

**Prepared Remarks of William F. Fields,
Deputy People's Counsel of the Maryland Office of People's Counsel**

Before the PJM Board of Managers

**On behalf of the
Joint Consumer Advocates, including
Maryland Office of People's Counsel
Pennsylvania Office of Consumer Advocate
Office of the Illinois Attorney General
Delaware Division of the Public Advocate
Illinois Citizens Utility Board
New Jersey Division of Rate Counsel**

**CIFP – Reliability Backstop and Connect & Manage, Stage 4
June 30, 2026**

Our responsibility as state consumer advocates is to represent residential customer interests. Throughout this process we have had one concern: protect residential customers from the unique risks of service reliability degradation and higher costs and cost-shifting impacts resulting from forecasts of extraordinary data center load growth. Customers are already experiencing a crisis of high electric utility bills, including from costs driven by forecasts of data center demand. Increased capacity market costs have already increased residential customers' bills. Transmission and Energy costs are also being driven up by new large load demand.

We are not alone in those concerns. The White House and Governors' Principles, the PJM Legislative Collaborative, and other stakeholders have expressed the same concerns.

In this CIFP process, and the one before it, we have focused on two issues in order to avoid negative impacts for residential customers: 1. preventing backstop procurement costs from being stranded; and 2. ensuring that reliability for ordinary customers does not suffer because of the integration of new large load customers.

Protecting ordinary customers from stranded costs and maintaining their access to reliable service are problems that must be addressed at the PJM level. PJM load forecasts are outpacing generation supplies on a regional basis. The 2026 PJM Forecast shows that the load growth is not coming from ordinary customers. Without large load adjustments, the forecast is for no growth through 2036 and modest growth after that (less than 2,000 MW per year). Large load demand growth is causing a regional problem, and requires regional solutions.

States can, and are, adopting rules on cost allocation for large load customers – including backstop procurement costs-- and they can adopt rules for how utilities respond to PJM manual load dump directions. But PJM staff’s latest proposal prevents states from protecting ordinary customers from costs and risks created by large load.

Staff’s backstop procurement proposal exposes ordinary customers to costs that states cannot mitigate because it sets the backstop targets based on a BRA outcome with very limited ability for states or TOs to make adjustments to the procurement targets. This can result in a zone being assigned backstop costs, but when it comes time to pay for those costs, there are little or no large load customers in that zone to pay the bill. When that happens, states will have no option but to bill ordinary customers those costs. That result violates the Governors and White House Principles, and it is avoidable, as I will discuss in a minute.

The Staff proposal for C&M has a similar problem for reliability. Under its voluntary C&M proposal, PJM could be in the position where large load demand growth results in PJM sending manual load dump directions to transmission owners for zones that have few or no large load customers to turn off. Transmission owners will have no choice but to turn off other customers. This outcome must be prevented by PJM. Let’s be clear, under a voluntary C&M, a race to the bottom among the states can ensue. One state can require large loads in its state to join a C&M program, but other states may opt not to participate. When the system is short, the large load in the participating state would come off the system as part of the C&M program. But if the system is still short, that state may get a manual load dump direction and have to shut off ordinary customers. This must be avoided by PJM’s rules. PJM’s rules regarding large load integration must prevent the outcome of ordinary customers suffering curtailments for system-wide shortages caused by large loads.

The timing of this proceeding has forced us to an end point that has many proposals before you today. But you should not conclude that there is no consensus here. There is significant consensus on what PJM should do to protect ordinary customers.

For the backstop procurement, a number of proposals today have the same basic framework: to prevent stranded costs being imposed on ordinary customers, the procurement must be conducted based on commitments by or on behalf of large load customers to pay in full for the capacity procured. That is reflected in the IMM, JCA, AMP, Joint EDC/DCC, and the NRDC proposals—if they disagree and are coming after me they can correct me. Commitment-backed procurements will ensure that this extraordinary auction is only being undertaken for large load customers who are ready to take on the financial risk associated with developing new capacity to serve them. If we procure capacity on behalf of new large load customers who are not ready to take on that responsibility, we shift risks and costs to other customers.

There has been discussion about the sentence in the Governors and WH principles and says that "remaining costs should be allocated to LSEs based on their remaining net short positions." That sentence is not a basis for concluding it is acceptable to allocate costs to zones based on forecasts. We heard during the stakeholder process directly from a representative of the Pennsylvania Governor's office that that sentence applies to backstop procurement costs associated with demand growth for non-large load customers. This clarification is key because that is not the situation we have. In fact, non-large load demand is decreasing over the time frame being considered for setting backstop procurement targets.

For C&M, the Board recognized the need to protect reliability for ordinary customers in its January 16th decision when it charged PJM staff and the stakeholders with creating proposals whereby "the incremental demand associated with such load growth would be subject to curtailment prior to the deployment of pre-emergency Demand Response." The Board had it right then and should maintain that stance.

A mandatory C&M approach is both preventative and responsible, as well as a reasonable differentiation of treatment of wholesale customers. Our mandatory C&M proposal requires all LSEs in the region which serve new large load customers and which do not bring their own new capacity to be curtailable. A mandatory approach is the only way to ensure that no other customers suffer an outage because of shortages caused by new large load customers. It also provides a clear incentive for large load customers to bring their own new generation, which many of them have said they want to do. Generation development is expensive and it has risks and without clear rules that provide consequences for not bringing their own new generation, there is no reason to expect new large load customers to do so. Our proposal, and the ones similar to it, provide that clear incentive. Staff's proposal does not.

We have heard concerns about "legal durability" of a regional mandatory C&M program. The mandatory C&M approach does treat LSEs differently depending on the customers they serve. But this treatment is not unreasonable. It is exactly what is necessary to implement the Governors and White House principles. It recognizes that these new large load customers are coming at a scale and speed that are different than other loads on the system, and that creates new costs and risks. The only fair approach is to make sure that those costs and risks are borne by the customers causing them.

Thank you for your attention and I look forward to answering your questions.