

June 19, 2026

Jeff Hunter
CEO & President
Earthrise Energy, PBLLC
2311 Wilson Blvd., 3rd Floor
Arlington, VA 22201

Re: Notice of Temporary Continued Operation of Crete Generating Station

Dear Mr. Hunter,

PJM received notice from Earthrise Energy (“Earthrise”) subsidiary Crete Energy Venture, LLC (“CEV”), the owner of the Crete Generating Station, which consists of four natural gas-fired combustion turbines totaling approximately 356 MW (ICAP), located in Crete, Illinois – that, in order to comply with the Illinois Climate and Equitable Jobs Act (CEJA)¹, the facility intends to retire on or before December 31, 2029. This will impact the facility’s participation as a capacity resource in PJM’s 2029/2030 Delivery Year, and as such, per PJM rules, the resource will need to apply by July 27, 2026, for a must-offer exception to the 2029/2030 Base Residual Auction (BRA).² Pursuant to the authority provided to PJM under CEJA and based on the justification provided below, PJM requests the continued operation of Crete Generating Station units 1-4 until May 31, 2031.

Resource Adequacy Concerns

PJM’s most recent auction for generation capacity, the 2027/2028 Base Residual Auction, with results³ released on December 17, 2025, indicates that PJM procured short of its reliability requirement by 6,623 MW, meaning that the committed supply is less than what would be required to meet the one-event-in-10-year reliability standard of a 20% reserve margin. Illinois’ recent Resource Adequacy Study,⁴ released on December 15, 2025, assessed resource adequacy needs and risk in the near- to medium-term (2026 through 2035) and found that “PJM is expected to experience a capacity shortfall beginning in 2029, with the deficit projected to widen in subsequent years if left unabated.” North American Electric Reliability Corporation’s (NERC) 2025 Long-Term Reliability Assessment shows PJM as High-Risk beginning in 2029.⁵ Recent projections for PJM’s Reliability Backstop process point to a potential 55 GW deficit over the next decade.⁶

¹ [Public Act 102-0662](#), section 9.15(l).

² [Base Residual Auction Schedule](#), see sheet entitled *29/30 BRA Post*. Additionally, per [PJM Manual 14](#), Section 9.1.1 – An existing resource that intends to retire on January 1, 2030, may not notify PJM any earlier than October 1, 2028.

³ [PJM 2027/2028 Base Residual Auction Report](#)

⁴ [PJM 2025 Resource Adequacy Study](#)

⁵ [NERC 2025 LTRA](#) In high-risk areas, planned resources as of July 2025 would result in energy shortfalls that exceed resource adequacy targets or baseline criteria for unserved energy or loss of load.

⁶ [Discussion Around Goals, Principles and Elements of a Reliability Backstop Procurement](#), slide 15

Retirement Impacts

The retirement of the Crete Generating station, along with over 5,080 MW of additional applicable generation in Illinois by 2030 would result in significant thermal-based and voltage-based reliability criteria violations according to PJM's analysis of CEJA.⁷ The thermal-based violations are due to the significant increase in power imported from east to west to replace the energy currently provided by the retiring generation, and the voltage-based violations are due to the loss of reactive power currently provided by the retiring generation. The upgrade costs to address these reliability criteria violations due to the 2030 retirements were estimated at over \$700M. Since this study was completed, the forecast load for 2030 in PJM as a whole, and COMED individually, have increased by 30%.⁸ PJM's most recent capacity market planning parameters showed a 60% decline in the ability of the COMED Locational Deliverability Area's ability to import the energy needed during an emergency.⁹ Loss of the Crete units would impact the provision of critical ancillary services, and the ability to restore the grid. Additionally, the retirement of the Crete Generating Station would have the following local grid impacts:

- Even before accounting for the potential loss of Crete Generating Station, ComEd's CETL/CETO margin is already deficient at 59%, causing the ComEd zone to fail the Load Deliverability analysis. This is because multiple ComEd internal 345 kV lines are binding due to base case conditions. The loss of Crete Generating Station would further reduce the CETL/CETO margin in ComEd.
- In another sensitivity where 13 at-risk CEJA units were modeled as deactivated in the 2026 RTEP 5 Year (Year 2031) powerflow case, PJM found that continued dispatch of Crete Generating Station was required to reduce overloads otherwise observed. Thus, continued operation of the Crete Generating Station, in combination with continued operation of other units, could mitigate observed overloads.

CEJA Reliability Provisions and Generator Obligations to PJM

CEJA wisely provides the ability for a generating unit to temporarily continue operating should the Regional Transmission Organization, in this case PJM, determine that "ongoing operation of the EGU is necessary to maintain power grid supply and reliability."¹⁰ PJM expressed the need to use such "existing reliability safety-valve measures" in our communication to Governor Pritzker earlier this year.¹¹ Accordingly, due to the aforementioned current and projected shortage of capacity resources in PJM, PJM has determined that the Crete Generating Station is needed to continue operating until the projected shortage is resolved or until the integrated resource planning process below has taken effect to resolve the shortage.

As a PJM Member, CEV has committed to cooperate in the coordinated planning and operation of the facilities within the PJM Region to obtain the greatest practicable degree of reliability,

⁷ [Illinois Generation Retirement Study](#)

⁸ [2026 PJM Load Forecast Report](#) and [2022 PJM Load Forecast Report](#)

⁹ [2028/2029 RPM Base Residual Auction Planning Period Parameters](#)

¹⁰ Public Act 102-0662 at Section 9.15, subsection (l).

¹¹ [PJM Board Response to IL Governor and NJ Former Governor Regarding National Energy Dominance Council and 13 Governors' Statement of Principles](#)

compatible economy and other advantages from such coordinated planning and operation in a manner consistent with PJM governing documents.¹²

CEV has also agreed to “[c]ooperate with the other Members and the Office of the Interconnection in the analysis, formulation and implementation of plans to prevent or eliminate conditions that impair the reliability of the PJM Region[.]”¹³

“Consistent with Good Utility Practice, [PJM] shall be authorized to direct or coordinate corrective action, whether or not specified in the PJM Manuals, as necessary to alleviate unusual conditions that threaten the integrity or reliability of the PJM Region, or the regional power system.”¹⁴

Clean and Reliable Grid Affordability Act (CRGA) Integrated Resource Planning

Considering present facts and pursuant to PJM’s authority, PJM requests CEV’s cooperation in formulating and implementing a plan to help prevent and mitigate these unusual system conditions that impair the reliability of the PJM Region. Specifically, PJM requests CEV’s cooperation to take all necessary steps consistent with CEJA to avoid deactivation of the Crete Generating Station on or before December 31, 2029, including continued operation at least through May 31, 2031. This short extension will allow you to participate in the upcoming 2029/2030 and 2030/2031 capacity auctions.

This will also have the impact of preserving the resource to allow for reliable and affordable development of the Integrated Resource Plan¹⁵ pursuant to the Clean and Reliable Grid Affordability Act (CRGA).¹⁶ It is our understanding that Illinois’ recently passed CRGA is meant to address resource adequacy in the state through an integrated resource planning process. PJM will assess the need for continued operation of the Crete Generating Station prior to each delivery year, beginning with the 2031/2032 Delivery Year.

Please have a duly authorized officer of CEV respond as soon as possible to this letter to signify whether PJM’s proposed plan is agreeable to support system reliability in the PJM Region.

Regards,

/s/Michael E. Bryson

Michael E. Bryson

Senior Vice President, Operations

PJM Interconnection, L.L.C.

On behalf of PJM Interconnection, L.L.C.

¹² Operating Agreement, section 11.3.2.

¹³ *Id.* at section 11.3.2(g); *see also* section 11.3.2(b).

¹⁴ Tariff, Attachment K-Appendix, section 1.7.15; *see also* Operating Agreement, section 11.3.4.

¹⁵ [Illinois Integrated Resource Plan](#)

¹⁶ [Public Act 104-0458](#)

PROPOSED PLAN AGREED AND ACCEPTED ON THIS 14TH DAY OF JULY, 2026:

EARTHRISE ENERGY, PBLLC


Jeff Hunter (Jul 16, 2026 09:27:58 CDT)

Name: JEFF HUNTER

Title: PRESIDENT & CEO

EL
EL