Department of Energy
Washington, DC 20585

PJM Interconnection, L.L.C. Order No. 202-26-33
Regarding Backup Generation Resources

Pursuant to the authority vested in the Secretary of Energy by section 202(c) of the Federal Power Act (FPA)[1] and section 301(b) of the Department of Energy (DOE) Organization Act,[2] and for the reasons set forth below, I hereby determine that a statutory emergency exists in the PJM Interconnection, L.L.C. (PJM) region,[3] due to a sudden increase in demand, a shortage of electric energy, a shortage of facilities for the generation of electric energy, and other causes. I direct PJM and backup generation resources defined below to comply with this Order.[4] PJM is authorized to call upon its Transmission Owners and Electric Distribution Companies to implement this Order as needed. Issuance of this Order will meet the emergency and serve the public interest.

REQUEST FOR ORDER

On June 27, 2026, PJM filed a request for an emergency order pursuant to FPA section 202(c) (Application).[5] Specifically, PJM requests that the Secretary of Energy issue an order authorizing PJM to direct backup generation resources (whether auxiliary, standby, directly-connected, battery storage or other, and whether synchronized or not to the bulk-power system) at large loads to operate as a last resort before declaring an Energy Emergency Alert (EEA) 3 (i.e., before firm load interruption) or during, after declaring an EEA 3.[6] Accordingly, PJM states that it has recalled generator and transmission outages to the extent possible and has issued "a Maintenance Outage Recall on June 25 in place as of 00:01 on June 29 in an effort to bring units into operational status to address potential capacity emergencies."[7] However, "[n]otwithstanding these efforts, PJM projects tight

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[1] 16 U.S.C. § 824a(c).

[2] 42 U.S.C. § 7151(b).

[3] PJM serves as the Reliability Coordinator and Balancing Authority for its region and is, therefore, responsible for overseeing the dispatch of generation to meet system demand at all times within the limits of the transmission system. The PJM region includes all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia, and the District of Columbia.

[4] All geographical or electrical areas of the Bulk-Power System are under the oversight of one and only one Reliability Coordinator. *See North American Electric Reliability Corp. (*NERC) Rules of Procedure § 501.1.4.1. All Balancing Authorities are under the responsibility of one and only one Reliability Coordinator. *See id.* § 501.1.4.2. All load and generation is under the responsibility and control of one and only one Balancing Authority. *See id.* § 501.1.4.4.

[5] *See* Application at 1.

[6] *Id.*

[7] *Id.* at 2.

reserves during the forecasted July 1, 2026, peak of 159,563 MW and during the forecasted July 2, 2026, peak of approximately 162,860 MW."[8]

BACKGROUND

In its 2025 Long-Term Reliability Assessment, NERC observed that the PJM region is at high risk of energy shortfalls over the next five years and faces significant reliability challenges as "[c]urrent projections for resource additions do not keep pace with escalating demand forecasts and expected generator retirements."[9] The assessment notes that "[d]emand for electricity in PJM is growing at its fastest pace in years, driven primarily by data centers, followed by electrification and manufacturing loads"; however, "[a]t the same time, PJM faces an extreme and rapid tightening of capacity resources in the near term because of generator retirements and project delays."[10] Overall, the assessment concludes that, "[b]ased on the load increase and generation decrease, PJM is projecting potential reserve margin shortages during peak operating periods. As a result, there is an increased risk that emergency procedures may be required to meet load and reserve requirements."[11]

In Executive Order No. 14156, "Declaring a National Energy Emergency," President Donald Trump determined that the "United States' insufficient energy production, transportation, refining, and generation constitutes an unusual and extraordinary threat to our Nation's economy, national security, and foreign policy."[12] In Executive Order No. 14262, "Strengthening the Reliability and Security of the United States Electric Grid," President Trump emphasized that "the United States is experiencing an unprecedented surge in electricity demand driven by rapid technological advancements, including the expansion of artificial intelligence data centers and increase in domestic manufacturing."[13] These Executive Orders underscore the dire energy challenges facing the Nation due to growing resource adequacy concerns.

The Department's July 2025 "Resource Adequacy Report: Evaluating the Reliability and Security of the United States Electric Grid," issued pursuant to the President's directive in Executive Order No. 14262, details the myriad challenges affecting the Nation's energy systems. The report concludes that, "[a]bsent decisive intervention, the Nation's power grid will be unable to meet projected demand for manufacturing, re-industrialization, and data centers driving artificial intelligence (AI)

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[8] *Id.*

[9] NERC, *2025 Long-Term Reliability Assessment*, at 7–8 fig. 1 (Jan. 2026), https://www.nerc.com/globalassets/our-work/assessments/nerc_ltra_2025.pdf.

[10] *Id.* at 16.

[11] *Id.* at 91.

[12] Executive Order No. 14156, 90 Fed. Reg. 8433 (Jan. 20, 2025), https://www.whitehouse.gov/presidential-actions/2025/01/declaring-a-national-energy-emergency/.

innovation."[13] The prolific growth of data centers for the development of AI, as well as their immense energy needs, presents a new and increasing source of load growth.

In July 2025, President Trump released America's action plan for winning the AI race.[14] The plan recognizes that the "U.S. electric grid is one of the largest and most complex machines on Earth" [that] will need to be upgraded to support data centers and other energy-intensive industries of the future."[15] It recommended that we stabilize the grid of today as much as possible, including leveraging extant backup power sources to bolster grid reliability during peak demand and optimize existing grid resources, including investigating "new and novel ways for large power consumers to manage their power consumption during critical grid periods to enhance reliability and unlock additional power on the system."[16]

NERC-certified Reliability Coordinators and Balancing Authorities[17] are responsible for identifying and addressing emergency conditions on the bulk-power system. As discussed below, this is squarely addressed in the mandatory and enforceable NERC Reliability Standard EOP-011-4. Calls for voluntary curtailment are authorized under that standard; however, today's Order gives Reliability Coordinators and Balancing Authorities another tool to avoid the impacts experienced as a result of hot weather.

Currently, there are tens of gigawatts of readily available backup generation that have remained largely untapped. Deployment of backup generation resources (whether auxiliary, standby, directly-connected, battery storage or other, and whether synchronized or not to the bulk power system) at data centers (including, but not limited to, hyperscaler facilities), and at other large load industrial and commercial customer sites, can prevent avoidable blackouts, thereby saving lives and reducing costs to the American people.

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[13] U.S. Dep't Of Energy, *Res. Adequacy Report: Evaluating the Reliability & Sec. of the U.S. Elec. Grid* 1 (July 2025), https://www.energy.gov/sites/default/files/2025-07/DOE%20Final%20EO%20Report%20%28FINAL%20JULY%207%29.pdf.

[15] The White House, *Winning the Race: America's Action Plan* (July 2025), https://www.whitehouse.gov/wp-content/uploads/2025/07/Americas-AI-Action-Plan.pdf.

[16] *Id.* at 15.

[17] *Id.*

[17] NERC certifies Reliability Coordinators and Balancing Authorities in accordance with its Rules of Procedures.

APPLICATION OF EOP-011-4

Section 215 of the FPA[18] established a framework for development and implementation of mandatory and enforceable Reliability Standards that apply to Bulk-Power System owners, operators, and users, such as Reliability Coordinators and Balancing Authorities. NERC certifies Reliability Coordinators and Balancing Authorities pursuant to an Organization Certification program set forth in its Rules of Procedure,[19] because of the significant roles these two functional entity category types have in ensuring bulk-power system reliability. A Reliability Coordinator is defined as

> the entity that is the highest level of authority who is responsible for the Reliable Operation of the [Bulk Electric System (BES)], has the Wide Area view of the BES, and has the operating tools, processes, and procedures, including the authority to prevent or mitigate emergency operating situations in both next-day analysis and real-time operations. The Reliability Coordinator has the purview that is broad enough to enable the calculation of Interconnection Reliability Operating Limits, which may be based on the operating parameters of transmission systems beyond any Transmission Operator's vision.[20]

A Balancing Authority is "the responsible entity that integrates resource plans ahead of time, maintains Load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real time."[21]

Because of the criticality of their respective roles, Reliability Coordinators and Balancing Authorities are subject to NERC's Organization Certification Program to ensure that they have "the tools, processes, training, and procedures to demonstrate their ability to meet the Requirements/sub-Requirements of all of the Reliability Standards applicable to the function(s)."[22]

NERC Reliability Standard EOP-011-4 addresses Emergency Operations. Requirement 2 provides that "[e]ach Balancing Authority shall develop, maintain, and implement one or more Reliability Coordinator-reviewed Operating Plan(s) to mitigate Capacity Emergencies and Energy Emergencies within its Balancing Authority Area." Balancing Authorities are responsible for requesting that their respective Reliability

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[18] 16 U.S.C. § 824o.

[19] *See generally* NERC Rules of Procedure, https://www.nerc.com/globalassets/who-we-are/rules-of-procedure/nerc-rop-with-appendices-eff-20250520_signed.pdf; *see also id.* § 500.

[20] NERC Rules of Procedure, Appendix 5B; *see also id.* Appendix 2. Other capitalized terms in this definition also are defined in the NERC Rules of Procedure at Appendix 2.

[21] NERC Rules of Procedure app. 5B; *see also id.* app. 2.

[22] NERC Rules of Procedure § 501.

Coordinators issue an EEA in accordance with Requirement 2 and Attachment 1 to Reliability Standard EOP-011-4. Among other things, Requirement 2.2.4 of this reliability standard authorizes Balancing Authorities to make "[p]ublic appeals for voluntary Load reductions." Moreover, section 2.2.9 requires Balancing Authority Operating plans to include provisions for "Transmission Operators to implement operator-controlled manual Load shedding, undervoltage Load shedding, or underfrequency Load shedding," and section 2.2.10 requires such plans to determine reliability impacts of "extreme weather conditions."

According to Requirement 5,

Each Reliability Coordinator that receives an Emergency notification from a Transmission Operator or Balancing Authority within its Reliability Coordinator Area shall notify, within 30 minutes from the time of receiving notification, other Balancing Authorities and Transmission Operators in its Reliability Coordinator Area, and neighboring Reliability Coordinators.

According to Requirement 6,

Each Reliability Coordinator that has a Balancing Authority experiencing a potential or actual Energy Emergency within its Reliability Coordinator Area shall declare an Energy Emergency Alert, as detailed in Attachment 1.

Attachment 1 provides,

Initiation by Reliability Coordinator. An Energy Emergency Alert (EEA) may be initiated only by a Reliability Coordinator at 1) the Reliability Coordinator's own request, or 2) upon the request of an energy deficient Balancing Authority.

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To ensure that all Reliability Coordinators clearly understand potential and actual Energy Emergencies in the Interconnection, NERC has established three levels of EEAs. The Reliability Coordinators will use these terms when communicating Energy Emergencies to each other. An EEA is an Emergency procedure, not a daily operating practice, and is not intended as an alternative to compliance with NERC Reliability Standards.

The Reliability Coordinator may declare whatever alert level is necessary and need not proceed through the alerts sequentially.

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Before requesting an EEA 3, the energy deficient Balancing Authority must make use of all available resources; this includes, but is not limited to:

2.5.1 All available generation units are on line. All generation capable of being on line in the time frame of the Emergency is online.

2.5.2 Demand-Side Management. Activate Demand-Side Management within provisions of any applicable agreements.

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3.3.1 Energy deficient Balancing Authority obligations. The energy deficient Balancing Authority, upon notification from its Reliability Coordinator of the situation, will immediately take whatever actions are necessary to mitigate any undue risk to the Interconnection. These actions may include Load shedding.

EMERGENCY SITUATION

The current hot weather conditions pose significant risks to electric reliability in the Reliability Coordinator's footprint. Consistent with NERC's cautionary notes and this Administration's commitment to grid stability, this order seeks to unlock and deploy backup generation resources (whether auxiliary, standby, directly-connected, battery storage or other, and whether synchronized or not to the bulk-power system) at data centers (including, but not limited to, hyperscaler facilities), and at other large load industrial and commercial customer sites as another tool to mitigate any undue risk to the bulk-power system. The employment of this backup generation is expected to reduce stress on the grid. This will permit orderly, safe, and secure operations during the hot weather conditions.

According to NERC's 2026 Summer Reliability Assessment, the peak electricity demand in PJM occurs during the summer season.[23] It further notes that "[i]f extreme high temperatures are experienced, PJM anticipates the need for demand-response resources to help reduce load."[24] For the PJM assessment area, the anticipated reserve margin is projected to be 26%; however, the anticipated reserve margin drops to 3.8% in the event of "higher demand, outages, [or] derates in extreme conditions."[25] Additionally, the assessment's review of 2025 capacity and energy performance also notes that "PJM saw their third-highest all-time summer peak of more than 160 GW. This exceeded extreme demand projections for the summer (159 GW)."[26]

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[23] NERC, *2026 Summer Reliability Assessment* 25 (June 2026), https://www.nerc.com/globalassets/our-work/assessments/ nerc_sra_2026.pdf.

[24] *Id.*

[25] *Id.* at 10.

[26] *Id.* at 53.

Consistent with my letter issued on January 22, 2026, regarding the deployment of backup generation during emergency conditions, PJM submitted its Application for an emergency order pursuant to FPA section 202(c)on June 27, 2026, seeking authorization for "PJM to direct backup generation resources at large loads to operate" pursuant to a Section 202(c) Order and to use those backup generation facilities instead of grid power during or as a last resort before declaring an RTO wide or local EEA event or Interconnection Reliability Operation Limit ('IROL') event."[27] According to its Application, PJM further requests that "the order make clear that PJM may call upon its Transmission Owners to work with Electric Distribution Companies to take lawful actions to implement this order and support large load customers in bringing these backup resources online (including by disconnecting large loads from utility source powers)."[28] PJM states that it is taking steps to mitigate the need for the use of backup generation and would deploy all available reliability tools – except for frequency responsive services and voltage reduction action – but before any firm load interruption.[29]

ORDER

FPA section 202(c)(1) provides that whenever the Secretary of Energy determines "that an emergency exists by reason of a sudden increase in the demand for electric energy, or a shortage of electric energy or of facilities for the generation or transmission of electric energy," then the Secretary has the authority "to require by order . . . such generation, delivery, interchange, or transmission of electric energy as in [his] judgment will best meet the emergency and serve the public interest."[30] This statutory language constitutes a specific grant of authority to the Secretary to authorize the operation of generation, delivery, and transmission resources that the Secretary has determined will best meet an emergency.

I have made the determination that an emergency exists in the PJM region due to an abrupt, unexpected increase in demand for electric energy relative to prior forecasts, a shortage of electric energy, a shortage of facilities for the generation of electric energy, and other causes. As discussed above, taking into account the increasing demand for electricity and the current hot weather conditions, a statutory emergency exists in the PJM region from June 29, 2026, through July 3, 2026.

To best meet the emergency and serve the public interest, backup generation resources shall be made available to run during the emergency conditions specified below.

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[28] Application at 3.

[29] *Id.*

[29] *Id.* at 2.

[31] Although the text of FPA section 202(c) grants this authority to "the Commission," section 301(b) of the Department of Energy Organization Act transferred this authority to the Secretary of the Department of Energy. See 42 U.S.C. § 7151(b).

Based on my determination of an emergency set forth above, I hereby order:

A. From June 30, 2026, PJM, in collaboration with its Transmission Owners and Electric Distribution Companies, is authorized to direct backup generation resources (whether auxiliary, standby, directly-connected, battery storage or other, and whether synchronized or not to the bulk power system), to operate as a last resort before declaring an Energy Emergency Alert (EEA) 3 (i.e., before firm load interruption) or during an EEA 3.[31]

B. This Order requires the operation of the backup generation resources described in paragraph A. Following the conclusion of the EEA conditions described in paragraph A, sufficient time for orderly ramp down is permitted, consistent with industry practices.

C. This order is not applicable to any backup generation resource serving a critical reliability or backup need, including those at defense, homeland security, first responder, air traffic control, hospital facilities, 911 call centers, water treatment or wastewater facilities, natural gas pipeline facilities, natural gas gathering facilities, or other similar facilities.

D. To minimize adverse environmental impacts, this Order limits operation of deployed units to the times and within the parameters as determined by PJM pursuant to paragraphs A–C.

E. All operations of backup generation resources authorized under this order must otherwise comply with ancillary environmental requirements, including, but not limited to, monitoring, reporting, and recordkeeping requirements, to the maximum extent feasible while operating consistent with the emergency conditions.

F. PJM shall provide notification to the Department (via AskCR@hq.doe.gov) within one day following the date any backup generation resources have been directed to operate pursuant to this Order. The reporting shall include a list of all backup generation resources directed to operate pursuant to this Order. PJM shall provide such additional information regarding the environmental and other impacts of this Order and their compliance with the conditions of this Order, as requested by the Department of Energy from time to time.

G. Each party affected by this order is directed to file with the Federal Energy Regulatory Commission any tariff, tariff revisions or waivers necessary to effectuate this Order, as applicable. Rate recovery is available pursuant to 16 U.S.C. § 824a(c).

H. This Order shall not preclude the need for the backup generation resources subject to this Order to comply with applicable state, local, or Federal law or regulations following the

[31] *See* NERC Reliability Standard EOP-011-4, Attachment 1, at 3.1 ("The Reliability Coordinators and the energy deficient Balancing Authority shall continue to take all actions initiated during EEA 2.").

expiration of this Order.

I. Because this Order is predicated on the shortage of facilities for generation of electric energy and other causes, any backup generation resource subject to this Order shall not be considered a capacity resource.

J. This Order shall be effective June 30, 2026, at 11:59 PM ET and shall expire at 11:59 PM ET on July 3, 2026, with the exception of the above reporting requirements and compliance obligations, as applicable. Renewal of this Order, should it be needed, must be requested before this Order expires.

Issued in Washington, D.C. on this 30th day of June, 2026.

Chris Wright
Secretary of Energy

cc: **FERC Commissioners**
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