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Statement of OPSI to the PJM Board of Managers at the June 30, 2026 Critical Issue Fast Path Meeting

The Organization of PJM States Inc. (OPSI) appreciates PJM's mandate to operate the bulk power system reliably.[1] OPSI viewed PJM's prior Connect and Manage proposal as an important mechanism to maintain system reliability while protecting existing customers, and as a fundamental pillar of its broader response to the rapid integration of New Large Loads (NLL). In March 2026, OPSI provided feedback supporting a Connect and Manage proposal under which PJM would direct Electric Distribution Companies to curtail a specific amount of load before entering emergency operations, with states responsible for implementing the curtailment prioritization. Because PJM's updated proposal declines to address the region's current resource adequacy challenges at the regional level, by fairly identifying the amount and location of curtailments across the region, electric customers in the PJM region lose the very efficiencies they rely on PJM to provide. More importantly, the proposal functionally eliminates the incentive for NLL to bring new capacity.

OPSI recognizes that even under PJM's original Connect and Manage framework, there was a need for state-level implementation. PJM alone cannot direct individual curtailments at the retail level. However, PJM's new proposal will create even more conflict and uncertainty. It will put states in the difficult position of having to coordinate the development of statutes and regulations at the state level to implement a coherent regional Connect and Manage program that, at best, will look similar to what PJM was proposing less than 2 weeks ago and that only PJM can implement in the expedited manner demanded by the situation at hand. By allowing potentially 14 different responses to implement a Connect and Manage program, PJM's proposal creates significant uncertainty and risks slowing the very speed-to-power issues that the Reliability Backstop and Connect and Manage approach sought to address.

In place of a regional response, PJM now proposes to provide an informational registry to assist states in implementing voluntary Connect and Manage frameworks. This approach is likely to lead to a patchwork of regulatory responses that could lead to more reliability events in the future and makes it more likely that existing residential and commercial loads will be subject to curtailment, despite the fact that they did not meaningfully contribute to recent regional resource adequacy shortfalls. And

[1] OPSI's following members support this letter: the Delaware Public Service Commission, Public Service Commission of the District of Columbia, Illinois Commerce Commission, Indiana Utility Regulatory Commission, Kentucky Public Service Commission, Maryland Public Service Commission, Michigan Public Service Commission, New Jersey Board of Public Utilities, North Carolina Utilities Commission, Public Utilities Commission of Ohio, Pennsylvania Public Utility Commission, and the Tennessee Public Utility Commission. The Virginia State Corporation Commission and the Public Service Commission of West Virginia abstained in the vote on this letter.

beyond the Connect and Manage modifications themselves, the current proposal leaves important cost containment and cost assignment concerns unaddressed.

To be clear, OPSI supports the creation of a large load registry, as it will help states assign costs accurately and ensure curtailment procedures are in line with state law and policy. But OPSI has fundamental concerns with PJM's latest proposal which makes the Connect and Manage framework voluntary and solely dependent on state action for implementation. This change is a step in the wrong direction, potentially slowing the integration of NLL and exacerbating the resource adequacy and reliability challenges that PJM set out to address in this Critical Issue Fast Path process.

PJM's original proposal requiring zones to curtail loads in proportion to their share of the region's NLL additions reflected the type of regional response that PJM is better situated to implement and administer than 14 distinct retail jurisdictions. Absent a regional response to PJM's resource adequacy challenge, the region's resource adequacy needs may remain unaddressed. PJM's proposal may instead incentivize NLLs to simply locate in jurisdictions where they are least likely to be curtailed first and have the fewest requirements to bring on new supply.

OPSI members understand it is their responsibility to regulate the prioritization of curtailments at the retail level and stand ready to constructively engage with PJM on the proper response to regional resource inadequacy. States looks forward to continuing to work with PJM on the most pressing issues facing the region for the benefit of the residents and businesses that depend on us. OPSI considers the interests of all PJM states and D.C. as we develop our positions, and we urge PJM to work closely and cooperatively with OPSI to consider solutions to large load issues that recognize the states' diversity of power supply policies.