Joint Consumer Advocates

Stage 4 of PJM CIFP Stakeholder Process Regarding
Large Load Additions and
Reliability Backstop Procurement and Connect & Manage

Executive Summary to the PJM Board of Managers

I. Introduction

The Joint Consumer Advocates[1] (JCA) are statutorily authorized in their respective states to participate before PJM and represent the interests of everyday Americans who consume electricity utility service within their states.

In the interest of these ratepayers, the PJM Board must ensure that the final designs of the Reliability Backstop Procurement (RBP) and Connect & Manage (C&M) proposals: (1) meet the White House and Governors' Statement of Principles,[2] (2) fulfil the Federal Energy Regulatory Commission's (FERC's) "four pillars" for addressing large loads,[3] and (3) help implement the public policy commitments made by prominent hyperscale data centers under the Ratepayer Protection Pledge.[4]

The JCA have major concerns with the PJM staff proposal and its impact on the consumers we represent**.** Overall, PJM staff's proposal is willing to let data centers connect any way they want to, leaving states, both Commissions and consumer advocates, to figure out the details and who pays later. As discussed below, the PJM staff proposal creates barriers to the states effectively protecting non-large load customers from paying higher costs or facing worsened reliability as a result of the integration of large load customers. It is critical that the PJM Board's proposal create foundations at the outset to assign costs and reliability impacts to the data center causers and eliminate barriers that prevent states from effectively carrying out their role.

[1] Maryland Office of Peoples' Counsel, Delaware Division of the Public Advocate, Office of the Illinois Attorney General, Illinois Citizens Utility Board, and Pennsylvania Office of Consumer Advocate.
[2] White House and PJM Governors, Statement of Principles Regarding PJM, Jan. 16, 2026.
[3] Commissioner Rosner's Remarks on the Large Load Show Cause Orders, E-7 to E-12, June 18, 2026, Open Meeting, FERC. The four pillars are: 1. Protect Consumers, 2. Enhance Transparency, 3. Safeguard Reliability, and 4. Foster Innovation. See Closing section of this summary for an illustration of how the Joint Consumer Advocate's proposals align with each of the four pillars.
[4] The White House, Ratepayer Protection Pledge, March 4, 2026, available at https://www.whitehouse.gov/articles/2026/03/ratepayer-protection-pledge/; The White House, Fact Sheet: President Donald J. Trump Advances Energy Affordability with the Ratepayer Protection Pledge, March 4, 2026, available at https://www.whitehouse.gov/fact-sheets/2026/03/fact-sheet-president-donald-j-trump-advances-energy-affordability-with-the-ratepayer-protection-pledge/.

II. Recommendations for PJM Board Action

On the RBP and C&M design issues, the JCA submitted proposals.[5] Below is a table showing the positions of the JCA, which have broad support among other stakeholders, as compared to PJM staff's positions as of June 19, 2026:[6]

Issue category	JCA position	PJM Staff position
Large Load registry	PJM should maintain a Large Load registry for purposes of tracking BYONC, RBP obligations, and C&M status	PJM adopted registry construct on 6/18
RBP procurement basis	RBP should be driven by buy bids or specific LL/LSE commitments	Uses forecast-based target approach with limited adjustments
Cost responsibility	RBP/C&M costs and risks should stay with Large Loads or their LSEs	Stranded risk remains with broader LSE/customers
Collateral / stranded cost protection	Demand-side credit and collateral should be established before procurement	Collateral timing/assignment is later
Locational requirement	New capacity should be deliverable and locationally aligned with the Large Load	BYONC has no locational requirement; C&M does not consider constrained LDAs
Market power / price cap	RBP needs economic mitigation, IMM review, and/or a non-manipulable price cap	PJM adopted a $555/MW-day cap on 6/18; no provisions for economic mitigation or IMM review
C&M in planning	C&M load should be excluded from RPM/RTEP if electing non-firm service (i.e., no RBP, no BYONC)	PJM adopt strictly voluntary C&M on 6/18; All load remains in RPM and RTEP

When selecting the final design elements of the RBP and C&M, the Board must act knowing that its decisions will affect affordability of electricity service for utility consumers for years to come.

[5] The JCA's June 10, 2026 Presentation is available here: https://www.pjm.com/-/media/DotCom/committees-groups/cifp-rbp/2026/20260611/20260611-item-03i---joint-consumer-advocates-presentation.pdf

[6] The JCA note that PJM Staff have revised substantial elements of their RBP and C&M proposals at least three times in the last month, including the evening before (6/18) the original deadline (6/19) for stakeholders to submit their Stage 4 CIFP proposals. PJM's June 18, 20026 RBP proposals available here: https://www.pjm.com/-/media/DotCom/committees-groups/cifp-rbp/2026/20260630/20260630-pjm-stage-4-proposal---reliability-backstop-procurement---executive-summary.pdf. PJM's June 18, 2026, C&M proposal is available here: https://www.pjm.com/-/media/DotCom/committees-groups/cifp-rbp/2026/20260630/20260630-pjm-stage-4-proposal---connect-and-manage---executive-summary.pdf.

Based on PJM staff's choices in RBP and C&M designs, the major concerns for the JCA are the following:

1. The PJM Staff Proposal Abdicates the Board's Requirements for C&M and Creates Substantial Reliability and Cost Risk for Ordinary Ratepayers

The PJM Board's Decisional Letter on CIFP – Large Load Additions (LLAs) directed PJM staff as follows:[7]

> Where an LSE identifies a shortfall between forecasted load additions and the availability of new incremental generation to offset that growth, the Board is directing development of a similar framework articulated by the PJM Legislators Collaborative/NRDC and the Joint Consumer Advocates. Under this framework, the incremental demand associated with such load growth would be subject to curtailment prior to the deployment of pre-emergency Demand Response.

The above PJM Board position references the following framework advanced by the JCA:[8]

> We propose the creation of a new pre-emergency curtailments and emergency manual load dump curtailments that require the LSEs or EDCs to implement curtailments of LLAs to avoid rolling blackouts and curtailments of other consumers. While state and federal coordination may be required, the RAA, Section 9.1, requires LSEs/EDCs to cooperate and coordinate with other parties to ensure the reliability of the grid. State law within the PJM states authorizes the LSEs/EDCs to perform in this manner.

PJM staff's voluntary C&M framework fails to address the above requirements. Large Load Additions that do not Bring Your Own New Capacity (BYONC) or take part in the RBP must be subject to curtailable service where they are interrupted before other customers. Voluntary C&M simply cannot ensure that non-large loads avoid harm, consistent with the White House and Governors' Statement of Principles;[9] increases in demand from large load customers will push the system into emergency conditions more often, causing greater reliance on existing demand response (DR) and leading to higher energy prices that cannot be assigned in retail choice states. Additionally, with voluntary C&M, large load demand could result in manual load dump directions to transmission owners for zones that do not have large load customers to turn off. Further, mandatory C&M is an essential incentive for BYONC and RBP participation by large load customers.

2. The PJM staff Proposal Can Create Stranded Wholesale RBP Costs with No One to Pay Them Except Ordinary Ratepayers

The PJM staff RBP proposal creates an unacceptable risk of stranded costs that ultimately could be paid for by residential and other non-data center customers that are not responsible for the data

[7] PJM Board, Board Decisional Letter on Critical Issue Fast Path - Large Load Additions, Jan. 16, 2026
[8] PA OCA, Stage 4 Executive Summary, November 19, 2025.
[9] White House and PJM Governors, Statement of Principles Regarding PJM, Jan. 16, 2026.

center-driven procurement. The PJM staff proposal creates such stranded cost risk because it bases the procurement target on the outcome of the Delivery Year 2028/2029 Base Residual Auction, which itself is based on the existing zonal load forecast and large load adjustments that are included in that forecast. The Board need not select this design preference by PJM staff. Rather, RBP procurement amounts should be driven by buy-requests and backstopped by specific, binding commitments from large loads or their designated LSE.

The Board must acknowledge that this stranded cost risk cannot be mitigated by state-level retail cost allocations for two reasons.[10] First, the PJM staff proposal could assign RBP cost obligations to zones where large loads do not actually materialize for the delivery year. In that circumstance, other customers in the zone would be assigned the RBP costs. Second, the PJM staff proposal weakens states' ability to shield ordinary ratepayers by not providing sufficient opportunity to require data centers to make commitments to EDCs to pay their RBP obligations and post collateral with the EDCs to backstop their commitment. The PJM Board's proposal should establish that PJM will assign the RBP costs only to LSEs that are serving large load customers.

3. The PJM Staff Proposal Will Unduly Increase Wholesale Capacity Costs and Interstate Transmission Prices for Ordinary Ratepayers

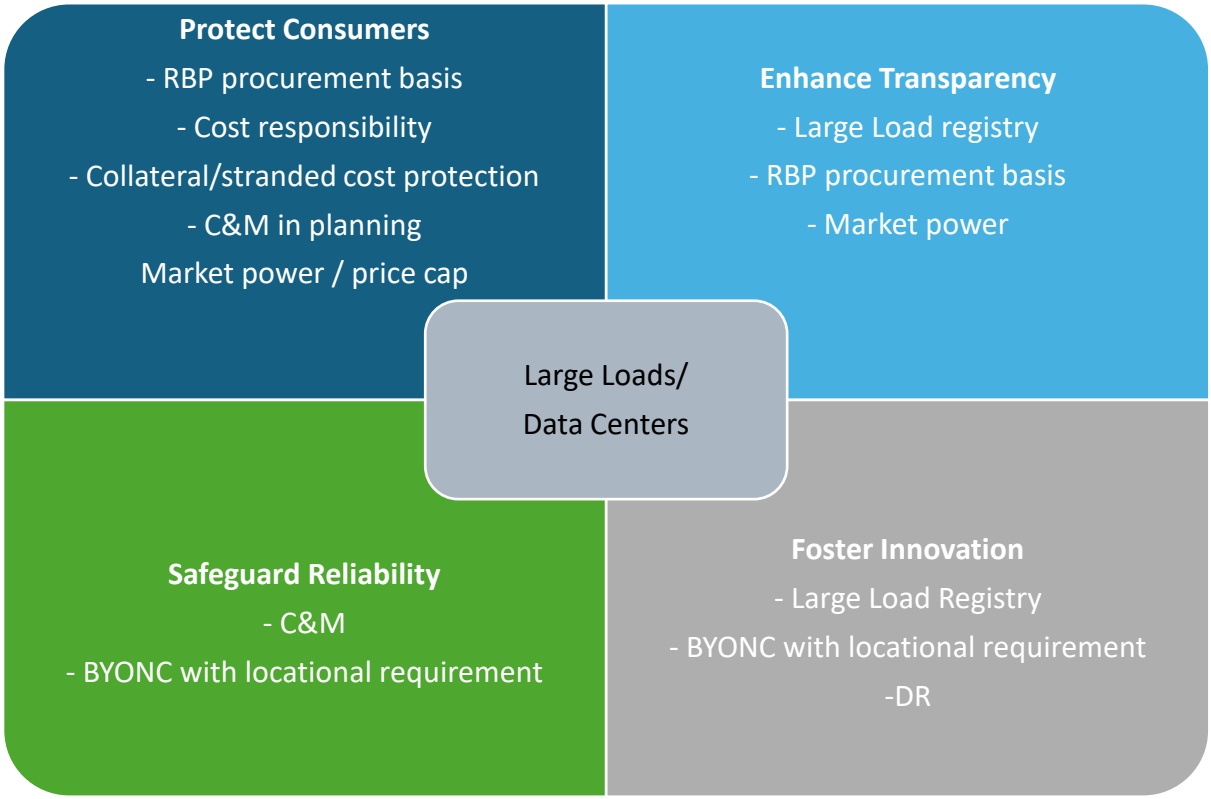
Under the PJM staff C&M proposal, PJM will include C&M large load in the planning parameters used for the BRA and RTEP. Therefore, the capacity costs assigned to each EDC zone will include capacity costs for large load customers in the zone reflected in the forecast, including those voluntarily assigned to C&M. The underlying RPM zonal capacity cost responsibility will still reflect the inclusion of that load in RPM and in planning parameters for RTEP. This will undoubtedly increase capacity costs for all consumers as well as regional transmission costs. Inclusion of all large load demand in the capacity market, including large load that could be in C&M status, creates higher prices in that market that will be paid by all customers. This topic must be considered in scope given PJM Staff's recent proposed changes in the allocation of capacity costs and the significant cost impact on non-large load customers from PJM Staff's proposed treatment.

The way to avoid additional costs for all customers is to assign all new large load that does not bring its own new capacity to mandatory C&M status, as discussed above, and remove that demand from BRA and RTEP planning parameters. Removing C&M customer demand from the auction would prevent that demand from increasing the costs of the auction for all customers. Additionally, adding a locational requirement for the centralized RBP would help reduce costs and ensure reliability. Allowing generation resources for RBP capacity to be located anywhere in the RTO ignores the reality of transmission constraints in the actual delivery of that capacity. By allowing generation resources for the RBP to be locationally divorced from their corresponding load, there is a risk of local reliability risks in the zone that hosts the new large load. Further, C&M has impacts on the energy market. Interruption of C&M load should be prior to entering PJM scarcity pricing to reduce adverse energy cost impacts.

[10] PJM Staff acknowledges this in its June 18 RBP Proposal, p. 4: "If states have not established frameworks to appropriately allocate costs to new data center loads, it is unclear to which customers those costs would be assigned. As a backstop, if EDC does not allocate via LLC Obligation, PJM will allocate to all load in the zone (including non-large loads) using existing PLC assignments."

III. Closing

In closing, JCA urges the PJM Board in the strongest terms to make the following modifications to the PJM staff proposal:

1. Base RBP procurement targets on buy-requests backstopped by specific, binding commitments from large loads or their designated LSE.
2. Assign all new large loads that do not BYONC to mandatory C&M status and remove that demand from BRA and RTEP planning parameters.
3. Establish demand-side credit and collateral prior to procurement.
4. Require new RBP capacity to be deliverable and locationally aligned with the corresponding Large Load.
5. Require market power mitigation and IMM review for the RBP.

JCA's CIFP Positions in Alignment with FERC's Four Pillars: