

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

PJM Interconnection, L.L.C.

Docket Nos. ER26-3380-000
EL26-108-000

NOTICE OF INTERVENTION AND STATEMENT OF POSITION OF
THE UNITED STATES DEPARTMENT OF ENERGY

President Donald J. Trump and the Department of Energy (DOE) are committed to ensuring that American households and businesses have affordable, reliable, and secure energy. On day one, President Trump declared a national energy emergency to fix the skyrocketing energy price inflation caused by the prior administration’s policies of reducing reliable, non-intermittent American energy resources.¹ President Trump subsequently obtained the pledges of utilities, states, data center developers, and cooperatives to commit to his Ratepayer Protection Pledge. Under the Ratepayer Protection Pledge, large electric energy loads—*not American households or other business ratepayers*—must fund the electric energy generation and related infrastructure that such new large load projects require.²

In furtherance of the President’s goals and in support of the Federal Energy Regulatory Commission’s (Commission) September 29, 2026 order, the Secretary of Energy and DOE files this notice of intervention and statement of position in the captioned docket pursuant to section 405 of the DOE Organization Act and Rule 214 of the Commission’s regulations.³ DOE specifically supports key aspects of the Commission’s guidance to PJM Interconnection, L.L.C. (PJM), including the counsel that PJM proactively address what the Commission has outlined by

¹ See *Declaring a Nat’l Energy Emergency*, Exec. Order No. 14,156, 90 Fed. Reg. 8433 (Jan. 29, 2025).

² See President Donald J. Trump, *Ratepayer Protection Pledge*, Proclamation No. 11014, 91 Fed. Reg. 11439 (Mar. 9, 2026), <https://www.federalregister.gov/documents/2026/03/09/2026-04645/ratepayer-protection-pledge> [hereinafter *Ratepayer Protection Pledge*].

³ 42 U.S.C. § 7175; 18 C.F.R. § 385.214(a)(1).

submitting a revised tariff under Federal Power Act (FPA) section 205 on or before October 29, 2026.⁴ PJM should implement the cost allocation and other reforms identified by the Commission to ensure that the costs of serving new data centers or other large electric energy loads are not unfairly shifted to PJM’s existing ratepayers. DOE also calls for all signatories to the President’s Ratepayer Protection Pledge to stand by their commitments, including to “build, bring, or buy every kilowatt their facilities need—and cover every dollar of the infrastructure that delivers it. American households and businesses should not be footing the bill.”⁵

I. Statement of Principles Regarding PJM and President Trump’s Ratepayer Protection Pledge

On January 16, 2026, DOE Secretary Chris Wright, U.S. Department of Interior Secretary Doug Burgum, and others joined the Governors of all 13 PJM states to announce the Statement of Principles Regarding PJM, which encouraged PJM to adopt market rules to strengthen grid reliability and reduce electricity costs for American families and businesses. Subsequently, following the February 24, 2026 State of the Union address, on March 4 and July 23, 2026, President Trump, Secretary Wright, and others held roundtables regarding the Ratepayer Protection Pledge. Signatory companies and others agreed to protect American consumers from price hikes due to their addition of large load energy demand and related infrastructure requirements, and to lower electricity costs for consumers in the long term. Since then, additional signatories have joined the Ratepayer Protection Pledge.

The Statement of Principles Regarding PJM, in turn, called for expeditious action to address reliability and affordability concerns specifically in the PJM region. It called for accelerating the development of reliable generation resources, protecting ratepayers from rising

⁴ 16 U.S.C. § 824d.

⁵ *Ratepayer Protection Pledge*, *supra* note 2.

rates, and improving load forecasting and generator interconnection studies, among other reforms.⁶ It also specifically called for PJM to hold a backstop procurement auction by September 2026 and “file tariff revisions at FERC expeditiously,” noting that since PJM “has already received stakeholder input through the 2025 Critical Issues Fast Path (CIFP) process,” no further CIFP processes would be necessary.⁷

On July 31, 2026, PJM filed a Reliability Backstop Procurement (RBP) proposal with the Commission in the captioned proceeding. The RBP proposal calls for a one-time procurement of new capacity to address the significant capacity shortfall for the 2027/2028 and 2028/2029 Reliability Pricing Model (RPM) auctions for those delivery years, with a requested effective date of September 29, 2026.⁸

On September 29, 2026, the Commission issued its Order accepting certain aspects of PJM’s proposal. The Commission determined that other portions of the proposal may be unjust and unreasonable, and, therefore, directed further procedures.⁹ Among other things, the Commission recognized “the looming capacity shortfall facing PJM” and the need for expeditious action to maintain resource adequacy.¹⁰ The Commission found that PJM’s existing reliability backstop provisions may be insufficient to prevent resource adequacy concerns and that PJM’s RPM is failing to keep pace with demand growth in the PJM region.¹¹ The Commission recognized actions taken by President Trump to ensure that the costs of serving new data center load are assigned to that load and are not borne by other ratepayers.¹² In making

⁶ U.S. Dep’t of Energy, *Statement of Principles Regarding PJM* (Jan. 2026), <https://www.energy.gov/documents/statement-principles-regarding-pjm>.

⁷ *Id.*

⁸ *PJM Interconnection, L.L.C.*, Dkt. No. ER26-3380-000 (filed July 31, 2026).

⁹ See *PJM Interconnection, L.L.C.*, 196 FERC ¶ 61,245 (2026).

¹⁰ *Id.* P 3.

¹¹ *Id.* P 29.

¹² *Id.* P 161.

further recommendations, the Commission emphasized that PJM’s RBP cost allocation methodology must be consistent with the Commission’s cost-causation principles.¹³

II. Current State of Energy Demand in PJM Requires Immediate Action

From 2020 to 2025, demand for electric energy in the United States has increased more than 9% (i.e., 387 terawatt-hours (TWh)), from 3,918 to 4,305 TWh.¹⁴ While this load growth occurred across residential, commercial, and industrial sectors, the commercial end-use sector grew the fastest.¹⁵ PJM is the largest grid operator in the country, serving 67 million people in 13 states, plus the District of Columbia. Over the same 2020 to 2025 period, consistent with the national trend cited above, total real-time energy use in PJM increased more than 9% (i.e., 67.9 TWh), from approximately 743.0 TWh to 810.9 TWh.¹⁶ Every PJM annual long-term forecast since 2020 has projected increased long-term demand growth, with the projected growth rate accelerating sharply since 2022.¹⁷

PJM’s capacity procurement procedures, however, are consistently failing to obtain adequate supply for the growth projected, let alone for the growth actually occurring. PJM’s RPM has, as the Commission observed, “failed to keep pace with the unprecedented influx of large load” into the region.¹⁸ After years of auction delays, in December 2025, PJM fell 6,623

¹³ See *id.* PP 153-157.

¹⁴ See U.S. Energy Info. Admin., *Elec. Power Annual*, tbl. 1.3 (Supply & Disposition of Elec., 2014 Through 2024) (Oct. 16, 2025), https://www.eia.gov/electricity/annual/table.php?t=epa_01_03.html; *id.*, *Short-Term Energy Outlook*, tbl. 7a (U.S. Elec. Indus. Overview) (Sep. 2026), <https://www.eia.gov/outlooks/steo/data/browser/#/?v=19>.

¹⁵ *Id.*, *Elec. Power Monthly*, tbl. 5.1 (Sales of Elec. to Ultimate Customers: Total by End-Use Sector) (Sep. 24, 2026), https://www.eia.gov/electricity/monthly/epm_table_grapher.php?t=epmt_5_1.

¹⁶ See Monitoring Analytics, LLC, *2020 State of the Mkt. Rep. for PJM*, vol. 1, tbl. 1-8 (Mar. 11, 2021), https://www.monitoringanalytics.com/reports/PJM_State_of_the_Market/2020/2020-som-pjm-vol1.pdf; *id.*, *2025 State of the Mkt. Rep. for PJM*, vol. 1, tbl. 1-9 (Mar. 12, 2026), https://www.monitoringanalytics.com/reports/PJM_State_of_the_Market/2025/2025-som-pjm-vol1.pdf.

¹⁷ See PJM, *2020 Load Forecast Rep.* (2020); PJM Interconnection, L.L.C., *2021 Load Forecast Rep.* (2021); PJM Interconnection, L.L.C., *2022 Load Forecast Rep.* (2022); PJM Interconnection, L.L.C., *2023 Load Forecast Rep.* (2023); PJM Interconnection, L.L.C., *2024 Load Forecast Rep.* (2024); PJM Interconnection, L.L.C., *2025 Long-Term Load Forecast Rep.* (2025).

¹⁸ *PJM*, 196 FERC ¶ 61,245 at P 29.

MW short of its reliability requirement in its 2027/28 delivery year auction.¹⁹ PJM then fell 6,831 MW short for its 2028/29 delivery year auction in July 2026.²⁰ This places PJM in a worse position than was anticipated when the Statement of Principles Regarding PJM and the Ratepayer Protection Pledge were released in January and March 2026, respectively. PJM's inability to secure adequate capacity threatens grid reliability, energy security, and economic growth for the mid-Atlantic region, Appalachia, and beyond.

III. Department of Energy Position

DOE further commends the Commission for its efforts in a separate proceeding to require the six regional transmission organizations or independent system operators under its jurisdiction to justify or reform their rules governing how data centers, manufacturing facilities, and other large energy users connect to the electric grid.²¹

DOE also supports PJM's efforts, in this proceeding, to reform its open access transmission tariff. DOE agrees with the Commission that PJM's proposed tariff revisions may be unjust and unreasonable in certain material respects. In particular, DOE believes that the revisions recommended by the Commission should be adopted by PJM to advance the principles of President Trump's Ratepayer Protection Pledge—a pledge to which many utilities and others in the PJM region have signed and committed.²² DOE urges PJM to act swiftly to reform its

¹⁹ PJM, *2027/2028 Base Residual Auction Rep.* (Dec. 17, 2025), <https://www.pjm.com/-/media/DotCom/markets-ops/rpm/rpm-auction-info/2027-2028/2027-2028-bra-report.pdf>.

²⁰ PJM, *2028/2029 Base Residual Auction Rep.* (July 14, 2026), <https://www.pjm.com/-/media/DotCom/markets-ops/rpm/rpm-auction-info/2028-2029/2028-2029-bra-results-report.pdf>.

²¹ *PJM Interconnection, L.L.C.*, 195 FERC ¶ 61,211, *errata notice*, 196 FERC ¶ 61,122, *granting abeyance*, 196 FERC ¶ 61,129 (2026); *Midcontinent Indep. Sys. Operator, Inc.*, 195 FERC ¶ 61,212, *errata notice*, 196 FERC ¶ 61,123, *granting abeyance*, 196 FERC ¶ 61,133 (2026); *Sw. Power Pool, Inc.*, 195 FERC ¶ 61,213, *granting abeyance*, 196 FERC ¶ 61,128 (2026); *Cal. Indep. Sys. Operator Corp.*, 195 FERC ¶ 61,214, *granting recission and abeyance*, 196 FERC ¶ 61,131 (2026); *ISO New Eng. Inc.*, 195 FERC ¶ 61,215, *granting abeyance*, 196 FERC ¶ 61,132 (2026); *N.Y. Indep. Sys. Operator, Inc.*, 195 FERC ¶ 61,216 *granting abeyance*, 196 FERC ¶ 61,130 (2026).

²² See *Ratepayer Protection Pledge*, *supra* note 2.

RBP proposal in accordance with the Commission’s guidance and submit those revisions pursuant to FPA section 205.²³ DOE encourages all Ratepayer Protection Pledge signatories to endorse such further reforms.

A. Cost Allocation That Avoids Free Ridership

DOE shares the Commission’s concerns that PJM’s proposed RBP cost allocation model may be unjust and unreasonable as filed. The Commission found that PJM did not adequately demonstrate that its Load Adjustment methodology would allocate RBP costs consistent with the Commission’s cost-causation principle. This principle requires that “all Commission-jurisdictional rates and charges must ‘reflect to some degree the costs actually caused by the customer who pays for them’ and costs must be allocated in a manner that is at least roughly commensurate with benefits.”²⁴ Compliance with this principle is evaluated by comparing the costs assessed against a party to the burdens imposed or benefits drawn by that party. In furtherance of the Ratepayer Protection Pledge, DOE emphasizes the need to protect ratepayers from the costs associated with rising demand caused by other large load customers. Such costs include the negative reliability impacts caused by new load growth that well-exceed historic forecasts.

The Commission recognizes the need for accurate and comprehensive load information.²⁵ By way of example, because large load demand in PJM exceeded forecasts for a number of years prior to the 2026/2027 and 2028/2029 delivery years, PJM’s cost allocation methodology (looking back only two years) does not appear to sufficiently allocate the costs of new capacity to serve all large loads that have caused the current resource adequacy shortfall. DOE agrees

²³ See, e.g., *PJM*, 196 FERC ¶ 61,245 at P 160.

²⁴ *KN Energy Inc. v. FERC*, 968 F.2d 1295, 1300 (D.C. Cir. 1992); see also *Ky. Pub. Serv. Comm’n v. Am. Elec. Power Serv. Corp.*, 193 FERC ¶ 61,110 (2025).

²⁵ *PJM*, 196 FERC ¶ 61,245 at P 154.

that PJM’s tariff may omit large loads already included in PJM’s baseline forecast. Such a result is at tension with both traditional cost-causation principles and President Trump’s Ratepayer Protection Pledge. To address this concern, PJM should ensure that any cost allocation methodology properly allocates costs and does not result in free ridership.

B. Mandatory Large Load Identification and Transparency

DOE agrees with the Commission’s call for improved large load identification and transparency to support a just and reasonable cost allocation. To ensure that existing ratepayers do not bear the costs of new large loads, PJM should have sufficient data to accurately identify the material large load projects reflected in its forecasts and monitor their development. A capability to continuously track whether a project enters into service—and therefore benefits from the capacity and system investments procured to serve it—or is delayed, reduced, or cancelled, can help assign costs for new generation to the customers responsible for those investments.

The Commission recommends that “PJM should employ the most up-to-date load and resources forecasts to inform the Initial RBP Target.”²⁶ DOE agrees. Without up-to-date and project-level identification, PJM cannot reliably reconcile its base forecast with Load Adjustments, avoid omissions and double counting, revise the RBP target when forecast load fails to materialize, or attribute demand growth to the appropriate zone and load-serving entity.

C. Enable the Ratepayer Protection Pledge’s “Build, Bring, or Buy” Principle

The Commission accepted PJM’s framework for crediting qualifying new capacity brought forward to serve new large load against the RBP target. DOE supports this framework. New large loads should be able to meet their reliability needs by building qualifying new supply,

²⁶ *Id.* P 159.

bringing qualifying new capacity to the system elsewhere, or contracting for qualifying new capacity. There is substantial interest among market participants in this approach, as demonstrated in comments in this docket. However, PJM's current RBP process does not establish a clear path for such optionality and should be revised to do so.

IV. Responsive Action

DOE urges PJM to accept the accelerated option proposed by the Commission and to swiftly submit a revised tariff pursuant to FPA section 205 on or before October 29, 2026. DOE likewise encourages the numerous signatories to President Trump's Ratepayer Protection Pledge participating in these dockets directly, or indirectly through the filings of trade associations, to support further reforms consistent with the Ratepayer Protection Pledge and DOE's recommendations herein. Americans deserve reliable, secure, and affordable energy. The growth of data centers and other industrial or commercial sector large loads is essential to America's economic prosperity and a foundation of modern life. It is also essential that large load entities calling for that power pay for it—and the infrastructure required to deliver it.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C., this 7th day of October, 2026.

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