



IRAS Training (Pending FERC approval)

September 25, 2026

Disclaimer: While materials are current at the time of publishing, applicable requirements may change. PJM Governing Documents control.

▼ IRAS Overview

▼ Timeline and Important Dates

▼ Responsibilities

▼ BYONC

▼ Large Load Registry

▼ RPM VRR Curve Changes With Examples

▼ IRAS Determinations

▼ Operations

▼ IRAS Rate

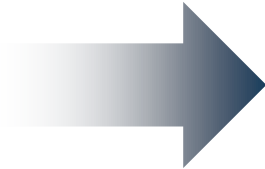
Interim Resource Adequacy Service IRAS Overview

Interim Resource Adequacy Service (IRAS) shall mean a load reduction service through which New Large Loads reduce load as directed by the applicable Electric Distributor in response to an Interim Resource Adequacy Service Action requested by the Office of the Interconnection.

IRAS is a transitional reliability mechanism for periods of Resource Inadequacy.

- New Large Loads that do not secure qualifying capacity may be subject to early curtailment during capacity shortage conditions.
- New Large Loads can avoid IRAS through Bring Your Own New Capacity (BYONC)

RTO Available
Capacity < RTO
Reliability
Requirement



New Large Load
is not covered by
qualifying BYONC

IRAS obligations are assigned.

- Load may be subject to curtailment prior to deployment of Pre-emergency Load Management.
- Curtailment is used only when necessary to preserve grid reliability.

IRAS Load
Reduction

Pre-Emergency
Load Management

Additional
Emergency
Actions

When will IRAS be needed?

IRAS will be an operational tool for PJM operators if there is projected capacity shortage in real time.
PJM expects that there will be a transitional period where this will be necessary.

Delivery year trigger for shortage

PJM RPM/IA Supply < RTO Reliability Requirement

- Determined after the Third Incremental Auction but before the effective RPM delivery year
- Total IRAS capped at the minimum of the New Large Load or RTO shortage for each delivery year
- If IRAS is not needed for three consecutive delivery years, then all Large Load previously subject to IRAS will no longer be subject to IRAS for all future delivery years.
- The IRAS Tariff and manual language will not have sunset provisions.

Disclaimer: While materials are current at the time of publishing, applicable requirements may change. PJM Governing Documents control.

Large Load: End-use customer(s) load that has a cumulative peak load of 50 MW or greater at a single electrical site behind one or more points of interconnection, where for configurations involving multiple affiliated load facilities or multiple points of interconnection with affiliated load facilities behind them, all affiliated load facilities within a one-mile radius will be considered a single electrical site as further described in the PJM Manuals

New Large Load: End-use customer load that is either (a) a Large Load that goes into service after June 1, 2027, or (b) incremental load in-service after June 1, 2027, that increases the existing end-use customer load at a single electrical site that, prior to such incremental load, did not previously meet the definition of Large Load

BYONC: Bring Your Own New Capacity: Mechanism allowing Large Loads to avoid IRAS obligations through qualifying generation, storage or demand response resources

IRAS Timelines

Legal

IRAS PJM FERC filing submission:	August 13, 2026
IRAS PJM requested effective date:	October 12, 2026
IRAS implementation:	June 1, 2027

Registry

(IRAS determinations)

Large Load In-Service Date

Prior June 1, 2027

Post June 1, 2027 (locations)

Post June 1, 2027 (complete and final info)

Large Load Registry Submission Deadline

March 1, 2027

Prior to determination of Peak Load Forecast for the 2028 Load Forecast and later.
(Large Loads included in 2027 Load Forecast to be used for 27/28 IRAS Zone/Area determinations)

Prior to in-service date

Registry

(BYONC and VRR Curve Adjustments)

RPM DY/Auction

2027/2028 DY

2028/2029 DY

2029/2030 BRA*

2029/2030 IAs*

2030/2031 DY Forward*

Large Load Registry BYONC Submission Deadlines

April 1, 2027

April 1, 2028

October 20, 2026 (50 days prior to auction)

30 days prior to posting of PP

30 days prior to posting of PP

BYONC Verification

April 15, 2027

April 15, 2028

VRR updated in final posting of PP and BYONC verification after clearing

**Effective with the 29/30 DY, BYONC arrangements must be verified before the first auction the capacity is included in RPM auction.*

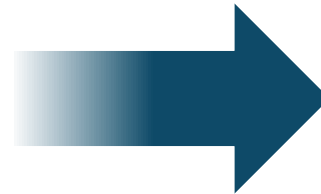
Timeline of Large Load Registry and BYONC for 2029/2030 BRA Only

Electric Distributor

needs to report the arrangement to
PJM by identifying both the New Large
Load and the BYONC
before Oct. 20, 2026.

The Resource Owner

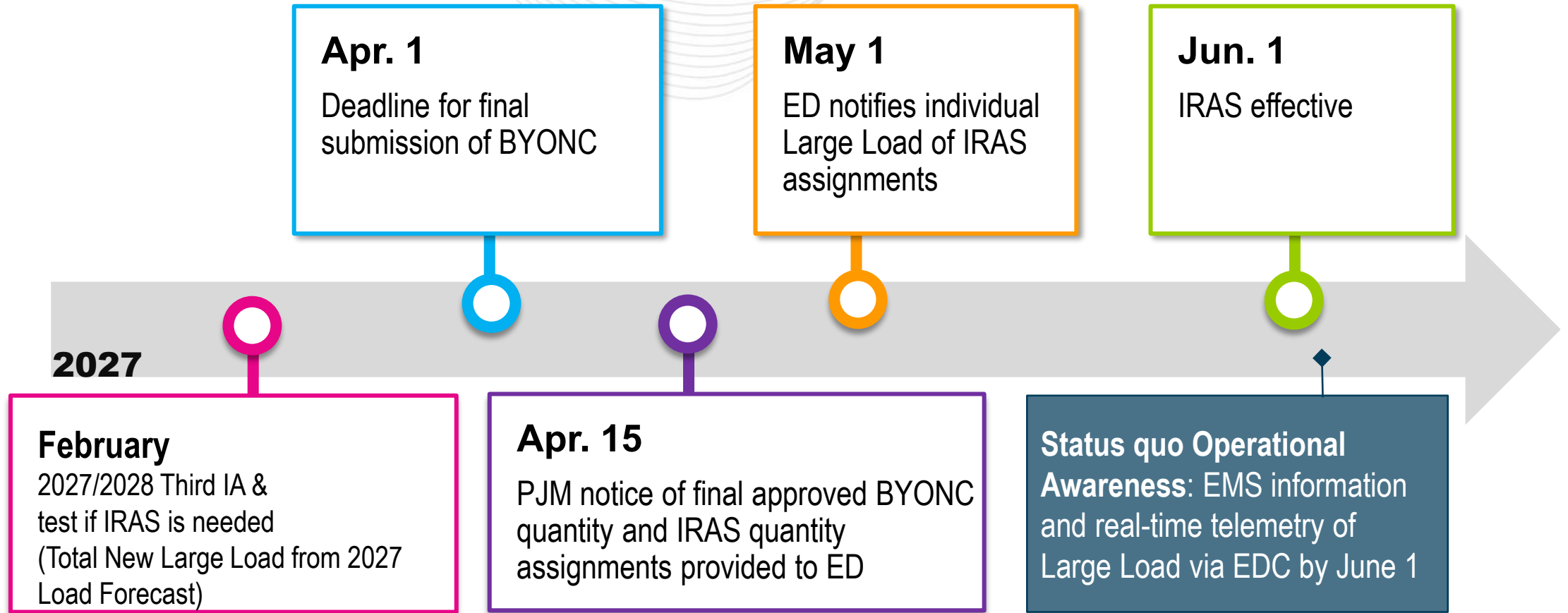
to enter a BYONC arrangement must
certify to PJM
before Oct. 20, 2026.



PJM

PJM needs to verify information
from both sides and post the
updated VRR Curve that
incorporates any Excluded RTO
New Large Load Amounts
before Nov. 9, 2026.

Timeline for Determinations of IRAS Quantities (2027/2028 DY)



Similar timeline will apply to future delivery years.

Interim Resource Adequacy Service

Roles and Responsibilities

IRAS Responsibilities Flow From PJM to Local Entities

Responsible Entity	Core Responsibilities	Timing/Trigger
PJM (Office of the Interconnection)	• Maintain the Large Load Registry and identify Eligible New Large Loads. • Determine regional and zone/area IRAS MW. • Issue IRAS Actions and request zone/area load reductions.	• Registry maintained regularly • IRAS annual determination after the Third Incremental Auction. • IRAS actions during real-time system conditions
Electric Distributors	• Execute PJM's MW directive among eligible loads. • Coordinate registry data with PJM, states/RERRAs, LSEs and customers. • Administer compensation and cost recovery.	Ongoing coordination; action and settlement following an IRAS event
Each Party/LSE/ED	• Submit required registry data for each Large Load. • Promptly update changes and provide forecast-location data. • Report qualifying BYONC arrangements.	Existing loads: March 1, 2027 New loads: before in-service date BYONC: See timelines
States/RERRAs	• Coordinate with Electric Distributors and LSEs on which loads reduce. • Establish retail implementation, compensation and cost-allocation constructs.	Before IRAS implementation and through applicable state processes

IRAS

Exemption – Bring Your Own New Capacity (BYONC)

What is BYONC eligible? BYONC must be identified before the relevant RPM auction for which the capacity clears for the first time.
Exception: New UCAP MW cleared in the 2027/2028 and 2028/2029 BRAs must be identified by April prior to delivery year.

Supply

- 1** Any new UCAP MW of supply included in the 2027/2028 Third Incremental RPM Auction and later DY BRA/IA that has not cleared in a prior DY BRA/IA (Exception: New UCAP MW cleared in the 2027/2028 and 2028/2029 BRAs are eligible).
- 2**
 - New-build generation resource, including new resources obtaining Capacity Interconnection Rights transferred from deactivated resources or resources that have announced deactivation as of April 10, 2026.
 - Incremental capacity created by an uprate of an Existing Generation Capacity Resource, only to the extent created through an increase in installed capacity AND an increase in Capacity Interconnection Rights.
 - Incremental capacity created by the utilization of Surplus Interconnection Service.
 - Repowering of a deactivated generation resource that deactivated prior to April 10, 2026.
 - Incremental capacity (greater UCAP or higher CIRs) created by an Existing Generation Capacity Resource changing fuel type to a more efficient fuel type.

DR/DER

- 1** Must qualify as a Planned Demand Resource or DER Capacity Aggregation Resource (RAA Schedules 6 and 6.2) and be composed of/reliant on, the incremental amount of any location registered in or prior to the 2026/2027 Delivery Year at which such incremental amount results from registration of new generation or storage assets
- 2** Composed of/reliant on locations that did not previously support a Capacity Resource, a Peak Shaving Adjustment or Price Responsive Demand for the 2026/2027 Delivery Year

Additional BYONC Information

Item	Description
Exclusions	• Restoration of previous delivery year capacity deficiencies (e.g., failed tests) do not qualify for BYONC. • Megawatts of unforced capacity previously included in an FRR Capacity Plan prior to the 2027/2028 Delivery Year do not qualify as BYONC. • Existing resources operating in under either a Reliability Must-Run (RMR) agreement or a Federal Power Act, Section 202(c) Order for continued operation beyond a planned retirement date do not qualify for BYONC. • Delayed retirements do not qualify for BYONC.
Certification	The resource owner or entity with contractual authority must certify to PJM attesting to the arrangement with the New Large Load and that the BYONC will follow the requirements of Attachment DD-4, section VIII.
Permanence/non-transferability	BYONC that is in an arrangement with a New Large Load must remain in such arrangement with that New Large Load unless and until the New Large Load is permanently out-of-service.– BYONC is non-transferable.
Multiple BYONC per resource	A physical resource may support multiple BYONC, each in an arrangement with different New Large Loads, as long as no BYONC is in an arrangement with more than one New Large Load (no MW sold twice).
Multiple resources per load	A New Large Load may enter into an arrangement with discrete BYONC supported by different physical resources.
Excess BYONC for growth	A New Large Load may enter into an arrangement with BYONC in excess of its current Eligible Large Load Amount (e.g., for expected growth); the full megawatt quantity of such BYONC shall be offered in the first RPM Auction for which the New Large Load is included in the VRR Curve.

BYONC Accreditation and RPM Participation

Item	Description
Generation/storage accreditation	The Accredited UCAP of any BYONC shall be the Accredited UCAP for the RPM Auction in which the BYONC cleared for the initial delivery year the BYONC is in an arrangement with the New Large Load (value fixed at the first Delivery Year).
DR/DER accreditation & demonstration	Accredited UCAP must be demonstrated each year for a 10-year period using the DR or DER Capacity Aggregation Resource installed capacity for the first Delivery Year after the arrangement. No demonstration is required for the initial Delivery year where the DR is itself the New Large Load.
Capacity Resource status	All BYONC in an arrangement with a New Large Load must meet Tariff, Attachment DD, section 5.5A and become Capacity Resources eligible to participate in RPM Auctions.
Must-Offer Requirement	All BYONC must be offered into RPM Auctions consistent with the capacity must-offer requirements and exceptions in Attachment DD, sections 6.6 and 6.6A; BYONC may not seek the section 6.6(g) external-sale exception for a 10-year period starting with the first delivery year of the arrangement.
Capacity market rules	All BYONC committed through RPM Auctions are subject to all capacity market rules set forth in Tariff, Attachments DD and DD-1.
Deficiency charges	If the resource supporting a BYONC arrangement is unavailable in a given delivery year, the seller is subject to all relevant deficiency charges under Attachment DD.
Price-taker obligation	All BYONC not qualifying for a section 6.6(g) exception must be offered into the applicable RPM Auctions as price takers, i.e., \$0/MW-day UCAP, for a 10-year period starting with the first delivery year of the arrangement.
DR/DER 10-year commitment and replacement	DR or DER Capacity Aggregation BYONC must participate in RPM Auctions for ten consecutive delivery years as an Annual Demand Resource/DER Capacity Aggregation Resource. The seller may report replacement BYONC for the remainder of the 10-year commitment; the replaced BYONC (and its supporting registrations) may no longer provide BYONC, the replacement requires certification and must be effective coincident with the initial BYONC releasing its arrangement.
Sunset of obligations	To the extent three consecutive delivery years meet the requirements of Attachment DD-4, section IV(b)(iii), any existing BYONC are relieved of the obligations under section VIII.

Large Load Registry and BYONC

PJM will maintain a Large Load Registry and update it periodically.

- Information will be used for purposes including but not limited to implementation of IRAS.
 - Information related to development and maintenance of the registry may be obtained by PJM from ED.
 - PJM may review information and coordinate with the applicable TO and ED regarding validity, request additional information as PJM deems necessary, and may consult with the Large Load.
-

Timing:

- Large Load in service prior to June 1, 2027, shall be provided by March 1, 2027.
- New Large Load in service on or after June 1, 2027, shall be provided before the in-service date of the Large Load.
- New Large Load location(s) shall be provided before determination of the final PJM Regional Peak Load Forecast for the effective RPM Auction for the delivery year in which the load is expected in service, starting with the 2028 PJM Regional Peak Load Forecast.
- Each party shall promptly inform PJM of any change in the required information, including if the party no longer serves the Large Load or has acquired the contractual right to serve a registered Large Load.

Large Load Registry Data Fields

1	Eligible Customer/Network Customer for Large Load	8	Telemetry specifications
2	Description of Large Load	9	BYONC quantity (MW) and ramp schedule, if applicable
3	Location(s) – Control Zone, Electric Distributor zone/area (a zone/area is an area within a zone for which the relevant Electric Distributor specifies a separate Obligation Peak Load MW value; a separately identifiable geographic service area bounded by wholesale metering)	10	Allocated RBP UCAP MW quantity (MW), if applicable
4	In-service date for each increment of load	11	Backup generation (MW), including fuel type and relevant permitting limitations
5	Peak shaving adjustment value pursuant to a state program codified in state law, and whether and how it meets the requirements of Tariff, Attachment DD-2	12	Contracts or service agreements between the Large Load and the LSE
6	Delivery point/Point(s) of interconnection (include all if more than one)	13	Points of contact at the applicable Transmission Owner, Electric Distributor and Load Serving Entity
7	Peak load quantity (MW) and ramp schedule, if applicable	14	EMS B1/B2/B3 name (for the applicable Transmission Owner, Electric Distributor)

Additional details may include information to support co-located load, BTMG, Large Load show cause order and PJM planning.

Item	Description
Co-located/backup generation	PJM is not excluding co-located load or load with backup generation from the definitions of Large Load and New Large Load; such attributes are to be identified in the registry.
Designated confidential data	To the extent information has been designated confidential by a Party, Electric Distributor, or other supplying entity, PJM shall maintain confidentiality consistent with Operating Agreement, section 18.17.
Permitted recipients	Registry information may be available to Authorized Commissions, Transmission Owners, Electric Distributors, Load Serving Entities, the Market Monitoring Unit, and FERC, subject to appropriate data protection safeguards under Operating Agreement, section 18.17.
Public posting	PJM shall post aggregate data from the Large Load Registry on the PJM website, aggregated by Electric Distributor zone/area, where possible and consistent with existing confidentiality protections.
Randomized identifiers	PJM anticipates each Large Load will have a specific randomized identifier; Electric Distributors will inform customers of inclusion and their identifier; a Capacity Market Seller may input the BYONC resource into its account and associate it with the Large Load identifier.
Legal obligation	Provisions against intentionally false statements or omissions of material fact extend to reporting to the registry – FPA section 222 and 18 C.F.R. section 1c.2; Sellers must 'provide accurate and factual information' under 18 C.F.R. section 35.41(b).
Why it matters	False or misleading statements (e.g., about Peak Load Contributions) could create inaccurate baselines PJM relies on to determine Eligible New Large Load Amounts.
Eligibility determination	PJM uses the registry to determine each New Large Load's Eligible New Large Load Amount – registered peak load MW minus the ICAP equivalent of BYONC arrangements and Allocated RBP UCAP MW.
Zone/area allocation	PJM identifies New Large Loads by zone/area and allocates IRAS responsibility to each zone/area accordingly, starting with the 2027/2028 Delivery Year.
Limit on use	PJM's reliance on actual identities of New Large Loads stops after determining zone/area shortfall quantities; operational directives will direct load reduction of megawatt quantities in zones/areas, not specific New Large Loads.
State retail programs	States may leverage the registry to inform retail constructs including load reduction priorities and cost allocation at the retail level to appropriate end-use customers, and to determine whether Large Loads have matched loads with new capacity.

RPM VRR Curve Changes

Effective with the 2029/2030 DY all New Large Load (relative to 2028/2029 DY) that does not BYONC will be excluded from RPM Auction.

Requires identification of New Large Load that has BYONC

Excluded New Large Load (2029/2030 BRA) =

New Large Load (2029/2030) – New Large Load (2028/2029) – BYONC (2029/2030) – RBP allocated (2029/2030 DY)

The following quantities are
determined from the 2026 Load Forecast vintage

- **New Large Load (2029/2030)** = All New Large Loads in 2026 forecast effective for 2029/2030 Delivery Year and earlier
- **New Large Load (2028/2029)** = All New Large Loads in 2026 forecast effective for 2028/2029 Delivery Year and earlier
- **Difference** (New Large Load (2029/2030) – New Large Load (2028/2029)) is the New Load relative to 2028/2029 Delivery Year

The following quantities are
determined after ED submission

- **BYONC (2029/2030)**: New RPM capacity in 2029/2030 BRA that supports New Large Load must be identified by 10/20/26 or will not qualify for BYONC in any future auction.
- **RBP allocated (2029/2030 DY)**: Not applicable because unknown for 2029/2030 BRA

IRAS RTO and Zone/Area Determinations

When will IRAS be needed?

IRAS will only be necessary if there is supply shortage associated with Large Load additions that do not BYONC. PJM expects that there will be a transitional period where this will be necessary. IRAS Load will not be utilized for organic load growth or existing Large Loads in service by June 1, 2027. IRAS is not available if there is no reliability requirement shortage.

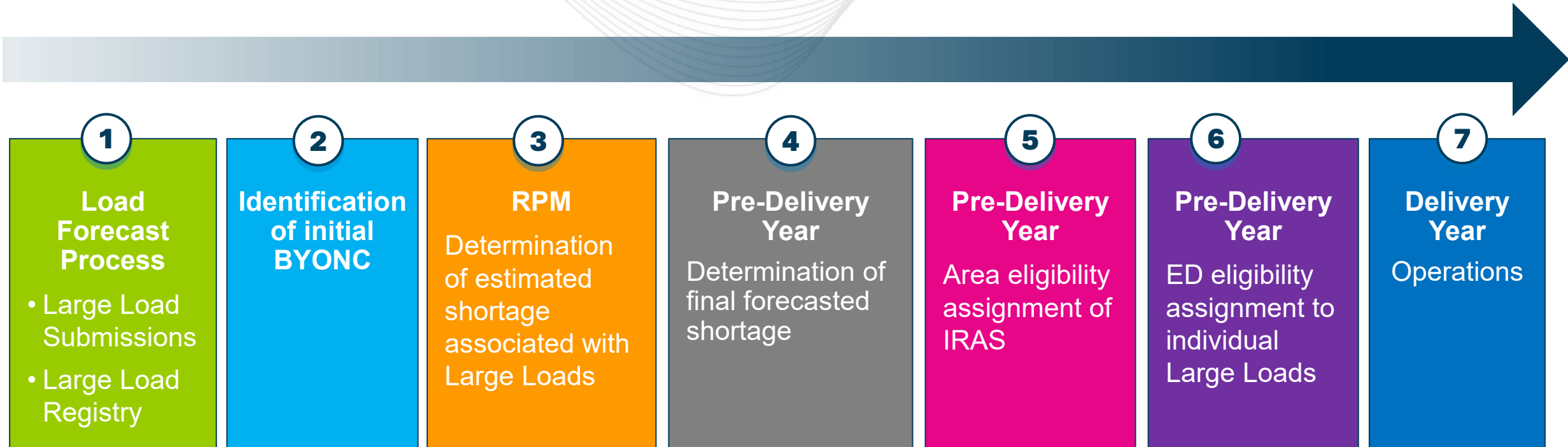
Trigger for Shortage

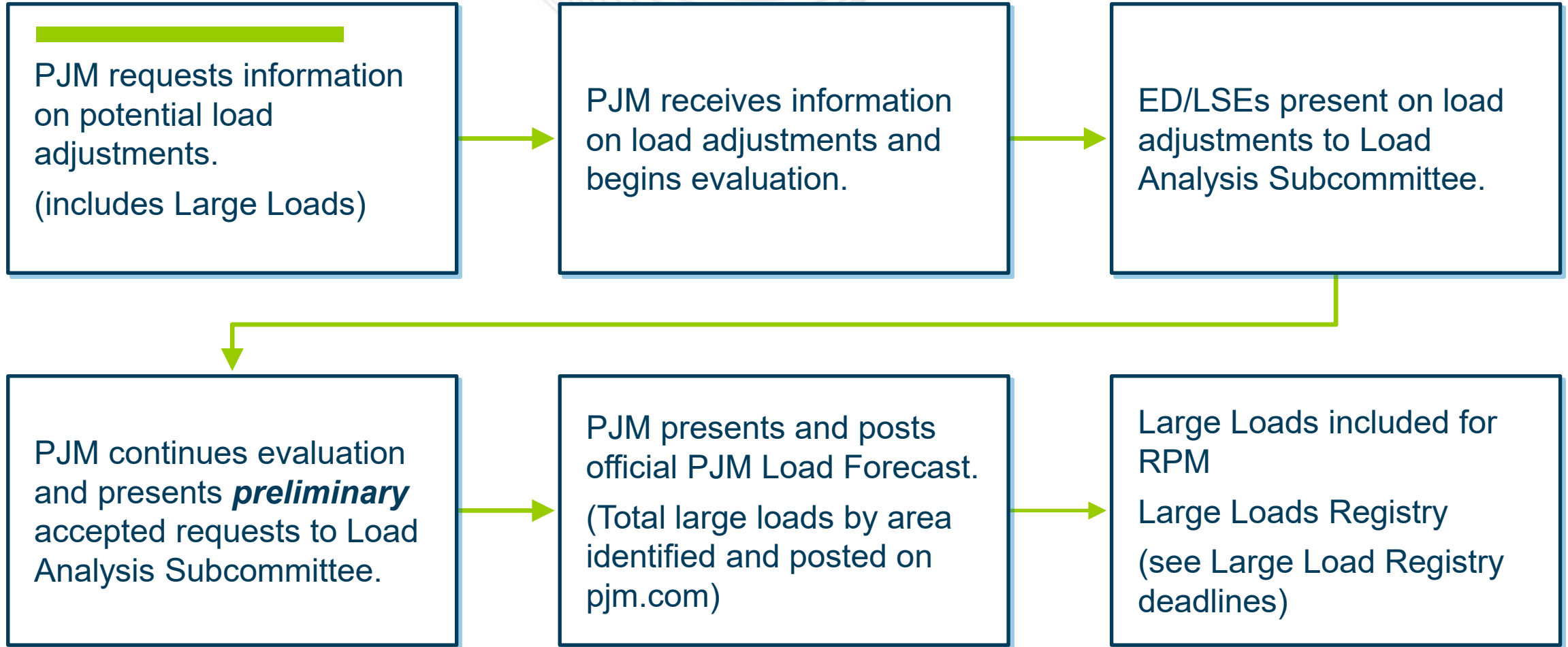
PJM Supply < RTO Reliability Requirement

Must be associated with New Large Load Additions.

If removal of New Large Loads that do not BYONC from forecast results in shortage, then IRAS will not be triggered for non-Large Loads.

PJM supply includes all PJM Capacity Resources including firm imports.

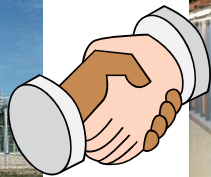




Large Load coordinates with ED to identify Large Loads that Bring Your Own New Generation (BYONC).



ED



Large Load

- ED notifies PJM of location and quantity of BYONC.
- Large Load Registry updated.



PJM verifies BYONC.



Determination of estimated shortage for RPM delivery year

Total estimated shortage associated with New Large Loads =
 $\min(\text{RTO Shortage}, \text{New Large loads})$

- **RTO shortage** = RTO Reliability Requirement - RPM supply;
 If < 0 then RTO shortage = 0
- **Large Loads** include all New Large Loads in the Load Forecast (excluding estimated BYONC (step 2) and large loads in service by June 1, 2027)

Example 1:

RTO Reliability Requirement = 145,500 MW
 RPM Supply = 143,000 MW
 RTO Shortage = $(145,500 - 143,000) = 2,500$ MW

New Large Loads = 500 MW

Total Estimated Shortage = $\min(2,500, 500) = 500$ MW

Example 2:

RTO Reliability Requirement = 145,500 MW
 RPM Supply = 143,000 MW
 RTO Shortage = $(145,500 - 143,000) = 2,500$ MW

New Large Loads = 3,000 MW

Total Estimated Shortage = $\min(2,500, 3,000) = 2,500$ MW

Determination of final shortage for RPM delivery year

Final estimated shortage associated with New Large Loads =
min (Final RTO Shortage,
Final In-Service Large Loads)

- **RTO shortage** = RTO Final Reliability Requirement – Final supply;
If < 0 then RTO shortage = 0 and NO IRAS necessary
- **Final in-service New Large Loads** = New Large Loads that are in-service that did not BYONC (Repeat Step 2 for final values)
- Determination made pre-delivery year

Example 1:

Final RTO Reliability Requirement = 145,500 MW
Final Supply = 144,000 MW
Final RTO Shortage = $(145,500 - 144,000) = 1,500$ MW

Final In-Service New Large Loads = 500 MW

Total Estimated Shortage = Min (1,500, 500) = 500 MW

Example 2:

RTO Reliability Requirement = 145,500 MW
Final Supply = 144,000 MW
Final RTO Shortage = $(145,500 - 144,000) = 1,500$ MW

Final In-Service New large Loads = 3,000 MW

Total Estimated Shortage = min (1,500, 3,000) = 1,500 MW

Determination of Area Assignments

Example 1:

Final In-Service New Large Loads = 500 MW

Total Estimated Shortage = 500 MW

Area Eligible New Large Loads

- Area 1: 200 MW; Assignment = 200 MW
- Area 2: 100 MW; Assignment = 100 MW
- Area 3: 50 MW; Assignment = 50 MW
- Area 4: 150 MW; Assignment = 150 MW

Example 2:

Final In-Service New Large Loads = 3,000 MW

Total Estimated Shortage = 1,500 MW

Area Eligible New Large Loads

- Area 1: 700 MWs; Assignment = $1,500 * (700/3,000) = 350$ MW
- Area 2: 800 MWs; Assignment = $1,500 * (800/3,000) = 400$ MW
- Area 3: 900 MWs; Assignment = $1,500 * (900/3,000) = 450$ MW
- Area 4: 600 MWs; Assignment = $1,500 * (600/3,000) = 300$ MW

**Excludes BYONC*

Pre-Delivery Year

ED determines Individual Large Load eligible participation for Connect and Manage Load.



ED



Large Load

PJM does not identify the actual Large Loads that are assigned IRAS.

Example 1 (cont.): Area 1 eligibility assignment (200 MW)

Large Load (Area 1)	Size (MW)	BYONC?	C&M eligibility assignment
LL1	150	No	150
LL2	50	No	50
LL3	200	Yes	0
LL4	50	Yes	0

Example 2 (cont.): Area 1 eligibility assignment (350 MW)

Large Load (Area 1)	Size (MW)	BYONC?	C&M eligibility assignment
LL1	200	No	200
LL2	100	No	100
LL3	600	200 MW only	50*
LL4	500	Yes	0

***Note:** In example 2, ED chooses to assign LL3 only 50 MW of 400 MW eligible. This can change with throughout DY as desired.

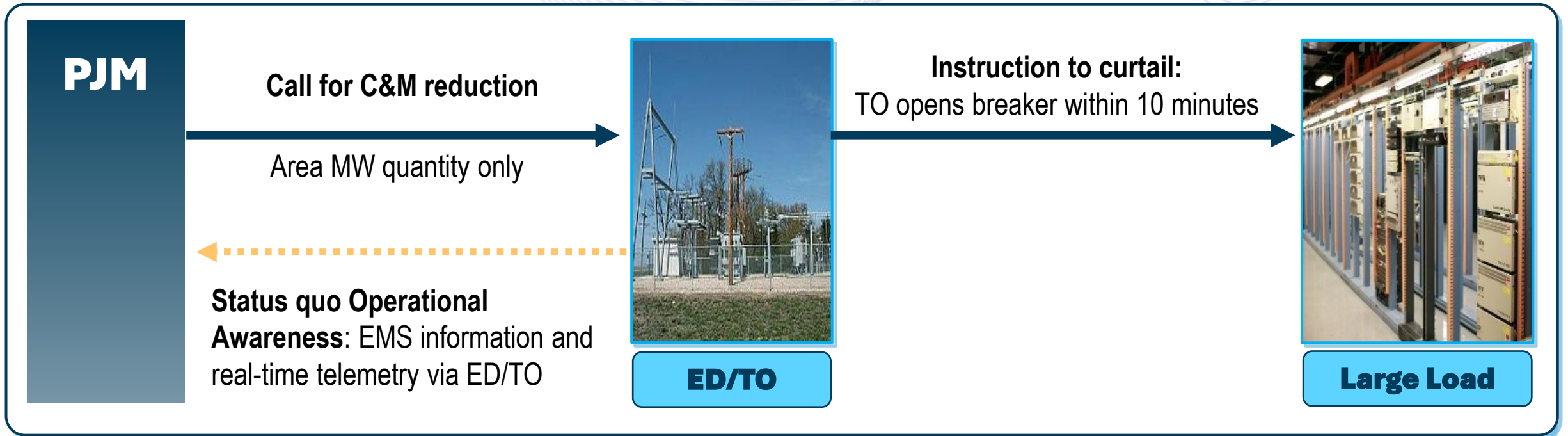
PJM, Transmission Owner, EDC and Individual Large Load coordinate to ensure readiness before delivery year

- Modeling
- Metering and Telemetry to provide Operations with visibility and to ensure IRAS can be quantified in real time
- Operating procedures

PJM to provide advance notification of estimated assignment of IRAS for each area

- Maximum assignment limited to the eligible IRAS
- Provides opportunity for TO/EDC to coordinate with Large Loads

IRAS Operations



Key Points:

- PJM does not provide IRAS directive to the Large Load.
- EMS/telemetry from the ED used for **operational awareness only**.

Consistent with state laws and retail arrangements, EDs will be expected to exclude the individual Large Loads from IRAS that are associated with what that ED provided to PJM for BYONC.

Modeling

RPM:	New Large Load	New Large Load (Relative to the 28/29 DY) that does not BYONC will be excluded from RPM Auctions effective with the 2029/2030 Delivery Year.
Day-Ahead:	IRAS	Status quo: IRAS will not be modeled differently. Existing Manual 11, Section 2.15 (Maximum Emergency Generation in Day-ahead Market) procedures will be facilitated if necessary.
Real-Time:	IRAS	Status quo: Pricing to reflect system conditions. Additional enhancements to utilize PJM tools, such as SCED, to be determined.
Telemetry:	IRAS	The TO/EDC notifies PJM the specific customer locations (EMS B1/B2/B3 name) that they have designated as C&M, along with any necessary telemetry.

EMERGENCY ACTIONS

**New
Interim Resource Adequacy
Service (IRAS) Reduction
(Potential EEA1)**

**Pre-Emergency Load
Management Reduction
(EEA1)**

**Emergency Load
Management Reduction
(EEA2)**

**Maximum Generation
Emergency Action (EEA2)**
Includes Curtailment of Firm
Exports

**Emergency Voluntary
Energy-Only Demand
Response Reductions
(EEA2)**

**Curtailment of Non-
Essential Building Load
(EEA2)**

**Deploy All Resources
Action (EEA2)**

**Emergency Use of Backup
Generator Action (if 202C
approved)
(EEA3)**

**Voltage Reduction Action
(EEA3)**

**Manual Load Dump Action
(EEA3)**

 PAI trigger

Connect and Manage Emergency Procedure (Definition)

New and/or existing Emergency Procedures (alerts and warnings) to be adjusted as appropriate to provide advanced notice IRAS may be reduced. This will be documented in Manual 13.

A New Emergency Procedure IRAS Action to be developed and issued by PJM to reduce IRAS Load as necessary to maintain required RTO/Zonal Primary Reserves and/or IROLs within limits if available economic generation is not sufficient. This will be documented in Manual 13.

- This procedure would be issued after curtailment of any Non-Firm Transmission Service products but prior to implementation of Pre-Emergency Load Management.

If not already initiated, PJM will declare an EEA1.

IRAS Emergency Procedure (PJM Actions)

When PJM issues this New Emergency Procedure Action, the applicable TOs will be sent an IRAS reduction megawatt quantity. This megawatt quantity will be updated on a periodic basis as necessary.

IRAS Emergency Procedure (Members Actions)

When receiving an IRAS reduction megawatt quantity, the TO will take action to initiate and complete the reduction within 10 minutes.

IRAS Rates

Cost Allocation Element	Filed Rule/Provision	Practical Effect
Maximum wholesale rate	IRAS rate equals 50% of the Non-Performance Charge Rate.	Benchmark and maximum rate
Elected reduced rate	An Eligible New Large Load may accept less in retail rates; the wholesale rate mirrors that amount.	Any amount below the maximum and above \$0
Waived rate	A load may waive compensation entirely.	\$0 wholesale rate
Default payer	After an IRAS event, the Electric Distributor compensates eligible loads unless it requests PJM-facilitated billing.	Electric Distributor pays providers
Default funding	The Electric Distributor charges customers in its zone or area to fund compensation.	Zonal or area customers fund costs
PJM settlement option	The Electric Distributor may ask PJM to pay named Members and assess named LSEs.	Optional administrative path – not mandatory
Required settlement inputs	The Electric Distributor identifies each payee, payer and compensation or charge level.	Distributor sets participants and dollar amounts
No default socialization	PJM, PJM Settlement and Members do not assume responsibility for another party's nonpayment.	No default sharing across PJM membership
Bilateral treatment	PJM-facilitated billing remains bilateral; PJM Settlement is not a contracting party.	Any default is assessed to the Electric Distributor

Cost Allocation Element	Filed Rule/Provision	Practical Effect
Federal/state split	The Tariff sets the wholesale rate; retail reduction plans and cost allocation remain with state-level entities.	Preserves state and RERRA authority
Retail implementation	Electric Distributors administer compensation and collections under state-approved programs; entitlement follows state law.	Local administration with state or RERRA oversight
No state mandate	States may adopt generic tariffs, negotiate specific rates or decline to act.	Inaction can effectively waive compensation
Registry allocation tool	PJM identifies New Large Loads by zone or area; states may use the Registry in retail allocation.	Zone-level responsibility and retail support

IRAS will be considered PJM Network Load for all transmission-related and settlement purposes.

- IRAS receives the benefit of being served from the transmission system without having to schedule transmission service.
- IRAS is in planning studies and network upgrades are identified to reliably serve the load long term.

IRAS that is curtailed during peak days used in the determination of Network Service Peak Loads (NSPL) will be added back for the NSPL determinations.