# Issue Charge

March 25, 2026

## *IMPLEMENTATION OF CONNECT AND MANAGE FRAMEWORK FOR LARGE LOAD INTERCONNECTIONS*

### *Issue Source*

As discussed in the Board's January 16, 2026 Decisional Letter on the Critical Issue Fast Path – Large Load Additions (https://www.pjm.com/-/media/DotCom/about-pjm/who-we-are/public-disclosures/2026/20260116-pjm-board-letter-re-results-of-the-cifp-process-large-load-additions.pdf), the PJM Board of Managers has directed PJM to implement a "Connect and Manage" framework for new large load additions that do not Bring Your Own New Generation (BYONG) with curtailment expected to occur prior to the deployment of pre-emergency Demand Response, subject to stakeholder development of the appropriate operational framework. The framework is meant to serve as an interim solution to manage the reliability challenges during the transition period in which new load additions are outpacing the additions of new capacity in the PJM system. The framework will apply to the Electric Distribution Companies (EDCs) or Transmission Owners (TOs) serving new large loads. It would apply specifically to the EDCs or TOs where these certain loads are not linked with qualifying Bring Your Own New generation (BYONG) or other supply resource arrangements (to be defined in the stakeholder process) for Delivery Years where there is a shortage of available capacity to satisfy the Installed Reserve Margin (IRM).

### *Issue Content*

The Board's January 16th letter:

*Where an LSE identifies a shortfall between forecasted load additions and the availability of new incremental generation to offset that growth, the Board is directing development of a similar framework articulated by the PJM Legislators Collaborative/NRDC and the Joint Consumer Advocates. Under this framework, the incremental demand associated with such load growth would be subject to curtailment prior to the deployment of pre-emergency Demand Response. This will help to preserve Demand Response as a valuable reliability tool by not disrupting its business model through a dramatic increase in its use and will provide an incentive for new load to secure capacity or provide flexibility.*

*Consistent with its operation of the system today, PJM will take all reasonable steps to maintain grid stability and avoid curtailment. However, should system conditions over a given period force PJM to invoke its emergency procedures, the Board finds it reasonable for certain large loads, including data centers, to move to their backup generators, or curtail their demand, for a limited number of hours during the year to prevent a larger scale outage for residential and other consumers. Such curtailment would be expected to occur infrequently, for limited durations, and only when necessary to prevent broader system impacts, consistent with PJM's longstanding operational practice of avoiding curtailment whenever possible.*

*Ultimately, the determination of which loads are curtailed during 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. However, PJM will establish an allocation framework whereby TOs and LSEs have advanced notification of the potential magnitude of load reductions that may be required under such conditions. PJM intends to explore how to design curtailment allocations based on the contributions of any shortfall to PJM's required reserve margin.*

*The Board does not propose that "connect and manage" new large load be removed from the capacity market. Based on current load projections, the system is expected to tighten to a degree that excluding this demand would be unlikely to reduce capacity prices below point "A" on the Variable Resource Requirement (VRR) curve. Removing such load from the market would instead result in large new loads avoiding capacity costs altogether, with those costs shifted to existing consumers. The capacity market is designed to support system-wide resource adequacy, recognizing that PJM may be required to direct load curtailments to maintain system reliability, with TOs ultimately determining which customers to curtail."*

## Key Work Activities and Scope

As directed in the Board letter, the scope is defined as addressing the following items:

1. **Education:** Education on legal topics including state and federal jurisdiction, and implicated processes and procedures that exist today (including the Large Load Addition process and its inclusion in the Base Residual Auction (BRA), and existing reporting requirements for LSEs to identify new generating capacity additions to offset Large Load Additions).

2. **Scoping Load:** Discuss and develop the process to determine the new Large Load Additions that will be subject to the connect and manage framework.

3. **Scoping Supply:** Discuss and develop what qualifying BYONG or other supply resource arrangements (and their related terms and conditions) would be acceptable to offset the quantity of load subject to Connect and Manage across EDCs/TOs.

4. **Assessing processes, procedures, and potential need for governing document enhancements:** Discuss and develop processes, procedures and the potential need for governing document enhancements to, among other things:

    a. Define supply-load linkages for the purposes of Connect and Manage exemption

    b. track supply-load linkages for purposes of determining how PJM, the PJM states, LSEs, and/or Transmission Owners will perform their respective roles under the connect and manage framework; and

    c. allow PJM, the PJM states, LSEs, and/or Transmission Owners to evaluate on a Delivery Year basis new large load additions that are not linked with qualifying BYONG or other supply arrangements.

5. **Capacity shortfall allocation methodology and transparency** Discuss and develop methodology used to allocate capacity shortfalls associated with new Large Loads for a given Delivery Year (DY), as a function of applicable large load additions and applicable qualifying BYONG or other supply resource arrangements paired with new Large Load Additions, in each Delivery Year. **:** Discuss and develop methodology used to allocate capacity shortfalls associated with new Large Loads for a given Delivery Year (DY) to the EDC/TOs, as a function of applicable large load additions and applicable qualifying BYONG or other supply resource arrangements paired with new Large Load Additions, in each Delivery Year. Also, discuss and develop mechanisms to promote transparency into the MW quantities identified for potential curtailment by the EDC/TO and the broader PJM stakeholder community. This could include, by way of example only, communications in advance of the Delivery Year and in the operations horizon as appropriate and subject to Confidentiality and CEII restrictions.

6. Evaluate and define the system conditions, reliability triggers, and operational sequencing under which load subject to the Connect and Manage framework would be curtailed, including consideration of alternative trigger points relative to existing emergency procedures and pre-emergency Demand Response.

7. **Develop the framework for curtailment:** This includes a new emergency procedure, including the applicable conditions and sequencing of curtailment actions, and their relationship to pre-emergency Demand Response and other emergency procedures, that PJM would use to issue a curtailment instruction to the EDC/TO for their implementation, including the applicable conditions under which the procedure could be implemented, relationship to other emergency procedures, and other relevant details. The framework development will also consider any associated automations, telemetry and/or market outcome reforms, such as price formation during

curtailments. This procedure is expected to be a interim measure that will only be necessary during the transition Delivery Years until new supply can sufficiently match the increasing load.

As instructed by the Board letter, the following items are considered out of scope:

1. Changes to the demand included in the capacity market.
2. Changes to PJM's authority or role in the determination of which specific retail load/customers a TO/LSE will curtail when receiving an instruction from PJM to shed load
3. Changes to the overall load shed allocation approach across the RTO. It is intended that this work be handled as a follow-on stakeholder effort.

## Expected Deliverables

1. Education on the matters identified above in key work activities section of this Issue Charge.
2. Education on existing reporting requirements for LSEs to identify new generating capacity additions to offset their Large Load Additions.
3. Proposed solutions that address the key work activities/in scope matters identified in this Issue Charge.
4. Corresponding revisions to the PJM Tariff or other governing documents consistent with the solution proposed will be brought to the MRC and MC for review and endorsement. Proposed revisions to PJM Manuals conforming to the FERC accepted solution will be brought to the appropriate Standing Committees for review and endorsement.

## Decision-Making Method

Tier 1, consensus (unanimity) on a single proposal

## Stakeholder Group Assignment

A new Senior Task Force reporting to the MRC

## *Expected Duration of Work Timeline*

The Board has directed this to be implemented by the end of the year. Accounting for Stakeholder approvals and FERC filings, it is expected that the final packages should be finalized by August.

| Start Date | Priority Level | Timing | Meeting Frequency |
|---|---|---|---|
| 03/31/26 | ☒ High | ☒ Immediate | ☐ Weekly |
| | ☐ Medium | ☐ Near Term | ☒ Monthly (or as needed) |
| | ☐ 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*