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July 20, 2026

Honorable Debbie-Anne A. Reese
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E. Room 1A
Washington, D.C. 20426

Re: PJM Interconnection L.L.C., Docket No. EL26-67-000
Informational Report on Stakeholder Processes Addressing Resource Adequacy for New Large Loads

Dear Secretary Reese:

As directed by the Federal Energy Regulatory Commission's ("Commission") Order Instituting Proceeding Under Section 206 of the Federal Power Act ("FPA") ("Show Cause Order"),¹ PJM submits this informational report to update the Commission on the current status of proposals under consideration in the stakeholder process to address the issue of resource adequacy to serve new large loads and other ongoing stakeholder processes that aim to increase the pace of adding generating capacity in the PJM Region.

I. INFORMATIONAL FILING

PJM has been working proactively to address the issue of resource adequacy for new large loads and to increase the pace of adding generating capacity in the PJM Region through myriad stakeholder processes. As further explained below, this effort is most directly evidenced by the Critical Issue Fast Path ("CIFP") for the development of a reliability backstop procurement ("RBP") and a framework for service during periods of insufficient resource adequacy.² These

¹ *PJM Interconnection, L.L.C. et al.*, 195 FERC ¶ 61,211, at P 104 (2026) ("Show Cause Order").

² See PJM Interconnection, L.L.C., *Issue Charge: Reliability Backstop Procurement* (Apr. 16, 2026), <https://www.pjm.com/-/media/DotCom/committees-groups/cifp-rbp/2026/20260416/20260416-item-04---cifp---rbp-issue-charge.pdf>; PJM Interconnection, L.L.C., *Issue Charge: Implementation of Connect and Manage ("CAM")*

efforts are further bolstered by stakeholder processes in the Connect and Manage Senior Task Force (“CAMSTF”), the Reserve Certainty Senior Task Force (“RCSTF”), the Powering Reliability Through Market Design workshops, and the Interconnection Process Subcommittee which are also all detailed as part of this informational report. Additionally, PJM’s proactive efforts to increase the pace of adding generating capacity in the PJM Region have resulted in four accepted proposals enhancing the interconnection process that PJM is implementing.³

a. Stakeholder Processes Addressing Resource Adequacy to Serve New Large Loads

i. Reliability Backstop Procurement and Framework for Service During Periods of Insufficient Resource Adequacy

PJM has recently conducted a stakeholder process through a CIFP that directly addresses the issue of resource adequacy to serve new large loads. Specifically, pursuant to the directive of the PJM Board,⁴ PJM initiated a CIFP regarding the execution of an RBP and the implementation of a framework for service during periods of insufficient resource adequacy.⁵ The CIFP for RBP

Framework for Large Load Interconnections (Mar. 25, 2026), <https://www.pjm.com/-/media/DotCom/committees-groups/task-forces/camstf/postings/connect-and-manage-issue-charge.pdf>.

³ See *PJM Interconnection, L.L.C.*, 195 FERC ¶ 61,197, at P 22 (2026) (accepting PJM’s expedited interconnection tracking proposal as a separate and expedited interconnection process through which PJM would consider up to 10 interconnection requests per calendar year for large new or uprated capacity resources); *PJM Interconnection, L.L.C.*, 194 FERC ¶ 61,079 (2026) (accepting PJM’s proposal to facilitate the transfer of Capacity Interconnection Rights from deactivating generation resources to new replacement generation resources); *PJM Interconnection, L.L.C.*, 190 FERC ¶ 61,083 (2025) (accepting PJM’s surplus interconnection service proposal to facilitate the rapid expansion of existing and planned generating facilities on PJM’s system); *PJM Interconnection, L.L.C.*, 190 FERC ¶ 61,084 (2025) (accepting PJM’s reliability resource initiative enabling a one-time reliability-based expansion of eligibility criteria for Transition Cycle 2 of PJM’s existing interconnection queue).

⁴ PJM Interconnection, L.L.C., *Board Letter to Stakeholders Initiating CIFP for RBP* (Apr. 8, 2026), <https://www.pjm.com/-/media/DotCom/about-pjm/who-we-are/public-disclosures/2026/20260408-cifp-rbp-initiation-letter.pdf>; PJM Interconnection, L.L.C., *Board Letter to Stakeholders Incorporating CAM into CIFP for RBP* (May 19, 2026), <https://www.pjm.com/-/media/DotCom/about-pjm/who-we-are/public-disclosures/2026/20260519-pjm-board-letter-re-reliability-backstop-procurement-connect-and-manage-cifp.pdf>.

⁵ See PJM, *Issue Charge: Reliability Backstop Procurement* (Apr. 16, 2026), <https://www.pjm.com/-/media/DotCom/committees-groups/cifp-rbp/2026/20260416/20260416-item-04---cifp---rbp-issue-charge.pdf>; PJM, *Issue Charge: Implementation of CAM Framework for Large Load Interconnections* (Mar. 25, 2026),

was convened to address the evolving risk profile in the PJM Region by developing a proposal to address backstop procurement which specifies core award parameters, such as price, term, and quantity, as well as cost allocation mechanisms to serve as a transitional measure towards addressing resource adequacy concerns while options for a more durable mechanism are evaluated as part of the broader market review.⁶

The CIFP addressing service during periods of insufficient resource adequacy was convened to focus on developing a solution to both incentivize investment in generation and manage the reliability challenges during the transitional period in which new load additions are outpacing the additions of new capacity in the PJM system. This framework will provide PJM operators with a tool to maintain reliability while allowing all large loads to connect to the system. Large loads that do not bring sufficient supply resources to the system to cover their requirements should not negatively impact reliability for other load, and therefore these large loads may be required to reduce their withdrawals from the transmission system before PJM needs to curtail other load.⁷ Because these issues have linkage, the PJM Board moved to consolidate them into one CIFP.⁸

<https://www.pjm.com/-/media/DotCom/committees-groups/task-forces/camstf/postings/connect-and-manage-issue-charge.pdf>.

⁶ See PJM Interconnection, L.L.C., *Board Decisional Letter on Critical Issue Fast Path - Large Load Additions*, at 5-6 (Jan. 16, 2026), <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>.

⁷ PJM, *Issue Charge: Implementation of CAM Framework for Large Load Interconnections* (Mar. 25, 2026), <https://www.pjm.com/-/media/DotCom/committees-groups/task-forces/camstf/postings/connect-and-manage-issue-charge.pdf>.

⁸ PJM, *Board Letter to Stakeholders Incorporating CAM into CIFP for RBP* (May 19, 2026), <https://www.pjm.com/-/media/DotCom/about-pjm/who-we-are/public-disclosures/2026/20260519-pjm-board-letter-re-reliability-backstop-procurement-connect-and-manage-cifp.pdf>.

In total, 24 proposals were submitted for consideration by PJM, the Independent Market Monitor for PJM, and various stakeholder groups.⁹ Of these proposals, 11 focused on a framework for service during periods of insufficient resource adequacy while 13 were focused on the RBP mechanism. Stakeholders made advisory votes on these proposals at the June 30, 2026 Special Members Committee (“MC”) meeting, following the four-stage CIFP process which concluded that same day. PJM also sought feedback from stakeholders on specific topics through further polling, the results of which were finalized on July 10, 2026.¹⁰

Based on these discussions that took place over eight stakeholder meetings between April 16 and June 30, 2026,¹¹ and the results of the June 30, 2026 stakeholder advisory votes,¹² the PJM Board is currently deliberating on the final proposals that PJM will file with the Commission regarding RBP and a framework for service during periods of insufficient resource adequacy. A finalized RBP proposal is expected to be filed with the Commission on or around July 31, 2026, with the goal of administering a reliability backstop procurement shortly after Commission acceptance of the proposal. PJM intends to file a proposal related to a framework for service

⁹ All 24 proposals are available on PJM’s website under the “Associated Materials” for the June 30, 2026 Special MC at: <https://www.pjm.com/committees-and-groups/issue-tracking/issue-tracking-details.aspx?Issue=c5bb612d-5342-4b56-850e-4e520e902ec6>.

¹⁰ PJM Interconnection, L.L.C., *CIFP – Reliability Backstop Procurement / Connect & Manage, Summarized Poll Results* (2026), <https://www.pjm.com/-/media/DotCom/committees-groups/cifp-rbp/postings/cifp-poll-results-with-comments.pdf>.

¹¹ PJM held stakeholder meetings regarding the CIFP for RBP on April 16 and 17 and May 4 and 5, 2026, and held joint meetings on the CIFP on May 27 and June 10, 11, and 30. See PJM Interconnection, L.L.C., *Critical Issue Fast Path - Reliability Backstop Procurement / Connect & Manage*, <https://www.pjm.com/committees-and-groups/cifp-rbp>. PJM had previously held seven meetings from February 6 through March 5, 2026 regarding RBP at the Reliability Backstop Procurement Workshop. See PJM Interconnection, L.L.C., *Reliability Backstop Procurement Workshop*, <https://www.pjm.com/committees-and-groups/workshops/rbpw>.

¹² Voting results for all the proposals are available PJM’s MC webpage under the “Meeting Materials” for the June 30, 2026 MC meeting list as “MC Voting Results” for Agenda Item 3A – Agenda Item 3X; see PJM Interconnection, L.L.C., *Members Committee*, <https://www.pjm.com/committees-and-groups/committees/mc>.

during periods of insufficient resource adequacy shortly after the RBP filing, on or around August 7, 2026.

ii. Large Load Customer Flexibility

PJM's large load customer flexibility initiative is also slated to address a Problem Statement¹³ and Issue Charge¹⁴ related to large load customer flexibility,¹⁵ which was approved by the Markets and Reliability Committee ("MRC") on March 25, 2026.¹⁶ This stakeholder process recognizes the 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 and therefore seeks to develop the tools, processes, business rules, and regulatory changes required to address large load customer flexibility, including load shed prioritization and allocation.¹⁷ In light of the Commission's Show Cause Order, PJM is considering whether to explore the matter raised in this Problem Statement and Issue Charge as part of its response to the directives of that order.

Specifically, PJM and stakeholders expect to develop an allocation framework whereby Transmission Owners and Load Serving Entities ("LSE") have specific customer contractual load

¹³ PJM Markets and Reliability Committee, *Develop Process to Provide Large Load Customers Flexibility to Connect to the Transmission Grid in the PJM Region* (Mar. 25, 2026) <https://www.pjm.com/-/media/DotCom/committees-groups/committees/mrc/2026/20260325/20260325-item-02---2-exelon-large-load-flexibility-problem-statement.pdf>.

¹⁴ PJM Markets and Reliability Committee, *Large Load Customer Flexibility, Issue Charge* (March 25, 2026) <https://www.pjm.com/-/media/DotCom/committees-groups/committees/mrc/2026/20260325/20260325-item-02---3-exelon-large-load-flexibility-issue-charge.pdf>.

¹⁵ Issue Tracking for PJM's Large Load Customer Flexibility Issue Charge is available; see PJM Interconnection, L.L.C., *Issue Details, Large Load Customer Flexibility*, <https://www.pjm.com/committees-and-groups/issue-tracking/issue-tracking-details.aspx?Issue=470a5f36-2ce2-4c82-8639-7d4bb9d0cafc>.

¹⁶ PJM Markets and Reliability Committee, *Minutes* (Mar. 25, 2026), <https://www.pjm.com/-/media/DotCom/committees-groups/committees/mc/2026/20260422/20260422-item-10a---mrc-report.pdf>.

¹⁷ PJM Markets and Reliability Committee, *Issue Charge: Large Load Customer Flexibility* (Mar. 25, 2026), <https://www.pjm.com/-/media/DotCom/committees-groups/committees/mrc/2026/20260325/20260325-item-02---3-exelon-large-load-flexibility-issue-charge.pdf>.

reduction guarantees with advanced notification of the potential magnitude of load reductions that may be required under set PJM conditions.¹⁸ PJM, Transmission Owners, and stakeholders will explore how to design load reduction allocations based on the contributions of any reducible load to the actual real time flowgate reliability issues they impact or to the shortfall to PJM's required reserve margin and will develop options for temporary flexibility to offer loads until transmission upgrades are constructed, such as fully, partially, or storage matched options.¹⁹ The timing of this work remains under review.

b. Stakeholder Processes Aiming to Increase the Pace of Adding Generating Capacity in the PJM Region

i. Increasing the Pace of Adding Generating Capacity Through Markets

1. Powering Reliability Through Market Design

Following the PJM Board's January 16, 2026 Decisional Letter on the CIFP for Large Load Additions directing staff to undertake a holistic review of the PJM capacity market design and investment incentives,²⁰ PJM released a report on Powering Reliability Through Market Design.²¹ This report delineated three potential paths forward: (1) stabilizing PJM's long-term market; (2) allowing for differential reliability between regions within the PJM Region; and (3) pursuing a transition from reliance on the Reliability Pricing Model ("RPM") for resource adequacy to the energy and Ancillary Services markets.²² The first solution path preserves the existing capacity

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ See PJM, *Board Decisional Letter on Critical Issue Fast Path - Large Load Additions* (Jan. 16, 2026), <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>.

²¹ PJM Interconnection, L.L.C., *Powering Reliability Through Market Design* (May 6, 2026), <https://www.pjm.com/-/media/DotCom/library/reports-notice/special-reports/2026/20260506-powering-reliability-through-market-design.pdf>.

²² *Id.* at 7.

market and the long-standing compact of shared reliability in PJM but requires the vast majority of load to be covered through long-term forward commitments, either through mandatory LSE hedging or through centralized long-term procurement.²³ The second path questions whether areas within PJM should be permitted to elect different reliability standards other than the 1-in-10 standard used throughout the PJM Region now and explores making that potential rationing of capacity in scarcity conditions deliberate, principled, and governable, on the basis of those elections.²⁴ The third path considers moving away from relying as heavily on the capacity market for contribution to the revenue required for investment in supply resources. This path would instead pursue a phased shift of the revenue recovery function from the capacity market to the energy and Ancillary Services markets thereby reducing the region's reliance on the capacity market as only a backstop mechanism to promote forward bilateral energy contracts as the primary hedging instrument for LSEs.²⁵

PJM presented the report at the May 20, 2026 MRC meeting.²⁶ Following the issuance of the report, PJM scheduled a series of workshops to examine the choices presented in the paper and begin to develop recommendations for consideration in the subsequent stakeholder process. The first of these workshops was held on June 12, 2026.²⁷ Additional workshops and opportunities for

²³ *Id.* at 29-36.

²⁴ *Id.* at 37-39.

²⁵ *Id.* at 39-44.

²⁶ PJM, *Powering Reliability Through Market Design: Addressing Rising Demand and Constrained Supply, and Simulating Investment To Support Durable Reliability* (May 20, 2026), https://videos.pjm.com/media/1_b6u45ufr.

²⁷ PJM Interconnection, L.L.C., *Agenda, Powering Reliability Through Market Design Workshop* (June 12, 2026), <https://www.pjm.com/-/media/DotCom/committees-groups/workshops/prtmdw/2026/20260612/20260612-agenda.pdf>.

submitting written comments will carry through August.²⁸ PJM anticipates a more formal stakeholder process to follow the workshop sessions, culminating in a filing with the Commission in 2027.

2. Reserve Certainty Reforms

As highlighted in PJM's report, the RCSTF is developing enhancements to recalibrate reserve products and update reserve demand curves to better account for ramping and uncertainty and better align reserve pricing with operational practice.²⁹ The PJM proposal put forward in the RCSTF is designed to provide more efficient economic incentives through enhanced products for resources participating in PJM's Ancillary Services markets which should also help increase the pace of adding new generating capacity to the PJM Region through improved market signals. Stakeholder discussion of this issue at the RCSTF concluded on June 25 and voting concluded on July 10.³⁰ The proposal will be discussed at the August 24 MRC and voted on at the September MRC, with a final vote scheduled to take place at the October MC.³¹ If a proposal is endorsed by stakeholders, PJM plans to file that proposal with the Commission by the end of 2026.³²

²⁸ PJM Interconnection, L.L.C., *Powering Reliability Through Market Design Workshops*, <https://www.pjm.com/committees-and-groups/workshops/prtmdw>.

²⁹ See also PJM Interconnection, L.L.C., *Issue Charge: Reserve Certainty Senior Task Force* (May 15, 2024), <https://www.pjm.com/-/media/DotCom/committees-groups/task-forces/rcstf/2024/20240515/20240515-item-09a---rcstf-issue-charge---annotated-with-progress.pdf>.

³⁰ PJM Reserve Certainty Senior Task Force, *RCSTF Summarized Voting Results Report* (July 2026), <https://www.pjm.com/-/media/DotCom/committees-groups/task-forces/rcstf/2026/20260625/20260625-summarized-rcstf-voting-results-report-july-2026.pdf>.

³¹ See PJM, *RCSTF Vote Information and Overview*, at 6 (June 25, 2026), <https://www.pjm.com/-/media/DotCom/committees-groups/task-forces/rcstf/2026/20260625/20260625-item-04---rcstf-vote-information-and-overview.pdf>.

³² Issue Tracking for PJM's Large Load Customer Flexibility Issue Charge is available; see PJM, *Issue Details, Large Load Customer Flexibility*, <https://www.pjm.com/committees-and-groups/issue-tracking/issue-tracking-details.aspx?Issue=470a5f36-2ce2-4c82-8639-7d4bb9d0cafc>.

ii. Increasing the Pace of Adding Generating Capacity Through Interconnection Reforms

1. Expedited Interconnection Track

On June 9, 2026, the Commission issued an order accepting PJM’s proposed Expedited Interconnection Track (“EIT”) proposal.³³ In so doing, the Commission found that PJM’s proposal “accomplishes the purposes of Order Nos. 2003 and 2023 by helping to ensure that interconnection customers are able to interconnect to the transmission system in a reliable, efficient, transparent, and timely manner” and that the “EIT proposal will help address PJM’s near-term resource adequacy needs by establishing a separate, time-limited, expedited interconnection process for a limited number of resources that are able to bring significant capacity onto the system in the near-term.”³⁴

The Commission found that the eligibility requirements proposed “are tailored to addressing near-term resource adequacy needs and appropriately limit EIT to capacity resources that are more likely to timely contribute to meeting the region’s needs”³⁵ thereby increasing the pace of adding generating capacity in the PJM Region. The EIT was developed through the Critical Issue Fast Path – Large Load Addition (“CIFP-LLA”) stakeholder process³⁶ which culminated in a Special MC meeting on November 19, 2025. During that process, PJM and stakeholders proposed multiple packages that included concepts around an expedited

³³ *PJM Interconnection, L.L.C.*, 195 FERC ¶ 61,197, at P 22 (2026).

³⁴ *Id.*

³⁵ *Id.*

³⁶ Meeting information and materials can be found on the CIFP-LLA webpage; see PJM, *Critical Issue Fast Path – Large Load Additions*, <https://www.pjm.com/committees-and-groups/cifp-lla>.

interconnection track. In its January 16, 2026 letter following the CIFP-LLA, the Board directed PJM to file an EIT package which was formally noticed during the February 19, 2026 MC.³⁷

2. Expansion of Provisional Service

PJM's Interconnection Process Subcommittee ("IPS") is currently exploring an issue charge to expand provisional service by identifying under what circumstances generation projects that advance to Phase III of a Cycle may be permitted to safely and reliably begin generating prior to their completion of certain Cycle studies without impacting the timing or fundamentally altering the Generation Interconnection Procedures.³⁸ The IPS intends to report the final results of polling related to this stakeholder effort to the Planning Committee in September 2026 for further consideration.³⁹ PJM is also assessing the impact of the Show Cause Order on this topic.

3. Interconnection Process Subcommittee

Additionally, PJM's Interconnection Process Subcommittee continues to discuss the ongoing interconnection cycle-based study process which has already made large improvements to increasing the pace of adding generating capacity. PJM posted Phase II of its System Impact Study reports on June 5, 2026, and is currently in Transition Cycle 2 Phase III, which started on July 8, 2026.⁴⁰ This final phase is presently projected to culminate in the negotiation of final

³⁷ See PJM MC, *Agenda* (Feb. 19, 2026), <https://www.pjm.com/-/media/DotCom/committees-groups/committees/mc/2026/20260219/20260219-agenda.pdf>; See *PJM Interconnection, L.L.C., Proposed Tariff Amendments for Expedited Interconnection Track*, Docket No. ER26-1563-000 (Feb. 27, 2026).

³⁸ PJM Interconnection, L.L.C., *Issue Charge: Expansion of Provisional Service* (Nov. 24, 2025), <https://www.pjm.com/-/media/DotCom/committees-groups/subcommittees/ips/2025/20251124/20251124-item-05b---expansion-of-provisional-service---issue-charge.pdf>.

³⁹ The most recent Interconnection Process Subcommittee report to the MC was provided on June 17, 2026; see PJM Interconnection Process Subcommittee, *Monthly Process Report* (June 17, 2026), <https://www.pjm.com/-/media/DotCom/committees-groups/committees/mc/2026/20260624/20260624-item-12c---ips-report.pdf>.

⁴⁰ PJM Interconnection Process Subcommittee, *Cycle Schedule Update*, at 3 (June 26, 2026), <https://www.pjm.com/-/media/DotCom/committees-groups/subcommittees/ips/2026/20260626/20260626-item-03---cycle-schedule-update.pdf>.

agreements by March 5, 2027.⁴¹ Furthermore, PJM continues to make significant progress regarding cycle service requests. As of May 15, 2026, PJM has received a total of 829 applications under Cycle 1, totaling approximately 212,000 MWs of new capacity currently under review.⁴²

II. CONCLUSION

PJM requests the Commission accept this informational report as responsive to the Commission's directive from the Show Cause Order.⁴³

Respectfully submitted,

/s/ Daniel Vinnik

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On behalf of
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⁴¹ *Id.*

⁴² PJM Interconnection Process Subcommittee, *Cycle Schedule Update*, at 8 (May 26, 2026), <https://www.pjm.com/-/media/DotCom/committees-groups/subcommittees/ips/2026/20260526/20260526-item-01---ips-cycle-update.pdf>.

⁴³ See Show Cause Order, 195 FERC ¶ 61,211 at P 104.

CERTIFICATE OF SERVICE

I hereby certify that I have this 20th day of July, 2026 caused a copy of the foregoing document to be served upon each person designated on the official service list compiled by the Secretary in this proceeding.

/s/ Daniel Vinnik

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