



Department of Energy
Washington, DC 20585

PJM Interconnection, L.L.C.
Regarding Specified and Backup Generation Resources

Order No. 202-26-35

Pursuant to the authority vested in the Secretary of Energy (Secretary) by section 202(c) of the Federal Power Act (FPA)¹ and section 301(b) of the Department of Energy (DOE) Organization Act,² and for the reasons set forth below, I hereby determine that a statutory emergency exists in the PJM Interconnection, L.L.C. (PJM) Region,³ due to a sudden increase in demand, a shortage of electric energy, a shortage of facilities for the generation of electric energy, and other causes. I direct PJM and backup generation resources defined below to comply with this Order.⁴ PJM is authorized to call upon its Transmission Owners and Electric Distribution Companies to implement this Order as needed. Issuance of this Order will meet the emergency and serve the public interest.

EMERGENCY SITUATION

On July 13, 2026, PJM submitted a request for an emergency order pursuant to FPA section 202(c) (Application).⁵ Specifically, PJM requests that the Secretary of Energy find that “an imminent electric reliability emergency exists that will threaten transmission reliability and the ability to serve load in the PJM Region”⁶ due to hot weather conditions, with forecasted “temperatures in the mid to high nineties affecting states within PJM’s region, with a forecasted temperature humidity index of 83 on an RTO load-weighted basis.”⁷ PJM is projecting “peak loads of approximately

¹ 16 U.S.C. § 824a(c).

² 42 U.S.C. § 7151(b).

³ PJM serves as the Reliability Coordinator and Balancing Authority for its region and is, therefore, responsible for overseeing the dispatch of generation to meet system demand at all times within the limits of the transmission system. The PJM Region includes all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia, and the District of Columbia.

⁴ All geographical or electrical areas of the Bulk-Power System are under the oversight of one and only one Reliability Coordinator. *See North American Electric Reliability Corp. (NERC) Rules of Procedure § 501.1.4.1.* All Balancing Authorities are under the responsibility of one and only one Reliability Coordinator. *See id.* § 501.1.4.2. All load and generation is under the responsibility and control of one and only one Balancing Authority. *See id.* § 501.1.4.4.

⁵ Application at 1.

⁶ *Id.*

⁷ *Id.* at 2.

162,700 MW on July 15, 2026.”⁸ According to PJM, the current hot weather conditions pose significant risks to electric reliability in the Reliability Coordinator’s footprint. First, PJM states that some generating units could encounter an operational limitation due to a restriction under an environmental permit or state requirement,⁹ and that “[t]he forecasted demand raises a significant risk of emergency conditions that could jeopardize electric reliability and public safety.”¹⁰ Therefore, PJM requests an order which would “allow only the Specified Resources to exceed their Operating Limits as necessary, to ensure reliability during the limited timeframe . . . [and] allows use of backup generation by large loads notwithstanding any applicable environmental limitations under federal, state, or local law or regulation.”¹¹

Second, PJM also seeks to unlock and deploy backup generation resources (whether auxiliary, standby, directly-connected, battery storage or other, and whether synchronized or not to the bulk-power system) at data centers (including, but not limited to, hyperscaler facilities), and at other large load industrial and commercial customer sites as another tool to mitigate any undue risk to the bulk-power system. PJM states the employment of this backup generation is expected to reduce stress on the grid and permit orderly, safe, and secure operations during the hot weather conditions.

Consistent with my letter issued on January 22, 2026, regarding the deployment of backup generation during emergency conditions, PJM seeks authorization for “PJM to direct backup generation resources . . . at large loads to operate” pursuant to a Section 202(c) Order and to use those backup generation facilities instead of grid power during or as a last resort before or during declaring an RTO wide or local EEA event.¹² According to its Application, PJM further requests that “the order make clear that PJM may call upon its Transmission Owners to work with Electric Distribution Companies to take lawful actions.”¹³

REQUEST FOR ORDER

PJM requests that the Secretary issue an order effective 11:59 PM EDT on July 14, 2026, through 11:59 PM EDT on July 21, 2026, the expected period to address high load related to the hot weather conditions, which authorizes “the provision of additional energy from any units identified in Exhibit A, as well as any other generating units that PJM may deem necessary to operate in excess of Operating Limits in order to maintain the reliability of the power grid” in the PJM Region.¹⁴ The generating units to which this Order pertains (Specified Resources) are listed in Exhibit A to the Application for the Order 202-26-35, as described below. Furthermore, PJM requests that the order

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.* at 3–4.

¹² *Id.* at 3

¹³ *Id.* at 1.

¹⁴ *Id.* at 3.

“allows use of backup generation by large loads notwithstanding any applicable environmental limitations under federal, state, or local law or regulation.”¹⁵

DESCRIPTION OF MITIGATION MEASURES

In anticipation of this emergency, PJM has “managed the amount of generator and transmission maintenance outages approved for this coming heat wave.”¹⁶ PJM adds that it also anticipates issuing a Maximum Generation Alert and Load Management Alert (i.e., an Energy Emergency Alert (EEA) 1) on July 15, 2026, with a Hot Weather Alert in place for the PJM Region, and “may need to implement Load Management, recall off-system sales and take other emergency actions within its authority for the July 15 operating day.”¹⁷

APPLICATION OF EOP-011-4

Section 215 of the FPA¹⁸ established a framework for development and implementation of mandatory and enforceable Reliability Standards that apply to Bulk-Power System owners, operators, and users, such as Reliability Coordinators and Balancing Authorities. NERC certifies Reliability Coordinators and Balancing Authorities pursuant to an Organization Certification program set forth in its Rules of Procedure,¹⁹ because of the significant roles these two functional entity category types have in ensuring bulk-power system reliability. A Reliability Coordinator is defined as

the entity that is the highest level of authority who is responsible for the Reliable Operation of the [Bulk Electric System (BES)], has the Wide Area view of the BES, and has the operating tools, processes, and procedures, including the authority to prevent or mitigate emergency operating situations in both next-day analysis and real-time operations. The Reliability Coordinator has the purview that is broad enough to enable the calculation of Interconnection Reliability Operating Limits, which may be based on the operating parameters of transmission systems beyond any Transmission Operator’s vision.²⁰

A Balancing Authority is “the responsible entity that integrates resource plans ahead of time, maintains Load-interchange-generation balance within a Balancing

¹⁵ *Id.* at 4.

¹⁶ *Id.* at 2.

¹⁷ *Id.*

¹⁸ 16 U.S.C. § 824o.

¹⁹ See generally NERC Rules of Procedure, https://www.nerc.com/globalassets/who-we-are/rules-of-procedure/nerc-rop-with-appendices-eff-20250520_signed.pdf; see also *id.* § 500.

²⁰ NERC Rules of Procedure, Appendix 5B; see also *id.* Appendix 2. Other capitalized terms in this definition also are defined in the NERC Rules of Procedure at Appendix 2.

Authority Area, and supports Interconnection frequency in real time.”²¹

Because of the criticality of their respective roles, Reliability Coordinators and Balancing Authorities are subject to NERC’s Organization Certification Program to ensure that they have “the tools, processes, training, and procedures to demonstrate their ability to meet the Requirements/sub-Requirements of all of the Reliability Standards applicable to the function(s).”²²

NERC Reliability Standard EOP-011-4 addresses Emergency Operations. Requirement 2 provides that “[e]ach Balancing Authority shall develop, maintain, and implement one or more Reliability Coordinator-reviewed Operating Plan(s) to mitigate Capacity Emergencies and Energy Emergencies within its Balancing Authority Area.” Balancing Authorities are responsible for requesting that their respective Reliability Coordinators issue an EEA in accordance with Requirement 2 and Attachment 1 to Reliability Standard EOP-011-4. Among other things, Requirement 2.2.4 of this reliability standard authorizes Balancing Authorities to make “[p]ublic appeals for voluntary Load reductions.” Moreover, section 2.2.9 requires Balancing Authority Operating plans to include provisions for “Transmission Operators to implement operator-controlled manual Load shedding, undervoltage Load shedding, or underfrequency Load shedding,” and section 2.2.10 requires such plans to determine reliability impacts of “extreme weather conditions.”

According to Requirement 5,

Each Reliability Coordinator that receives an Emergency notification from a Transmission Operator or Balancing Authority within its Reliability Coordinator Area shall notify, within 30 minutes from the time of receiving notification, other Balancing Authorities and Transmission Operators in its Reliability Coordinator Area, and neighboring Reliability Coordinators.

According to Requirement 6,

Each Reliability Coordinator that has a Balancing Authority experiencing a potential or actual Energy Emergency within its Reliability Coordinator Area shall declare an Energy Emergency Alert, as detailed in Attachment 1.

Attachment 1 provides,

Initiation by Reliability Coordinator. An Energy Emergency Alert (EEA) may be initiated only by a Reliability Coordinator at 1) the Reliability Coordinator’s own request, or 2) upon the request of an energy deficient Balancing Authority.

²¹ NERC Rules of Procedure app. 5B; *see also id.* app. 2.

²² NERC Rules of Procedure § 501.

To ensure that all Reliability Coordinators clearly understand potential and actual Energy Emergencies in the Interconnection, NERC has established three levels of EEAs. The Reliability Coordinators will use these terms when communicating Energy Emergencies to each other. An EEA is an Emergency procedure, not a daily operating practice, and is not intended as an alternative to compliance with NERC Reliability Standards.

The Reliability Coordinator may declare whatever alert level is necessary and need not proceed through the alerts sequentially.

Before requesting an EEA 3, the energy deficient Balancing Authority must make use of all available resources; this includes, but is not limited to:

2.5.1 All available generation units are on line. All generation capable of being on line in the time frame of the Emergency is online.

2.5.2 Demand-Side Management. Activate Demand-Side Management within provisions of any applicable agreements.

3.3.1 Energy deficient Balancing Authority obligations. The energy deficient Balancing Authority, upon notification from its Reliability Coordinator of the situation, will immediately take whatever actions are necessary to mitigate any undue risk to the Interconnection. These actions may include Load shedding.

ORDER

FPA section 202(c)(1) provides that whenever the Secretary determines “that an emergency exists by reason of a sudden increase in the demand for electric energy, or a shortage of electric energy or of facilities for the generation or transmission of electric energy,” the Secretary has the authority “to require by order . . . such generation, delivery, interchange, or transmission of electric energy as in [his] judgment will best meet the emergency and serve the public interest.”²³ This statutory language constitutes a specific grant of authority to the Secretary to authorize the operation of generation, delivery, and transmission resources that the Secretary has determined will best meet an emergency.

Given the emergency caused by the expected load stress, the responsibility of PJM to ensure maximum reliability of its system, and the ability of PJM to identify and

²³ Although the text of FPA section 202(c) grants this authority to “the Commission,” section 301(b) of the Department of Energy Organization Act transferred this authority to the Secretary of the Department of Energy. *See* 42 U.S.C. § 7151(b).

dispatch generation resources and make available backup generation resources necessary to meet load requirements, I have determined that, under the conditions specified below, additional dispatch of the Specified Resources is necessary and operation of backup generation resources may be necessary to best meet the emergency and serve the public interest for purposes of FPA section 202(c). This determination is based on the expected load stress, shortage of electric energy, shortage of facilities for the generation of electric energy, and other causes, and the potential loss of power to homes and local businesses in the areas that may be affected by curtailments or outages, presenting a risk to public health and safety.

Consistent with the anticipated circumstances, this Order is limited to the period of time that the significant hot weather event is expected to impact the PJM region. Because the additional generation or availability of backup generation may result in conflict with environmental standards and requirements, I am authorizing only the necessary additional resources on the conditions contained in this Order, with reporting requirements as described below.

FPA section 202(c)(2) requires the Secretary to ensure that any 202(c) order that may result in a conflict with a requirement of any environmental law be limited to the “hours necessary to meet the emergency and serve the public interest, and, to the maximum extent practicable,” be consistent with any applicable environmental law and minimize any adverse environmental impacts. PJM anticipates that this Order may result in exceedance of permit restrictions on sulfur dioxide, nitrogen oxide, carbon monoxide, wastewater release, and other air pollutants (including ammonia) or other limitations, such as fuel throughput and fuel shortages.²⁴ To minimize adverse environmental impacts, this Order limits operation of dispatched units to the times and within the parameters determined by PJM for reliability purposes. Consistent with FPA section 202(c)(3) and DOE’s February 4, 2026, Order Granting Rehearing, the emissions from, hours of operation of, and fuel burned by Specified Resources and backup generation resources while this Order is in effect will not be counted toward applicable rolling average-based limitations.²⁵

Based on my determination of an emergency set forth above, I hereby order:

- A. In the event that PJM determines that generation from the Specified Resources is necessary to meet the electricity demand that PJM anticipates in its service territory, I direct PJM to dispatch such unit or units and to order their operation only as needed to maintain reliability. Specified Resources are those generating units set forth in Exhibit A to their Application for this Order (i.e., Order No. 202-26-35- Resource List), subject to updates directed here and as described in paragraph G, which DOE shall post on www.energy.gov.

²⁴ Application at 2.

²⁵ See 16 U.S.C. § 824a(c)(3); *PJM Interconnection, L.L.C.*, Order Granting Reh’g, DOE Order Nos 202-26-02B et al. (2026) (including Order Nos. 202-26-01B to -15A, regarding Winter Storm Fern).

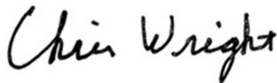
- B. From July 14, 2026, PJM, is authorized to direct backup generation resources (whether auxiliary, standby, directly-connected, battery storage or other, and whether synchronized or not to the bulk power system), to operate as a last resort before declaring an Energy Emergency Alert (EEA) 3 (i.e., before firm load interruption) or during an EEA 3.²⁶ PJM is authorized to call upon its Transmission Owners and Electric Distribution Companies to implement this Order as needed.
- C. This Order requires the operation of the backup generation resources described in paragraph B. Following the conclusion of the EEA conditions described in paragraph B, sufficient time for orderly ramp down is permitted, consistent with industry practices.
- D. This order is not applicable to any backup generation resource serving a critical reliability or backup need, including those at defense, homeland security, first responder, air traffic control, hospital facilities, 911 call centers, water treatment or wastewater facilities, natural gas pipeline facilities, natural gas gathering facilities, or other similar facilities.
- E. To minimize adverse environmental impacts, this Order limits operation of dispatched Specified Resources and backup generation resources to the times and within the parameters determined by PJM for maintaining grid reliability and to the maximum extent practicable is consistent with any applicable environmental law. PJM shall provide a daily notification to DOE (via AskCR@hq.doe.gov) reporting each Specified Resource and backup generation resource that has been designated to use the allowance and operated in reliance on the allowances contained in this Order.
- F. All operations of the Specified Resource and backup generation resources must comply with applicable environmental requirements, including but not limited to monitoring, reporting, and recordkeeping requirements, to the maximum extent practicable while operating consistent with the emergency conditions.
- G. In the event that PJM identifies additional generation units that it deems necessary to maintain the reliability of the power grid, PJM shall provide prompt written notice to DOE at AskCR@hq.doe.gov with the name and location of those units that PJM has identified. Such additional generation unit shall be deemed a Specified Resource for the purpose of this Order for the hours prior to the required written notice to DOE updating Exhibit A of the Application, and PJM may dispatch such additional generation units, provided that if the DOE notifies PJM that it does not approve of such generation unit being designated as a

²⁶ See NERC Reliability Standard EOP-011-4, Attachment 1, at 3.1 (“The Reliability Coordinators and the energy deficient Balancing Authority shall continue to take all actions initiated during EEA 2.”).

Specified Resource, such generation unit shall not constitute a Specified Resource upon notification from DOE.

- H. PJM shall also provide such additional information regarding the environmental impacts of this Order and its compliance with the conditions of this Order, in each case as requested by DOE from time to time.
- I. Each party affected by this order is directed to file with the Federal Energy Regulatory Commission any tariff, tariff revisions or waivers necessary to effectuate this Order, as applicable. Rate recovery is available pursuant to 16 U.S.C. § 824a(c).
- J. This Order shall not preclude the need for the Specified Resources and backup generation resources to comply with applicable state, local, or Federal law or regulations following the expiration of this Order.
- K. Because this Order is predicated on the shortage of facilities for generation of electric energy and other causes, any backup generation resource subject to this Order shall not be considered a capacity resource.
- L. This Order shall be effective July 14, 2026, at 11:59 PM EDT and shall expire at 11:59 PM EDT on July 21, 2026, with the exception of the reporting requirements in paragraph E and applicable compliance obligations in paragraph F. Renewal of this Order, should it be needed, must be requested before this Order expires.

Issued in Washington, D.C. on this 14th day of July 2026.



Chris Wright
Secretary of Energy

cc: **FERC Commissioners**
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Commissioner David Rosner
Commissioner Lindsay S. See
Commissioner Judy W. Chang
Commissioner David A. LaCerte

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