UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

PJM Interconnection, L.L.C.	)	Docket No. ER26-3380-000

COMMENTS OF THE
ORGANIZATION OF PJM STATES, INC.

Pursuant to the Commission's August 3, 2026, Combined Notice of Filings, the Organization of PJM States, Inc. ("OPSI") respectfully files these comments in support of PJM's July 31, 2026, filing proposing revisions to the Open Access Transmission Tariff ("Tariff") and the Reliability Assurance Agreement Among Load Serving Entities ("RAA") to establish a Reliability Backstop Procurement ("RBP").[1] OPSI supports the filing because the proposed revisions strengthen regional resource adequacy while appropriately recognizing that implementation will require complementary state action to ensure that RBP costs are allocated to the appropriate retail loads.[2] OPSI encourages the Commission to act expeditiously so that PJM can implement the RBP without disrupting the schedule for subsequent capacity auctions.

I. COMMENTS

The unprecedented growth of large loads in the PJM region has created a significant regional resource adequacy planning challenge under the PJM centralized capacity procurement construct. The 2028/2029 Base Residual Auction ("BRA") cleared 6,831 MW short of the PJM Region Reliability Requirement, demonstrating that the region's resource adequacy challenge

[1] PJM Interconnection LL.C., Reliability Backstop Procurement to Address Resource Adequacy Concerns Stemming from Large Loads, Docket No. ER26-3380-000 (July 31, 2026) ("Backstop Filing").

[2] The following OPSI members support these comments: 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, Tennessee Public Utility Commission, and Virginia State Corporation Commission. The Public Service Commission of West Virginia does not support these comments.

requires immediate action to preserve reliability.[3] OPSI supports PJM's proposal to implement a supplemental procurement of new capacity equal to the shortfall observed in the BRA for the 2028/2029 Delivery Year to serve large loads.[4] PJM explains that the proposal is warranted because of the likelihood of a third consecutive short auction after shortfalls in the BRA for both the 2027/2028 and 2028/2029 Delivery Years, the rapid growth in data center demand, the direction provided in the National Energy Dominance Council ("NEDC") / PJM Governors' Principles, and the Commission's recognition of the need for action.[5] OPSI hopes that this targeted intervention will bolster regional resource adequacy by addressing the present-day capacity shortfall, which would not have occurred but for large loads, while complementing the ongoing bilateral matching process.

OPSI agrees with PJM that successful implementation of the RBP will require timely retail regulatory action that ensures existing retail loads are insulated from or share in the cost of the RBP only to the extent consistent with state retail ratemaking approvals. Under the Federal Power Act, the allocation of RBP costs to retail customers remains within the jurisdiction of retail regulators.[6] Accordingly, several states have already begun implementing or considering retail ratemaking reforms designed to more closely align the costs associated with new large-load development with those customers.[7]

PJM proposes to require that capacity used either to offset the RBP procurement target or to participate in the RBP qualify as "new" capacity.[8] Specifically, qualifying offset capacity must

[3] Backstop Filing at 7–8.
[4] *Id.* at 7, 25–26.
[5] *Id.* at 27–28.
[6] 16 U.S.C. § 824(b)(1). Backstop Filing at 13–18, 104–08.
[7] *See, e.g.,* Va. Acts ch. 1124, cl. 3 (2026) (S.B. 253), S.B. 253; Md. Code Ann., Pub. Utils. § 4-212; Ind. Code §§ 8-1-7.9-22 to -24; 2026 N.J. Laws ch. 32, § 1(b)(2)–(3), (d)(3). See also, Interconnection and Tariffs for Large Load Customers, PA PUC Docket Number: M-2025-3054271 (Final Order entered May 12, 2026).
[8] Backstop Filing at 35–36, Attachment B, proposed Tariff, Attachment DD § 18.2(a).

not have previously supported a capacity commitment or been committed in a Fixed Resource Requirement Plan before commencement of the RBP and must satisfy the additional eligibility criteria in proposed Tariff, Attachment DD, § 18.2(b). OPSI supports this approach because it helps ensure that bilateral offsets and RBP procurements result in a genuine increase in regional capacity rather than simply shifting existing commitments among procurement mechanisms.

Further, OPSI strongly supports the ongoing voluntary, iterative bilateral matching process through which new large loads may procure new capacity directly, with qualifying bilateral arrangements reducing the RBP procurement target. This approach allows the costs of new capacity to be assigned directly to the large loads creating the need for that capacity, reducing the centralized procurement target and minimizing the risk of cost shifts to existing customers.[9] The bilateral matching process also encourages market behavior where willing buyers contract with willing sellers before resorting to centralized procurement, supporting the objective of addressing the region's resource adequacy shortfall while protecting existing customers.[10]

Additionally, OPSI recommends that should an electric distribution company ("EDC") / load serving entity ("LSE") confirm before completion of the RBP that a specific amount of load in the relevant load forecast is no longer expected to materialize, PJM would revise its RBP target and load forecast. In describing its proposed Qualifying RBP Offset, PJM states that "new" load, for purposes of the RBP, will be load that has an executed electric service agreement or transmission service agreement, indicating that the load will be coming online in the 2027/2028 through the 2028/2029 Delivery Year."[11] It follows that if prospective large load withdraws from or otherwise terminates such agreements during the RBP window, it would not be considered

[9] Backstop Filing at 30–31, 39–40.
[10] *Id.* at 30.
[11] *Id.* at 35.

"new" load, and that amount of load would be removed from the RBP target.[12] PJM would also necessarily revise the zonal allocations should certain new large load no longer be expected to materialize. OPSI views this approach as critical to protecting other customers.

II. CONCLUSION

For the foregoing reasons, OPSI respectfully encourages the Commission to accept PJM's proposed Tariff and RAA revisions and permit PJM to implement the RBP while continuing to pursue related reforms necessary to address the challenges posed by large-load growth.

Respectfully Submitted,

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Dated: August 21, 2026

[12] OPSI recognizes that it is reasonable for PJM to require proof that revising the load forecast is appropriate, and OPSI understands a reasonable timeline for the proof submission would need to be established.

CERTIFICATE OF SERVICE

I hereby certify that the foregoing has been served in accordance with 18 C.F.R. §385.2010 upon each person designated on the official service list compiled by the Secretary in this proceeding.

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Dated at Newark, Delaware this August 21, 2026.