

Large Load Customer Flexibility

Issue Source

Exelon BSC

Issue Content

Given that (1) within the PJM footprint there is a continuous increase in large load applications; (2) Congress, FERC, state legislators and policymakers are championing establishment of load rates and programs to accelerate load & gen interconnections while mitigating cost and resource adequacy impacts from these large loads; (3) the PJM Board in its January 16, 2026 correspondence specifically directed PJM staff to develop a framework in which the incremental demand associated with such load growth that does not bring its own new generation would be subject to curtailment prior to the deployment of pre-emergency Demand Response while acknowledging that future developments will be relevant to the design of longer-term approaches to large load integration; and (4) planning analysis has often identified significant transmission upgrades required to reliably interconnect large customers on a standard basis that will impact speed to market for many large loads; there is a critical need to explore customer flexibility solutions that would allow certain large load customers to connect to the grid prior to completion of necessary transmission upgrades.

Key Work Activities and Scope

1. Develop or modify tools and processes to operationalize and implement customer non-firm flexibility in a manner that recognizes that the impact of large loads extends beyond the boundaries of any one PJM TO's transmission system.
2. Provide education on current efforts around the country to pilot large load flexibility concepts to demonstrate operational feasibility including but not limited to the Texas model of "connect and manage" referenced by FERC Commissioners at a 2/3/26 US House Energy and Commerce Energy subcommittee hearing.
3. Determine and provide education on the shared resource adequacy and transmission system reliability objectives that will be required for electric utilities (such as TOs, EDCs, or LSEs) to identify "non-firm" retail loads that would be allowed to participate as an interruptible load for specific flow gate reliability issues.
4. Determine and provide education on the transmission tools PJM and the TOs will need to develop to identify when and what curtailment of "non-firm" retail load is needed.
5. Providing education recognizing that (a) retail tariffs are necessary to establish non-firm service that is subject to curtailment and to provide for accelerated interconnection of such load; and (b) ultimately, the determination of which loads are curtailed during real time operational flowgate reliability issues or emergency conditions rests with TOs, and with LSEs that have direct relationships with their customers. PJM does not have authority to direct individual retail loads to curtail demand.
6. Develop solution options that provide PJM, in coordination with TOs and in consultation with all stakeholders, an allocation framework whereby TOs and LSEs have specific customer contractual curtailment guarantees with advanced notification of the potential magnitude of load reductions that may be required under set PJM conditions. PJM, in coordination with TOs and in consultation with all stakeholders, should explore how to design curtailment allocations based on the contributions of any curtailable load to the actual real time flowgate reliability issues they impact or shortfall to PJM's required reserve margin.
7. Develop options for temporary flexibility to offer loads until transmission upgrades are constructed including:

Issue Charge

- a. *Fully matched*: Customer commits to a new on-site generation resource that fully matches their load requirement, commits to a unity power factor and essentially does not draw power from the grid other than some ancillary services. The customer will not draw from the grid if the generation resource is unavailable due to planned or forced outage. This configuration could be studied in an accelerated manner in tandem with other retail customer interconnection studies as system upgrades should be less significant in this configuration.
- b. *Partially matched*: Customer commits to a new on-site generation resource that partially meets their load requirement. The customer would be required to ensure their load demand does not exceed the net studied value in real-time operations.
- c. *Storage matched*: Customer commits to a new storage resource that meets or partially meets their load requirement for an agreed upon acceptable time frame. Requires study to ensure storage can supply committed load during curtailment period and can be sufficiently charged the balance of the year to provide that curtailment.
- d. *C&M (Connect and Manage)*: PJM implements a large load flexibility option that provides guidance on how and when an individual TO can reliably CONNECT AND MANAGE interruptible loads ahead of completed transmission reliability upgrades.

Areas Out of Scope

Interruptible service to specific individual end use load (as opposed to directing a utility to shed a quantity of load in a region) is a term and condition of retail service. To implement mandatory interruption on a specific customer basis will require a retail tariff. Such a tariff may also be required to accelerate interconnection of certain retail loads. The TO identified and contracted curtailable load will be provided to PJM for PJM to study and make the real time operational determination of required load shed.

Expected Deliverables

Define the areas of flexibility being sought by LSEs on behalf of large load customers.

Identify the tools, processes, business rules and regulatory changes required to implement a solution.

Develop the tools, processes, business rules and regulatory changes required to implement a solution, including load shed prioritization and allocation as well as changes at the PJM level. As retail load connection is outside of PJM's jurisdiction, TOs will need to support with required retail tariff filings and information exchange with PJM regarding those curtailable customers that the TO identifies and that are compliant with established rules defined in this program to ensure reliability.

Decision-Making Method

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

Stakeholder Group Assignment

The issue shall be considered expeditiously by a newly formed Large Load Connect and Manage Flexibility Senior Task Force which shall report to the MRC.

Expected Duration of Work Timeline

Work on all topics should begin immediately. Consistent with the January 16, 2026 PJM Board CIFP Large Load Letter, such that changes should be in place by the end of 2026.

Start Date	Priority Level	Timing	Meeting Frequency
Click here to enter a date.	☒ High ☐ Medium ☐ Low	☒ Immediate ☐ Near Term ☐ Far Term	☐ Weekly ☒ Monthly ☐ 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