

**PJM Staff Preliminary/Working Draft of Concepts as of January 23, 2026**  
**Subject to Further PJM Review and Stakeholder Feedback**  
**For Discussion Only**

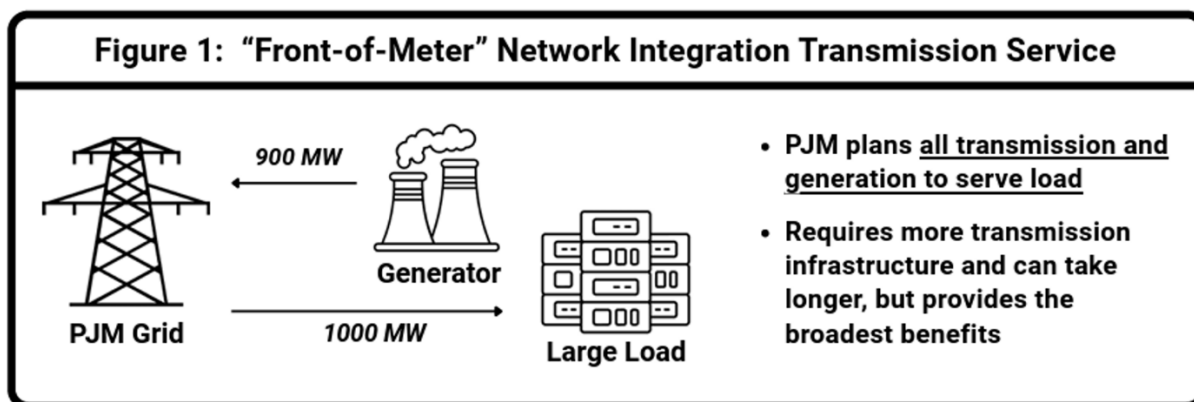
**Transmission Services Proposal - High Level Overview**

This high-level overview document lays out PJM Staff’s preliminary conceptual proposal for four services specific to Co-Located Load Arrangements:

- (1) Network Integration Transmission Service (“NITS,” “Full NITS” or “Front-of-Meter NITS”), i.e., Rosner Concurrence Figure 1;
- (2) Interim Network Integration Transmission Service (“Interim NITS”), i.e., Rosner Concurrence Figure 4;
- (3) Firm Contract Demand Transmission Service, i.e., Rosner Concurrence Figure 2; and
- (4) Non-Firm Contract Demand Transmission Service, i.e., Rosner Concurrence Figure 3.

This document also provides an overview of additional Tariff changes needed to comply with the FERC co-located order in EL25-49 (193 FERC ¶ 61,217).

**1. (Full/Front of Meter) NITS (i.e., Figure 1 in Rosner Concurrence)**



Overview of Process

1. Same as load seeking regular NITS service under Part III, except that Co-Located Load can seek Interim NITS before receiving full NITS (see below).

Rates/Charges

1. Same as load seeking regular NITS service under Part III.

Terms and Conditions of Service

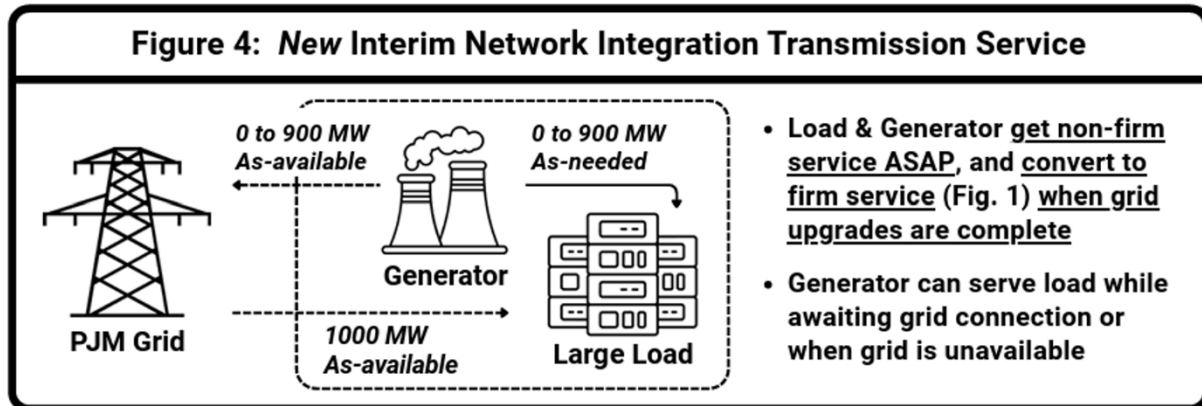
1. Same as load seeking regular NITS service under Part III, with limited additions:
  - a. EC must take NITS on gross demand basis.
  - b. If EC selects NITS, it may not combine NITS with either of the Contract Demand services below.

- c. PJM will evaluate existing application procedures for NITS and propose potential revisions specific to Interim NITS.

#### Tariff Changes and Revisions to *Pro Forma* Service Agreements

1. Revisions to Part III to allow ECs serving Co-Located Load to seek NITS service
2. Cross-references to new Tariff provisions to allow ECs to seek Interim NITS service
3. Revisions to NITS *pro forma* agreement, Attachment F-3.

## 2. Interim NITS for Co-Located Load (i.e., Figure 4 in Rosner Concurrence)



#### Overview of Process:

1. EC applies for Full/Front of Meter NITS (Step 1)
  - a. EC applies for full NITS with PJM.
  - b. EC enters into an agreement to pay for relevant studies (with PJM/PJM TOs).
  - c. PJM/PJM TOs conduct studies to decide whether upgrades are needed for full NITS (e.g., PJM TO load deliverability study; PJM do-no-harm study; or other modified or new studies).
  - d. EC receives study results, including costs, and decides whether or not to proceed with full NITS.
2. EC applies for Interim NITS (Step 2)
  - a. If EC agrees to proceed with full NITS, EC applies for *Interim* NITS.
  - b. PJM determines whether it can provide some level of Interim NITS reliably pursuant to a study (in conjunction with PJM TOs).
  - c. If PJM can provide Interim NITS reliably, EC is tendered an agreement and agrees to be curtailed under certain conditions set forth in the agreement and in the PJM Tariff.
  - d. Once upgrades are complete and in service, EC moves over to full NITS and signs a separate agreement for NITS, meaning that Interim NITS is only temporary. At this point, Co-Located Load is designated as Network Load.

#### Rates/Charges/Cost Allocation:

While there may be some PJM-specific charges, PJM will continue to discuss the rate design aspect of the transmission service with the PJM TOs.

Terms and Conditions of Service (Non-Exhaustive):

1. Application:

- a. Application fee for NITS studies and processing sufficient to deter speculative requests.
- b. Application fee for Interim NITS studies and processing sufficient to deter speculative requests.
- c. Submission of accurate modeling and other information (explicit model of generator and load and associated substation equipment, etc.).
- d. Submission of site's gross load and other information (daily/hourly load profile, generator profile).
- e. Co-located generation and load need to be modeled separately.
- f. Conditions for co-located generator to be in commercial operation by a certain point (recognizing that generator and load may be on different developmental timelines).

2. Qualification Criteria (including for Reliability): These would be required before EC is tendered an Interim NITS service agreement.

- a. EC must be a PJM Member and sign the Operating Agreement.
- b. EC must be taking NITS on behalf of a Co-Located Load.
- c. EC must not be taking Firm Contract Demand or Non-Firm Contract Demand Service.
- d. EC must show threshold percentage (i.e., 90%) of (i) generator output dedicated to Co-Located Load compared to (ii) size of Co-Located Load.
- e. EC must agree to install hardware/software to limit energy withdrawals or allow for a remedial action scheme (RAS), including metering equipment.
- f. EC must pass credit and risk assessment.
- g. EC must be or provide a 24x7 operational contact and backup contact information.
- h. EC must be staffed with PJM Certified Operators (See Manual-40).
- i. EC must be able to receive voice and electronic signals from PJM.
- j. EC must have operational control to respond to operating instructions from PJM to reduce/disconnect the load.
- k. RAS entity (which may be the EC) must have operational control of any RAS or other special protection schemes installed.

3. Operational Procedures:

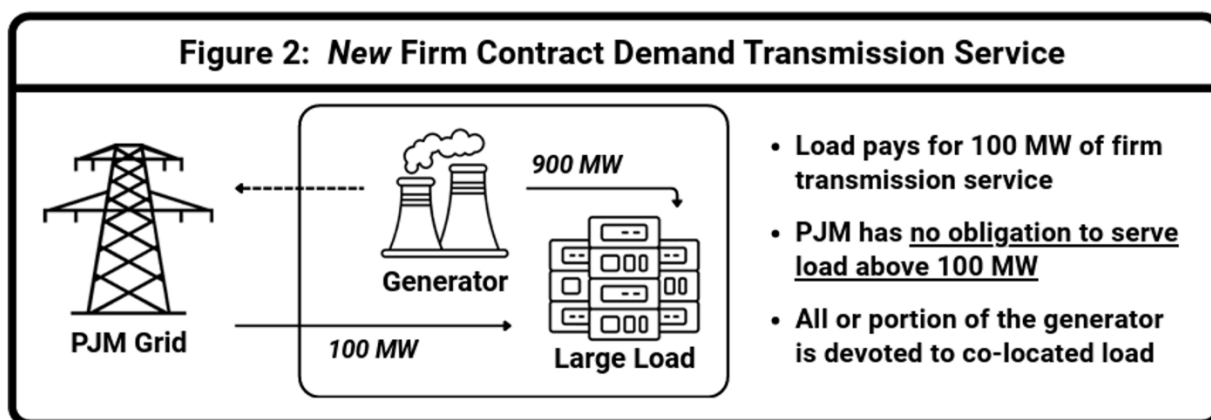
- a. Default is that customer takes interim NITS and require notice for any deviation from default.
- b. Curtailment procedures:
  - i. Curtail before existing firm services, including Firm Contract Demand service (below).
  - ii. Generation redispatch before curtailment of this service.
  - iii. EC must respond to any real time instruction to reduce load within 5 minutes.

- iv. If curtailed, EC cannot take energy from co-located generator (no netting under system conditions that required curtailment).
- c. RAS for Interim NITS, the failure of which may result in non-financial penalties, i.e., the co-located load will not be permitted to reenergize for a period of 120 full calendar days (number of days drawn from NERC PRC-012-2 R5), plus additional actions following root cause analysis.

#### Tariff Changes and Revisions to *Pro Forma* Service Agreements

1. Interim NITS subject to a new Part of the Tariff or within an existing Part/sub-Part (e.g., Part III).
2. Interim NITS subject to new transmission service agreement (potentially modeled off Attachment F-3):
  - a. Terminates or superseded upon transition to full NITS.
  - b. Amendment process if EC wants to change load profile (accompanied by relevant studies).
  - c. Notice of termination and termination procedures.
3. Revisions to other *pro forma* agreements may be necessary (like Necessary Studies Agreement).

### **3. Firm Contract Demand for Co-Located Load (i.e., Figure 2 in Rosner Concurrence)**



#### Overview of Process

1. EC requests specific MW to be studied (e.g., I want firm service for “100 MW every day”).
2. PJM works with PJM TOs to conduct studies to evaluate request and may return with a different Contract Demand level depending on results of study (e.g., “We can only provide 80 MW of service each day”).
3. EC is tendered an agreement with the level of Firm Contract Demand service studied.
4. Once agreement is signed, EC can withdraw “up to” 80 MW every day but does not have to. If EC uses less than 80 MW, that does not reduce its rate/charges.

5. If EC wants to change the Contract Demand level (or switch between Firm and Non-Firm Contract Demand Services), EC will need to go through a restudy process and revise service agreements.

#### Rates/Charges/Cost Allocation

While there may be some PJM-specific charges, PJM will continue to discuss the rate design aspect of the transmission service with the PJM TOs.

#### Terms and Conditions of Service (Non-Exhaustive)

##### 1. Application

- a. EC selects the product it wants.
  - i. Application or service agreement will include an “anti-toggling mechanism” to prevent customers from switching between Firm and Non-Firm Contract Demand based on expected capacity market conditions.
  - ii. ECs may take a “combination” of Firm and Non-Firm Contract Demand services, which together can be more than generator’s output.
- b. Application fee for studies and processing (see below)
- c. Submission of accurate modeling for analysis of load configuration, including associated equipment.
- d. Submission of site gross load and other information (daily/hourly load profile, generator profile) and Contract Demand level requested.
- e. EC must show threshold percentage (e.g., 90%) of (i) generator output dedicated to Co-Located Load compared to (ii) size of Co-Located Load.
- f. Co-located generation and load need to be modeled separately.

##### 2. Qualification Criteria (including for Reliability)

- a. EC must be a PJM Member and sign the Operating Agreement.
- b. EC must be taking Firm Contract Demand on behalf of a Co-Located Load.
- c. EC must not be seeking NITS for its Co-Located Load.
- d. EC must pass credit and risk assessment.
- e. EC must agree to install hardware/software to limit energy withdrawals, including metering equipment.
- f. EC must be or provide a 24x7 operational contact and backup contact information.
- g. EC must be staffed with PJM Certified Operators (See Manual-40).
- h. EC must be able to receive voice and electronic signals from PJM.
- i. EC must have operational control to respond to operating instructions from PJM to reduce/disconnect the load.
- j. RAS entity (which may be the EC) must have operational control of any RAS or other special protection schemes installed.

##### 3. Study Procedures:

- a. Service is only available if there is sufficient capacity.
- b. PJM will coordinate with PJM TOs on relevant studies.
- c. If EC wants to change contract demand level later, there will need to be new studies and agreements.

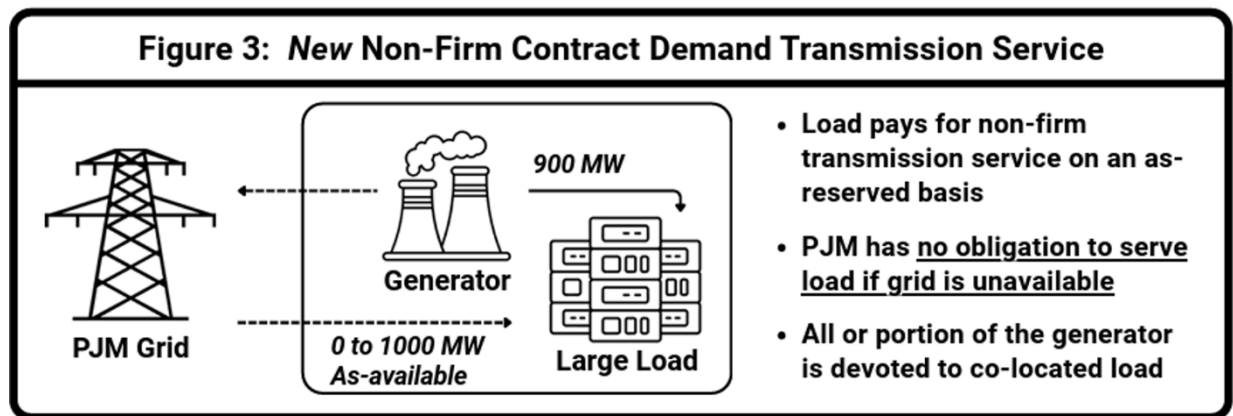
#### 4. Operational Procedures

- a. Default is that customer takes Firm Contract Demand Transmission Service and require notice for any deviation from default.
- b. EC not permitted to withdraw beyond contract demand levels without new agreement/further studies.
- c. EC subject to same reservation and curtailment priority as existing firm services, for level of contract demand.
- d. RAS for Firm Contract Demand Transmission Service, the failure of which may result in non-financial penalties, i.e., the co-located load will not be permitted to reenergize for a period of 120 full calendar days (number of days drawn from NERC PRC-012-2 R5), plus additional actions following root cause analysis.

#### Tariff Changes and Revisions to *Pro Forma* Service Agreements

1. Firm Contract Demand Transmission Service subject to a new Part of the Tariff or within an existing Part/sub-Part.
2. Firm Contract Demand Transmission Service subject to new transmission service agreement.
  - a. Minimum service period for further discussion
  - b. Notice of termination and termination procedures.
3. Revisions to other *pro forma* agreements may be necessary (like Necessary Studies Agreement).
4. Revisions to effectuate billing of these services

#### 4. Non-Firm Contract Demand for Co-Located Load (i.e., Figure 3 in Rosner Concurrence)



#### Overview of Process

1. EC applies for Non-Firm Contract Demand (or together with Firm Contract Demand), estimating the maximum level that it would withdraw on a non-firm basis (“I want to be able to withdraw 1000 MW a day on days that my generator is offline”).
2. EC signs an agreement for studies.



3. PJM and PJM TOs determine whether EC's request is possible from a reliability perspective, and under what conditions. This may include a determination that non-firm service cannot be provided reliably at all.
4. EC signs a transmission service agreement with an estimate of possible Non-Firm service (e.g., "EC may withdraw 800 MW a day on days in which XYZ conditions are met).
5. PJM is still evaluating reservation procedures (notice requirement, PJM reevaluation determination before requested service start, etc.).
6. EC decides whether or not to proceed for that reservation.

#### Rates/Charges/Cost Allocation

While there may be some PJM-specific charges, PJM will continue to discuss the rate design aspect of the transmission service with the PJM TOs.

#### Terms and Conditions of Service (Non-Exhaustive)

1. Application
  - a. Same as Firm Contract Demand Application requirements (including anti-toggling mechanism, fees, specify gross load and maximum Contract Demand load, etc.) with separate information on Non-Firm election.
2. Qualification Criteria (including for Reliability)
  - a. Same as Firm Contract Demand Qualification Criteria above.
  - b. **[Specific to Non-Firm]** Non-Firm Contract Demand Transmission Service only available when co-located generator is out of service or derated.
3. Study Procedures
  - a. Same as Firm Contract Demand requirements above.
4. Operational Procedures
  - a. Default is that customer does not take Non-Firm Contract Demand Transmission Service and require notice for any deviation from default.
  - b. Reservation system processes still under discussion.
  - c. Curtailment: Non-Firm Service will be curtailed before existing firm services and new Firm Contract Demand service when emergency conditions arise. Otherwise, order of curtailment still under evaluation.
  - d. RAS for Non-Firm Contract Demand Transmission Service, the failure of which may result in non-financial penalties, i.e., the co-located load will not be permitted to reenergize for a period of 120 full calendar days (number of days drawn from NERC PRC-012-2 R5), plus additional actions following root cause analysis.

#### Tariff Changes and Revisions to *Pro Forma* Service Agreements

1. Non-Firm Contract Demand Transmission Service subject to a new Part of the Tariff or within an existing Part/sub-Part.
2. Non-Firm Contract Demand Transmission Service subject to new Transmission Service Agreement.
  - a. **[Specific to Non-Firm]** EC that does not withdraw energy from transmission system must take Non-Firm Contract Demand transmission service at 0 MW.
  - b. Minimum service period for further discussion

- c. Notice of termination and termination procedures.
- 3. Revisions to other *pro forma* agreements may be necessary (like Necessary Studies Agreement)
- 4. Revisions to effectuate billing of these services

## 5. Additional Tariff Changes

Requirements Relating to ECs Serving CLL	
<u>Requirement:</u>	EC must take one of the three services (NITS, Firm CD, or Non-Firm CD).
<u>Tariff revisions:</u>	<ul style="list-style-type: none"> <li>Part III, new Tariff language for new services, service agreements</li> </ul>
<u>Requirement:</u>	New operational procedures or data exchange requirements for Co-Location Arrangements
<u>Tariff revisions:</u>	<ul style="list-style-type: none"> <li>Part III, new Tariff language for new services, service agreements</li> </ul>
<u>Requirement:</u>	New Transmission Service Agreement to include relevant terms and conditions of new service options.
<u>Tariff revisions:</u>	<ul style="list-style-type: none"> <li>Mirror new agreement based on existing service agreements (like Attachment F-3)</li> </ul>
Requirements Relating to Interconnection Customers (New and Existing)	
<p><b><u>(Existing Interconnection Customers):</u></b> Transition mechanism for <u>existing</u> Interconnection Customers that wish to add CLL or serve CLL (public notification and identification of EC to take service). Timing is “prior to the effective date of revised interconnection procedures and <i>pro forma</i> GIA.</p> <ul style="list-style-type: none"> <li>Will require amendment of existing service agreements.</li> <li>Status quo during amendment period.</li> <li>Public notification accomplished through filing of service agreement or reporting in EQR.</li> </ul>	
<u>Tariff revisions:</u>	<ul style="list-style-type: none"> <li>Part III, new Tariff language for new services, service agreements</li> </ul>
<p><b><u>(New Interconnection Customers):</u></b> For <u>new</u> Interconnection Customers who will use generating facility to serve Co-Located Load. Must specify an Eligible Customer who will take transmission service on behalf of the CLL. If Interconnection Customer does not want to identify an EC, then must take steps to island from transmission system.</p>	
<u>Tariff revisions:</u>	<ul style="list-style-type: none"> <li>Part VIII, Subpart B, section 403.</li> <li>Possible new language in Part VIII.</li> <li>Revisions to Application and Studies Agreement</li> <li>Revisions to <i>pro forma</i> GIA, NSA, including new schedules.</li> </ul>



