



David E. Mills  
Chair, PJM Board of Managers

2750 Monroe Blvd.  
Audubon, PA 19403

***Via Electronic Delivery***

September 26, 2025

Stakeholders listed in Attachment A

Dear Stakeholders,

Thank you for your July 23, 2025 correspondence wherein you express your interest in PJM's continued success while also sharing your thoughts around generator interconnection, long term transmission planning, the capacity market and large load additions. PJM agrees that these are important topics and we have several initiatives underway to address them.

Maintaining reliability is of the utmost important to PJM and for some years now we have been communicating our concerns around our ability to keep the grid reliable due primarily to resource adequacy challenges for some years now.<sup>123</sup> These trends are not unique to the PJM region. The North American Electric Reliability Corporation (NERC) in its annual assessment recently determined that resource adequacy shortfalls have the potential to affect two-thirds of the country during peak or extreme system conditions. NERC's independent analysis also found that while a clear understanding of many challenges facing the industry is needed to address the problem, the risks to reliability are also influenced by governmental policies, regulations, consumer preferences and economic factors.

Having said that, and as your letter recognizes, PJM and our stakeholders have taken several actions to help mitigate this risk, including:

**Generation Interconnection**

- **Queue Reform:** With overwhelming stakeholder support and unanimous approval of PJM's queue reform proposal by FERC in 2022, PJM implemented a series of significant reforms that moved the interconnection process from a "first-come, first-served" system of queue management to a "first-ready, first-served" system with progress payments and milestones designed to reduce speculative projects. This overhaul to the process was made deliberately but also ensuring that all projects that remained in the queue would be studied.

In July 2023, PJM began transitioning to a new, improved generation interconnection process designed to more expeditiously process new generation projects that were more likely to be built than not. The interconnection queue has been reduced since that time from over ~200 GW down to ~46 GW of projects. It is important to note that there are also ~46 GW of projects with signed interconnection agreements that have yet to construct due to factors outside of PJM's control, including state/federal permitting, supply chain and financing. Further, PJM just completed Transition Cycle 1 of its queue reform effort, issuing ~17 GW of interconnection agreements to project developers. PJM is thus in the final stages of its queue reform effort.

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<sup>1</sup> [Energy Transition in PJM: Resource Retirements, Replacements and Risks](#) (PDF) Feb. 24, 2023

<sup>2</sup> [Testimony of Asim Z. Haque to U.S. House Committee on Energy & Commerce](#) (PDF) Mar. 5, 2025

<sup>3</sup> [OPINION: Setting the record straight on New Jersey's energy dilemma](#) Asim Z. Haque, *NJBiz*, May 22, 2025

Going forward, the processing time for issuing generation interconnection agreements will be one to two years, and PJM is exploring innovative ways to further expedite our review process as described in greater detail below.

- *Reliability Resource Initiative*: This initiative was designed to process more shovel-ready projects that could most effectively contribute to reliability on an expedited timeline in the queue. This effort resulted in 51 projects representing over 11 GW of incremental supply selected to be studied in Transition Cycle 2. These projects are expected to move through the queue 18 months sooner than they would have without this initiative. These projects are expected to come online in 2030 and 2031.
- *Capacity Interconnection Rights Transfer*: This effort, endorsed by PJM stakeholders, enables an expedited interconnection process for replacement resources seeking to use the capacity interconnection rights of a deactivating resource. While FERC did not accept our original filing on this matter, PJM intends to re-submit a revised proposal addressing FERC's articulated reason for denial.
- *Surplus Interconnection Service*: This change to PJM's interconnection rules aims to streamline the use of any unused portion of interconnection service for a facility that cannot or does not operate continuously, every hour of every day, year-round (e.g., adding battery storage to a renewable site).
- *Google/Tapestry Collaboration*: PJM has made significant investment in interconnection tools and automation for both internal and external use, including a recently announced collaboration with Google/Tapestry to deploy AI-enhanced tools to further streamline PJM's planning process and reduce administrative overhead.
- *Order 2023*: In late July, PJM received an Order from FERC pertaining to PJM's Compliance Filing for Order 2023 and 2023(A), accepting in part and rejecting in part certain Independent Entity Variations that PJM requested. PJM is closely reviewing the Order and considering its compliance filing. To note, FERC accepted PJM's proposed timeline for compliance.

Several other of your suggestions to interconnection reform - such as looking to partially utilize generation that can be in-service prior to the completion of required network upgrades, and consideration of alternative generation and transmission to RMR arrangements - are either in place or being discussed in the stakeholder process.

For example, PJM is enhancing its interim deliverability rules to allow projects to operate as energy-only resources earlier in the queue process.<sup>4</sup> Additionally, PJM shares information about interconnection queue progress and further reforms in the Interconnection Process Subcommittee. We welcome and appreciate your engagement on these topics in the stakeholder process.

## Transmission Planning

PJM is on track to comply with FERC Order No. 1920 on long-term transmission planning reform. PJM has engaged extensively with stakeholders, interested parties and our states in developing its compliance filing. PJM shared its compliance filing approach and high-level filing content to its Transmission Expansion Advisory Committee webpage.<sup>5</sup> PJM also shared a paper on its compliance approach<sup>6</sup> and will continue to collect feedback from all

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<sup>4</sup> See <https://www.pjm.com/-/media/DotCom/committees-groups/committees/mrc/2025/20250820/20250820-item-06---1-interim-deliverability-study-procedure---presentation.pdf>

<sup>5</sup> Please refer to material under the "Special TEAC Meetings – FO 1920 - <https://www.pjm.com/committees-and-groups/committees/teac>

stakeholders. Regarding your suggestion that proposals under the new construct address both the “Core” and “Additional” long-term transmission needs proposed by PJM to inform project selection and cost allocation,<sup>7</sup> PJM’s current proposed approach would indeed solicit transmission solutions that address both sets of needs in a holistic, efficient and cost-effective manner.

Your letter also suggests that PJM fully and transparently account for Supplemental Projects in its transmission planning. PJM accounts for Supplemental Projects in its planning, but the identification of need for these projects falls under the responsibility of the Transmission Owners’ local planning responsibilities consistent with the PJM Open Access Transmission Tariff, Attachment M-3. Such projects are discussed openly with all stakeholders in the Transmission Expansion Advisory Committee or Subregional RTEP Committees. Additionally, PJM underpins its annual Regional Transmission Expansion Plan (RTEP) on its official forecasts. The forecasts account for inputs such as active policies and supplemental and interconnection project interest to ensure an orderly, efficient and effective transmission expansion. PJM right-sizes needed developments whenever prudently required. The PJM planning process is fully transparent starting from the assumption stage and throughout the transmission solicitation phase, screening and until final project selection and PJM Board approval. PJM currently accepts all proposed solutions from proposing entities through its competitive transmission solicitation process, including alternative transmission technologies.

For interregional transmission planning and collaboration, PJM has active and periodic coordination with its neighboring entities on interregional matters governed by the provisions of the Joint Operating Agreements currently in place. PJM engages with neighboring entities in investigating potential transmission enhancements. Interregional transmission planning will be further bolstered through the upcoming Order No. 1920 compliance filing covering interregional planning and collaboration efforts.

### **Capacity Market Reform**

PJM has made recent reforms to its capacity market in an effort to continue to refine the supply/demand fundamentals of the market. These included an introduction of a marginal-ELCC based accreditation for generation resources, inclusion of Reliability Must Run (RMR) resources that meet certain criteria and the imposition of a must-offer requirement for intermittent and limited duration resources.

PJM has supported a sub-annual capacity market design and the effort to evaluate a sub-annual market is underway. The first phase of this work occurred at the August 26, 2025 in the Sub-Annual Capacity Market Senior Task Force. PJM will utilize an independent consultant to investigate the viability and desirability of proposed sub-annual capacity market solutions.<sup>8</sup>

### **Large Load Interconnection Management**

PJM shares your concerns regarding the significant increase of large loads connecting to the PJM system. In your correspondence, you suggest reforms to large load interconnections, queue entry fees and similar gating mechanisms, and the need to protect consumers from increased costs of serving new large loads. While some of

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<sup>6</sup> See <https://www.pjm.com/-/media/DotCom/committees-groups/committees/teac/2025/20250905-special/pjm-whitepaper-on-order-1920-compliance-approach.pdf>

<sup>7</sup> Core LT Needs is envisioned as a minimum set of needs that PJM will address to keep the lights on independent of state actions; while Additional LT Needs are envisioned as LT Needs other than Core – for example standalone economic LT Needs and LT Needs associated with certain policies.

<sup>8</sup> <https://www.pjm.com/committees-and-groups/task-forces/sacmstf>

these suggestions are outside of PJM's direct control, there are certainly opportunities to address future resource adequacy concerns emanating from these large load additions.

To that end, on August 8, the PJM Board issued a [letter](#)<sup>9</sup> initiating the Critical Issue Fast Path (CIFP) accelerated stakeholder process to pursue reform based on these large load additions. This CIFP process is intended to inform a PJM Board decision on a potential FERC filing targeted for December 2025. PJM held pre-CIFP workshops on August 18 and September 2 to discuss the scope of the CIFP and preview PJM's initial proposal. PJM opened a written comment period between the workshops to obtain feedback on both the scope of the CIFP as well as on PJM's initial proposal. At the September 15 Stage 1 CIFP meeting, PJM shared its observations of the written feedback, along with reviewing the problem statement, issue charge and more details on its initial proposal.<sup>10</sup> PJM welcomes the engagement of all stakeholders in this process and is open to amending its proposal and evaluating new proposals brought by any stakeholder.

Thank you, again, for your thoughtful correspondence. We have shared it with PJM leadership and staff responsible for the topics you identified. We will continue to work with stakeholders on resource adequacy and transmission planning matters in an effort to maintain reliability in a cost-effective manner. We welcome your continued participation in those discussions.

Sincerely,

David E. Mills  
Chair, PJM Board of Managers

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<sup>9</sup> <https://www.pjm.com/-/media/DotCom/about-pjm/who-we-are/public-disclosures/2025/20250808-pjm-board-letter-re-implementation-of-critical-issue-fast-path-process-for-large-load-additions.pdf>

<sup>10</sup> See materials posted under the September 15 meeting at the following URL: <https://www.pjm.com/committees-and-groups/cifp-lla>

**Attachment A – List of Signatories to July 23 Letter**

Action Together New Jersey Audubon Mid-Atlantic Beyond Extreme Energy Cedar Lane Unitarian Universalist Environmental Justice Ministry Center for Progressive Reform Ceres Chesapeake Climate Action Network (CCAN) Chesapeake Earth Holders Clean Air Action Clean Air Council Clean Water Action Climate Communications Coalition Conservation Voters of PA Earthjustice Eco-Justice Collaborative of Philadelphia Yearly Meeting Energy Efficiency Alliance of New Jersey Environment America Environment Illinois Environment Maryland Environment Michigan Environment New Jersey Environment North Carolina Environment Virginia Evergreen Action Extinction Rebellion Toledo Fix Maryland Rail Food & Water Watch Green Sanctuary, Unitarian Universalist Church of Silver Spring (MD) Heartwood Howard County Climate Action Illinois Environmental Council Illinois PIRG Indiana Conservation Voters Indivisible HoCoMD Environmental Action Jewish Earth Alliance PA Keystone Energy Efficiency Alliance League of Conservation Voters Maryland Energy Advocates Coalition Maryland League of Conservation Voters Maryland Legislative Coalition Maryland Pesticide Education Network Maryland PIRG	Mid-Atlantic Solar & Storage Industries Association (MSSIA) Nature Forward NC PIRG New Jersey League of Conservation Voters New Jersey Policy Perspective New Jersey Sustainable Business Network Newark Science and Sustainability Inc NJPIRG NRDC Nuclear Information and Resource Service Ohio Environmental Council PennEnvironment PennFuture PennPIRG Pennsylvania Solar & Storage Industries Association (PASSIA) Pennsylvania Solar Center Pennsylvania Utility Law Project (PULP) Philadelphia Solar Energy Association PIRGIM PJM Cities and Communities Coalition Pooleville Green, Inc. Public Citizen, Inc. Quaker Action Mid Atlantic Region Sierra Club Sierra Club Maryland Chapter Sierra Club New Jersey Chapter Sierra Club Pennsylvania Chapter Sierra Club West Virginia Solar United Neighbors Third Act DC Third Act Illinois Third Act Maryland Third Act New Jersey Third Act NC Working Group and Asheville TA Third Act Pennsylvania Third Act Union U.S. PIRG Virginia League of Conservation Voters Vote Solar - Mid-Atlantic Region Vote Solar - Midwest Working for Justice Ministry St. Paul's United Methodist Church Allison Park, PA
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