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October 6, 2025

The 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. ER26-39-000
Proposal to Allocate Costs Required to Implement Certain Orders of the Secretary
of Energy Pursuant to Federal Power Act Section 202(c) and Request for Waiver
to Allow August 28, 2025 Effective Date

Dear Secretary Reese:

Pursuant to section 205 of the Federal Power Act (“FPA”),¹ PJM Interconnection, L.L.C. (“PJM”) hereby submits amendments to PJM’s Reliability Assurance Agreement Among Load Serving Entities (“RAA”) to establish a regionwide cost allocation methodology through which PJM will recover, from each Load Serving Entity within the PJM Region, the costs to effectuate orders issued by the Secretary of the United States Department of Energy (“DOE”) pursuant to FPA section 202(c)² where (1) such orders direct a resource to maintain operations for resource adequacy purposes for the entire PJM Region³ and (2) the owner of such resource and PJM agrees to a rate for compensation that is based on the existing Deactivation Avoidable Cost Credit (“DACC”) as set forth under PJM’s Open Access Transmission Tariff (“Tariff”), Part V.⁴

¹ 16 U.S.C. § 824d.

² 16 U.S.C. § 824a(c).

³ For the purpose of this filing, capitalized terms not defined herein shall have the meaning as contained in the PJM Open Access Transmission Tariff, Amended and Restated Operating Agreement, and the Reliability Assurance Agreement Among Load Serving Entities in the PJM Region.

⁴ The DACC formula rate methodology and processes are set forth in Tariff, Part V, sections 114, 115, 116, 118, and 118A

I. BACKGROUND

A. The Requested RAA Revisions are Necessary to Effectuate DOE 202(c) Orders.

The proposed allocation mechanism is necessary to effectuate section 202(c) orders issued by the DOE (“DOE 202(c) Order”) because PJM operates on a revenue-neutral basis and has no shareholders. As a result, PJM must recover all costs that are incurred, including those that are associated with a resource that is directed to maintain operations by the DOE. With the exception of the existing methodology for PJM to allocate the costs incurred by Constellation Energy Generation, LLC (“CEG”), as the owner of the Eddystone Units 3 and 4 (“Eddystone Units”), pursuant to the DOE’s Emergency Order No. 202-25-4,⁵ there is currently no tariff prescribed rule that allows PJM to recover costs incurred by generation units retained for resource adequacy purposes pursuant to a DOE 202(c) Order. Indeed, the Commission recently acknowledged that “Part V of the Tariff addresses only the situation in which PJM requests that an RMR resource operate beyond its deactivation date to address a transmission reliability issue.”⁶

To address this gap, this filing proposes a regionwide cost allocation methodology that would allow PJM to recover costs associated with maintaining operations for resources that are subject to DOE 202(c) Orders where (1) such orders direct a resource to maintain operations for resource adequacy purposes for the PJM Region and is not expressly limited to resolve resource adequacy issues in specific Locational Deliverability Area(s) or Zone(s) and (2) the owner of such resource and PJM agrees to a DACC-based rate for

⁵ RAA, Article 7, section 2A.

⁶ *PJM Interconnection, L.L.C.*, 192 FERC ¶ 61,159, at P 34 (2025) (footnote omitted).

compensation.⁷ This proposed regionwide cost allocation is identical to the existing cost allocation methodology that the Commission already found to be just and reasonable in the context of costs for maintaining the Eddystone Units needed for resource adequacy purposes throughout the PJM Region pursuant to DOE Order No. 202-25-4.⁸ The only difference here is that PJM is proposing a relatively more generic application of this cost allocation methodology so that it can be used for existing and future DOE 202(c) Orders where the defined criteria specified below are met. This approach will help promote administrative efficiency by avoiding the need to file separate cost allocation methodology proposals upon the issuance of every DOE 202(c) Order.

At the same time, this proposal is not overly broad as it will continue to allow for stakeholder and Commission consideration of alternative cost allocation methodologies in situations where resources may be retained pursuant to a DOE 202(c) Order and (1) such an order may not be targeted at maintaining operations for resource adequacy purposes for the entire PJM Region or (2) the owner of the resource subject to a DOE 202(c) Order does not agree to a DACC-based rate.⁹ In such scenarios, PJM would submit a separate FPA section 205 filing for the Commission's consideration of alternative cost allocation proposals associated with such future DOE 202(c) Orders.

⁷ As is the case with the current cost allocation specified in RAA, Article 7, section 2A, the rate may be DACC-based with limited refinements to the formula rate where acknowledged and reviewed by the Independent Market Monitor.

⁸ 192 FERC ¶ 61,159 at P 35.

⁹ To that end, PJM will be updating Manual 34 to include a new section 8.6.7 that specifies the stakeholder consultation process for DOE 202(c) Orders that do not meet the criteria proposed in this filing. *See* PJM, *Manual 34: PJM Stakeholder Process*, § 8.6.7 (rev. 22, Oct. 2025).

B. PJM's Proposal is Based on Allocation of Regionwide Capacity Costs.

Under PJM's proposed cost allocation methodology for the scenario where (1) a DOE 202(c) Order is directed at a resource to maintain operations for resource adequacy purposes for the PJM Region and is not expressly limited to resolve resource adequacy issues in specific Locational Deliverability Area(s) or Zone(s) and (2) the owner of such resource and PJM agrees to a DACC-based rate for compensation, the charges for costs associated with such DOE 202(c) Order will be allocated among all Load Serving Entities across all Zones within the PJM Region. Specifically, each Load Serving Entity will be assessed a section 202(c) charge based on the Load Serving Entity's pro rata share of the total Daily Unforced Capacity Obligations across all Zones in the PJM Region for all days within each calendar month covered by such DOE 202(c) Order. Additionally, just like the current cost allocation methodology specific to the Eddystone Units already detailed in the RAA,¹⁰ PJM proposes to allocate the monthly charges associated with such DOE 202(c) Orders on a pro rata basis regardless of whether a Load Serving Entity meets its obligation through the Fixed Resource Requirement or through Reliability Pricing Model ("RPM") Auctions. Thus, any entity, or duly designated agent of such entity, including load aggregators or power market serving end-users, within the PJM Region with the authority to sell electric energy to end-users located within the PJM Region will be allocated costs through such a section 202(c) charge.

This proposal to allocate costs among all Load Serving Entities in the PJM Region is just and reasonable because those resources that are directed to maintain operations for the PJM Region are being retained for regionwide resource adequacy purposes and not

¹⁰ See RAA, Article 7, section 2A.

limited to meeting localized transmission reliability needs. Indeed, this is the same cost allocation methodology that the Commission already accepted as just and reasonable.¹¹ More particularly, in accepting the current cost allocation methodology for the Eddystone Units, the Commission explained that “it is just and reasonable for the cost allocation method to allocate costs in accordance with the scope of the emergency as described by the [DOE 202(c) Order].”¹² And where a DOE 202(c) Order includes a finding that a resource adequacy emergency exists in the entire PJM Region, the Commission found that it is just and reasonable to allocate the costs associated with such DOE 202(c) Orders across all load serving entities within the PJM Region.¹³

Based on the foregoing, PJM proposes the following amendments to the existing RAA, Article 7, section 2A, as shown in blackline below.¹⁴ As demonstrated, these proposed amendments preserve the exact cost allocation methodology that was previously accepted by the Commission and make only necessary updates to specify the criteria where this cost allocation approach will be applied.

Each Party shall pay, as to the loads it serves during a Delivery Year, a 202(c) charge for each resource that is (1) directed to maintain operations for resource adequacy purposes for the PJM Region and is not expressly limited to resolve resource adequacy issues in specific Locational Deliverability Area(s) or Zone(s) by order of the Secretary of Energy pursuant to Federal Power Act section 202(c) on or after associated with order number 202-25-4 of the Secretary of Energy pursuant to Federal Power Act section 202(e) issued on May 30, 2025, and (2) subject to based on an agreement between the parties identified in such 202(c) order setting forth a rate for compensation using the formula rate methodology and

¹¹ 192 FERC ¶ 61,159 at P 35.

¹² *Id.*

¹³ 192 FERC ¶ 61,159 at PP 35-38.

¹⁴ PJM is retaining the May 30, 2025 date in the proposed RAA, Article 7, section 2A language to make clear that any costs associated with the retention of the Eddystone units arising from DOE Order No. 202-25-4 will continue to utilize the same cost allocation methodology that the Commission previously accepted.

processes based on the Deactivation Avoidable Cost Credit set forth in Tariff, Part V, sections 114, 115, 116, 118, 118A with refinements to ensure recovery of incurred costs, which may include, but are not limited to, maintenance and necessary repairs, and where any refinements to such formula rate are acknowledged and reviewed by the Independent Market Monitor (“Order 202-25-4 Credit”). The foregoing 202(c) charge to each Load Serving Entity shall be equal to the monthly ~~Order 202-25-4 Credit~~ aforementioned rate multiplied by each Load Serving Entity’s pro rata share of the sum of the total Daily Unforced Capacity Obligations across all Zones in the PJM Region for all days within the calendar month covered by ~~such~~ the relevant Federal Power Act section 202(c) order.

C. PJM’s Proposal is Narrowly Tailored.

The scope of this filing is limited to allocating costs across all load serving entities within the PJM Region for costs associated when (1) a DOE 202(c) Order is directed at a resource to maintain operations for resource adequacy purposes for the PJM Region and is not expressly limited to resolve resource adequacy issues in specific Locational Deliverability Area(s) or Zone(s) *and* (2) the owner of such resource and PJM agrees to a DACC-based rate for compensation. Any scenario that falls outside of these limited criteria would not be covered by this proposed cost-allocation methodology.

For instance, whenever the cost of maintaining a resource pursuant to a DOE 202(c) Order is a rate that is not DACC based, PJM would file, under section 205 of the FPA, a proposal for the Commission’s review of such rate and the cost allocation associated with such rate after completing an abbreviated stakeholder process. Likewise, where a DOE 202(c) Order directs a resource to remain operational due to localized resource adequacy concerns, PJM would also engage with stakeholders to develop an alternative cost allocation methodology before proposing it with the Commission under section 205 of the FPA.

To be clear, the most recent DOE 202(c) Order No. 202-25-8 for the Eddystone Units would qualify under these proposed provisions because that order finds “the emergency conditions resulting from increasing demand and accelerated retirements of generation facilities supporting the issuance of Order No. 202-25-4 will continue in the near term and are also likely to continue in subsequent years.”¹⁵ In other words, the DOE 202(c) Order explained that the emergency order was necessitated by both existing and “potential longer term resource adequacy emergency *in the PJM region*.”¹⁶ Thus, consistent with Order No. 202-25-4, where the Commission agreed “that the most reasonable reading of the Emergency Order’s intended scope is that the emergency necessitating the continued operation of the Eddystone Units is in the entire PJM Region,”¹⁷ the most recent DOE Order No. 202-25-8 is also directed at resource adequacy for the entire PJM Region. Accordingly, it continues to be appropriate to allocate all costs associated with maintaining the Eddystone Units in compliance with DOE Order No. 202-25-8 across all load serving entities within the PJM Region.

Further, as was the case with Order No. 202-25-4, CEG has agreed to the same DACC-based rate that was previously utilized to recover additional costs necessary to comply with Order No. 202-25-8.¹⁸ In short, because (1) Order No. 202-25-8 directs the Eddystone Units to maintain operations for resource adequacy purposes for the PJM Region and is not expressly limited to resolve resource adequacy issues in specific

¹⁵ Secretary of Energy, Order No. 202-25-8, United States Department of Energy (May 30, 2025), <https://www.pjm.com/-/media/DotCom/documents/ferc/orders/2025/20250828-doe-order-no-202-25-8.pdf> (“Order No. 202-25-8”).

¹⁶ *Id.* (emphasis added.)

¹⁷ 192 FERC ¶ 61,159 at P 36.

¹⁸ *Constellation Energy Generation, LLC*, Informational Filing Related to DOE Order No. 202-25-8 (Oct. 3, 2025) (pending acceptance and associated docket number).

Locational Deliverability Area(s) or Zone(s) and (2) CEG agreed to the use of the same DACC-based rate for costs associated with complying with Order No. 202-25-8, the generic cost allocation methodology proposed in this filing would apply to the latest DOE 202(c) Order.

D. Potential Arguments Regarding the Need to File Compensation Agreements with the Commission are Beyond the Scope of this Filing.

This filing is limited to the methodology for allocating costs where an owner of a resource that is the subject of a DOE 202(c) Order aimed at maintaining resource adequacy for the PJM Region elects to utilize a DACC-based rate. As a result, the *sole* issue before the Commission in this proceeding is the proposed allocation of the costs to comply with DOE 202(c) Orders.¹⁹ Therefore, consistent with precedent,²⁰ the Commission may dispose of any possible arguments regarding PJM's authority to enter into rate agreements as beyond the scope of this filing.

It is well-settled that the scope of an FPA section 205 proceeding is limited by the original filing, and the Commission's regulations dictate that "only those revisions appropriately designated and marked . . . constitute the filing." As such, this filing is limited by PJM's proposed redlined changes to Article 7, section 2A to the RAA and nothing more. Commission precedent also supports the principle that issues pertaining to cost allocation may be appropriately addressed separately from the question of actual costs, as those questions are "not necessary in order to make a finding that [a] proposed cost allocation methodology is just and reasonable[.]" The Commission affirmed this reasoning

¹⁹ See *San Diego Gas & Elec. Co. v. Sellers of Mkt. Energy & Ancillary Servs.*, 97 FERC ¶ 61,275, at 62,196 (2001) ("[FPA section 202(c)] provides no role for the Commission in the event the parties agree on the rates that will apply to the transactions.").

²⁰ See 192 FERC ¶ 61,159 at P 40.

in the cost allocation order pertaining to Order No. 202-25-4, explaining that it is not required to “evaluate the costs to be allocated before evaluating PJM’s proposal to allocate those costs” as the units’ “costs of operation are not relevant to [its] finding that PJM’s cost allocation proposal is just and reasonable.”²¹

Regardless, FPA section 202(c) requires that rate issue(s) resulting from a 202(c) emergency order be considered by the Commission *only* in the event the parties or entities carrying out an emergency order fail to agree on the rates to be charged.²² Additionally, FPA section 202(c) states, in relevant part, that the Commission may “prescribe by supplemental order such terms as it finds to be just and reasonable, including the compensation or reimbursement which should be paid to or by any such party” but only to the extent that the relevant parties “fail to agree upon the terms of any arrangement between them in carrying out such order[.]”²³ Indeed, DOE’s regulation implementing FPA section 202(c) “encourage[s] entities] to utilize the rates and charges contained in approved existing rate schedules[.]”²⁴ Thus, a rate reached by mutual agreement of PJM and the underlying owner of a resource subject to a DOE 202(c) Order does not require the Commission’s approval of the rate. The Commission has recognized this fact. In *San Diego Gas & Elec.*, the Commission held that FPA section 202(c) “provides no role for the Commission in the event the parties agree on the rates that will apply to the transactions.”²⁵ As such, the

²¹ 192 FERC ¶ 61,159 at P39.

²² 16 U.S.C. § 824a(c)(1); *see also* 10 C.F.R. § 205.376.

²³ 16 U.S.C. § 824a(c)(1).

²⁴ 10 C.F.R. § 205.376.

²⁵ *San Diego Gas & Elec.*, 97 FERC at 62,196.

Commission has found that where “the parties agreed on the terms and rates for the sales[,] . . . the statute provides for no further adjustments.”

Regardless, PJM’s proposal at hand is limited to scenarios where the underlying owner of a resource subject to a DOE 202(c) Order agrees to a DACC-based rate and PJM anticipates that it would only agree to a DACC-based rate with a unit owner of a resource subject to a DOE 202(c) Order.²⁶ That is, if a unit owner seeks a rate that is not based on the DACC, such rate would be adjudicated by the Commission as there would not be a rate agreement between PJM and the underlying resource owner. Additionally, in the unlikely event PJM does agree to a rate that is not DACC-based with the owner of a resource that is subject to a DOE 202(c) Order, PJM commits that such agreement would be made contingent to the Commission’s approval of such rate after it is filed under section 205 of the FPA.

E. Stakeholder Support.

The instant proposal received overwhelming stakeholder support. After the conclusion of PJM’s Critical Issue Fast Path to develop a methodology for allocating costs incurred as a result of Order No. 202-25-4, PJM established a new senior task force for stakeholders to more generically develop a cost allocation methodology for additional DOE 202(c) Orders that may require resources to run beyond the intended deactivation dates.²⁷ After several meetings, a majority of PJM’s stakeholders endorsed the instant proposal that

²⁶ To be clear, while refinements to the DACC-based rate may be allowed, it would first need to be reviewed and acknowledged by the Market Monitoring Unit.

²⁷ See PJM, Markets and Reliability Committee, Issue Charge: Cost Allocation Issues Related to DOE Orders (June 18, 2025), <https://www.pjm.com/-/media/DotCom/committees-groups/committees/mrc/2025/20250618/20250618-item-x---2-issue-charge---cost-allocation-issues-related-to-doe-202c-orders.pdf>.

establishes a generic regionwide cost allocation methodology where (1) a DOE 202(c) Order directs a resource to maintain operations to address resource adequacy concerns in the entire PJM Region and (2) the owner of such resource and PJM agree to a DACC-based rate for compensation. For all other scenarios, stakeholders endorsed changes to the PJM manuals that specify when PJM would initiate a new Critical Issue Fast Path or employ an abbreviated stakeholder process to consider alternative cost allocation methodologies on a case-by-case basis.²⁸

These proposed revisions received significant stakeholder support at the senior task force level with 82.7% of votes in favor.²⁹ The revisions were subsequently endorsed by the Markets and Reliability Committee on September 25, 2025 by a sector-weighted tally of 3.632 out of 5. Thereafter, this proposal was approved by acclamation with seven objections and ten abstentions at the September 25, 2025 Members Committee meeting. Finally, as required by RAA, section 16.4, the PJM Board authorized the proposed amendments to the RAA on October 3, 2025.

F. Prompt Commission Action Accepting Proposed Revisions with an August 28, 2025 Effective Date is Needed.

PJM respectfully requests an effective date of August 28, 2025 for this filing. To that end, PJM requests waiver of the 60-day notice requirement in section 205 of the FPA³⁰

²⁸ Specifically, PJM will pursue an abbreviated stakeholder process to develop a cost allocation method where a new DOE 202(c) Order is based on a local resource adequacy need and/or the cost compensation mechanism sought by the unit owner is not a DACC-based rate. Alternatively, PJM would initiate a Critical Issue Fast Path process to identify the appropriate cost allocation methodology in circumstances where a new DOE 202(c) Order is based on anything other than resource adequacy needs.

²⁹ PJM, DOE 202c Cost Allocation Senior Task Force, Offline Voting Results Report (Sept. 3, 2025), <https://www.pjm.com/-/media/DotCom/committees-groups/task-forces/202cstf/2025/20250903/20250903-voting-results-report---doe-202c-cost-allocation-senior-task-force.pdf>.

³⁰ 16 U.S.C. § 824d(d).

and section 35.3(a)(1) of the Commission's regulations³¹ and any other necessary waiver(s) needed to effectuate Order No. 202-25-4. Specifically, PJM requests that the Commission accept this proposal with an effective date of August 28, 2025. An August 28, 2025 effective date would, in turn, allow for the recovery of costs incurred beginning August 28, 2025, which is the first day covered by the most recent DOE 202(c) Order No. 202-25-8 for the Eddystone Units. For this reason, PJM seeks an effective date as of August 28, 2025, or other clear authorization for PJM to collect revenues from customers as of the date of this filing, to allow for CEG's recovery of costs reasonably incurred in complying with Order No. 202-25-8.³²

Good cause exists to permit an August 28, 2025 effective date. Order No. 202-25-4 required the Eddystone Units to maintain operations rather than proceed with retirement, which had been scheduled for the end of the day on May 31, 2025. However, in light of Order No. 202-25-4, the Eddystone Units were required to maintain operations past the resource's scheduled retirement date for resource adequacy purposes under emergency conditions. Thereafter, shortly before the expiration of Order No. 202-25-4, the DOE issued Order No. 202-25-8, which now directs the Eddystone Units to continue operating for another 90-day period beginning on August 28, 2025.³³

PJM's waiver request falls squarely within the notice exception,³⁴ because Order No. 202-25-8 provides notice that rate recovery is available to the Eddystone Units for

³¹ 18 C.F.R. § 35.3(a)(1).

³² Order No. 202-25-8.

³³ *Id.*

³⁴ *Consol. Edison Co. of N.Y., Inc. v. FERC*, 347 F.3d 964, 969 (D.C. Cir. 2003); *see also West Deptford Energy, LLC v. FERC*, 766 F.3d 10, 22-23 & n.1 (D.C. Cir. 2014) (explaining the notice and agreement exceptions); *El Paso Elec. Co.*, 189 FERC ¶ 61,019 (2024).

compliance with Order No. 202-25-8. Namely, Order No. 202-25-8, which became effective on August 28, 2025, provides notice that the Eddystone Units have been directed to maintain operability after the expiration of Order No. 202-24-4,³⁵ and that rate recovery is available to the Eddystone Units pursuant to FPA section 202(c).³⁶ Furthermore, Order No. 202-25-8 states that PJM and CEG “are directed to file with [the Commission] any tariff revisions or waivers necessary to effectuate [Order No. 202-25-8].”³⁷ PJM cannot effectuate the order, which directs rate recovery for compliance with the order beginning August 28, 2025, without Commission acceptance of the proposed necessary revisions to the RAA and effective as of August 28, 2025. Therefore, in accordance with and as necessary to effectuate Order No. 202-25-8, PJM requests that the Commission grant the requested waiver of the 60-day notice period to allow for an August 28, 2025 effective date of the RAA revisions. Indeed, the Commission previously accepted PJM’s June 26, 2025 filing to effectuate the cost allocation proposal associated with DOE Order No. 202-25-4, effective May 31, 2025 based on the same underlying rationale.³⁸

PJM also requests that the Commission act expeditiously on this FPA section 205 filing. The Eddystone Units began incurring costs pursuant to Order No. 202-25-8 on August 28, 2025, and are continuing to incur costs. However, PJM is unable to make any payments to CEG pursuant to operation under Order No. 202-25-8 until the Commission accepts this proposed cost allocation filing. PJM therefore requests expeditious review and

³⁵ Order No. 202-25-8 at ordering para. H.

³⁶ *Id.* at ordering para. E.

³⁷ *Id.*

³⁸ 192 FERC ¶ 61,159 at P 1.

acceptance this proposal by no later than December 5, 2025, 60 days from the date of this filing.

II. CORRESPONDENCE

The following individuals are designated for inclusion on the official service list in this proceeding and for receipt of any communications regarding this filing:

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III. DOCUMENTS ENCLOSED

This filing consists of the following:

1. This transmittal letter;
2. Attachment A - Revised sections of the RAA (redlined version); and
3. Attachment B - Revised sections of the RAA (clean version).

IV. SERVICE

PJM has served a copy of this filing on all PJM members and on all state utility regulatory commissions in the PJM Region by posting this filing electronically. In accordance with the Commission's regulations,³⁹ PJM will post a copy of this filing to the FERC filings section of its internet site, located at the following link: <http://www.pjm.com/documents/ferc-manuals/ferc-filings.aspx> with a specific link to the newly filed document, and will send an email on the same date as this filing to all PJM

³⁹ See 18 C.F.R. §§ 35.2(e), 385.2010(f)(3).

members and all state utility regulatory commissions in the PJM Region⁴⁰ alerting them that this filing has been made by PJM and is available by following such link. PJM also serves the parties listed on the Commission's official service list for this docket. If the document is not immediately available by using the referenced link, the document will be available through the referenced link within 24 hours of the filing. Also, a copy of this filing will be available on FERC's eLibrary website located at the following link: <http://www.ferc.gov/docs-filing/elibrary.asp> in accordance with the Commission's regulations and Order No. 714.

V. CONCLUSION

For the reasons set forth herein, PJM requests that the Commission accept the proposed RAA revisions described in this filing effective August 28, 2025.

Respectfully submitted,

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**Attorney for
PJM Interconnection, L.L.C.**

October 6, 2025

⁴⁰ PJM already maintains, updates, and regularly uses email lists for all PJM members and affected state commissions.

Attachment A

Revisions to the
PJM Reliability Assurance Agreement

(Marked/Redline Format)

7.2A Responsibility to Pay 202(c) Charge.

Each Party shall pay, as to the loads it serves during a Delivery Year, a 202(c) charge for each resource that is (1) ~~associated with order number 202-25-4 of the Secretary of Energy pursuant to Federal Power Act section 202(c) issued on~~directed to maintain operations for resource adequacy purposes for the PJM Region and is not expressly limited to resolve resource adequacy issues in specific Locational Deliverability Area(s) or Zone(s) by order of the Secretary of Energy pursuant to Federal Power Act section 202(c) on or after May 30, 2025, and (2) ~~based on~~subject to an agreement between the parties identified in such 202(c) order setting forth a rate for compensation using the formula rate methodology and processes based on the Deactivation Avoidable Cost Credit set forth in Tariff, Part V, sections 114, 115, 116, 118, 118A with refinements to ensure recovery of incurred costs, ~~including~~which may include, but are not limited to, maintenance and necessary repairs, and where any refinements to such formula rate are acknowledged and reviewed by the Independent Market Monitor (“Order 202-25-4 Credit”). The foregoing 202(c) charge to each Load Serving Entity shall be equal to the monthly ~~aforementioned rate~~Order 202-25-4 Credit multiplied by each Load Serving Entity’s pro rata share of the sum of the total Daily Unforced Capacity Obligations across all Zones in the PJM Region for all days within the calendar month covered by ~~the relevant~~such Federal Power Act section 202(c) order.

Attachment B

Revisions to the
PJM Reliability Assurance Agreement

(Clean Format)

7.2A Responsibility to Pay 202(c) Charge.

Each Party shall pay, as to the loads it serves during a Delivery Year, a 202(c) charge for each resource that is (1) directed to maintain operations for resource adequacy purposes for the PJM Region and is not expressly limited to resolve resource adequacy issues in specific Locational Deliverability Area(s) or Zone(s) by order of the Secretary of Energy pursuant to Federal Power Act section 202(c) on or after May 30, 2025, and (2) subject to an agreement between the parties identified in such 202(c) order setting forth a rate for compensation using the formula rate methodology and processes based on the Deactivation Avoidable Cost Credit set forth in Tariff, Part V, sections 114, 115, 116, 118, 118A with refinements to ensure recovery of incurred costs, which may include, but are not limited to, maintenance and necessary repairs, and where any refinements to such formula rate are acknowledged and reviewed by the Independent Market Monitor. The foregoing 202(c) charge to each Load Serving Entity shall be equal to the monthly aforementioned rate multiplied by each Load Serving Entity's pro rata share of the sum of the total Daily Unforced Capacity Obligations across all Zones in the PJM Region for all days within the calendar month covered by the relevant Federal Power Act section 202(c) order.