocation of their costs.

Issue Content

This issue is exclusively intended to address the specific matter of aligning a selected cost allocation structure to the scope of any future DOE Section 202(c) Orders, in order to facilitate compensation to the resource owner for the continued operation of the resources specified in such Order.

Key Work Activities and Scope

1. Education concerning the potential Orders.
2. Education concerning potential cost allocation structures.
3. Discussion on the proposed solution options and alternatives to allocate the costs of compensating the resource owner, using the CIFP matrix as an initial starting point.
4. Development of Proposals.
5. Development of appropriate governing document and Manual revisions.

6. Out of Scope Items:
    a. The operating protocols and parameters agreed to by the resource owner.
    b. The specific content of potential future orders.
    c. Modifications to existing governing document rate or credit compensation mechanisms.

Expected Deliverables

1 | Options and Packages Matrices,

2 | Related governing document and Manual revisions.

Decision-Making Method

Tier 1, consensus (unanimity) on a single proposal (preferred default option).

Stakeholder Group Assignment

This work will be conducted in a new DOE Order Cost Allocation Sr. Task Force.

Expected Duration of Work Timeline

This work is expected to conclude by September 30, 2025 to facilitate filing of a solution with FERC by October 31, 2025.

Start Date	Priority Level	Timing	Meeting Frequency
7/1/2025	☒ High	☒ Immediate	☒ Sub-monthly
	☐ Medium	☐ Near Term	☐ Monthly
	☐ Low	☐ Far Term	☐ Quarterly

Charter

(check one box)

☒	This document will serve as the Charter for a new group created by its approval.
☐	This work will be handled in an existing group with its own Charter (and applicable amendments).

More detail available in M34; Section 6