

STATEMENT OF PRINCIPLES REGARDING PJM

The National Energy Dominance Council within the White House and the Undersigned Governors Urge PJM Expeditiously to File Proposed Tariff Revisions at FERC that Reflect the Set of Principles Stated Below:

- **Provide Revenue Certainty to New Generation:**
 - Provide 15-year price certainty for *new* capacity resources. This can be accomplished by holding a Reliability Backstop Auction to procure *new* capacity resources commencing no later than September 2026. The PJM Board should file tariff revisions at FERC expeditiously, as PJM has already received stakeholder input through the 2025 Critical Issues Fast Path (CIFP) process and no further CIFP processes are necessary.
- **Protect Residential Customers from Capacity Price Increases:**
 - The existing price collar should be extended to apply to the next two Base Residual Auctions (BRAs) at the current rate level.
- **Allocate Costs to Data Centers:**
 - Their size and the risks they pose to resource adequacy make today's data centers unique. For this reason, PJM should allocate the cost of any *new* capacity procured through the aforementioned Reliability Backstop Auction to load serving entities (LSEs) with new data centers that have not self-procured new capacity or agreed to be curtailable. Any remaining costs should be allocated to LSEs based on their remaining net short positions.
- **Improve Load Forecasting:**
 - PJM should refine its load forecasting methodologies to ensure that capacity is procured only for real and verified demand. Specifically, PJM should improve large load modeling assumptions and only include large new loads in the forecast that can demonstrate a meaningful and verifiable commitment, such as an executed Energy Service Agreement, credit/collateral support, or a similar significant financial commitment.
- **Accelerate Ongoing Generator Interconnection Studies:**
 - Accelerate the study of Transition Cycle #2, including prioritized generation included as part of the Reliability Resource Initiative (RRI), and any resources that clear a Reliability Backstop Auction, to provide certainty and allow for the timely execution of generator interconnection agreements. Commit to rapidly deploying broader interconnection improvements in 2026 and achieving meaningful reductions in interconnection timelines to complete cluster studies in 150 days or less, as outlined in FERC Order No. 2023.
- **Return PJM to Market Fundamentals:**
 - PJM should immediately embark on a stakeholder process to reform the capacity market to ensure long-term viability and prevent consumers from bearing excessive ongoing costs, with the expectation that these reforms be implemented in time for the BRA currently scheduled for May 2027.

The Undersigned Governors agree to:

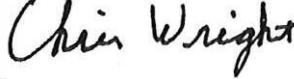
- Use their Authorities to Allocate Costs to Data Centers and Protect Residential Customers:
 - Use all available authorities to ensure that their state public utility commissions design rate class structures to ensure that their states' LSEs allocate their share of the cost to procure new capacity through the Reliability Backstop Auctions to new data center loads that have not otherwise procured capacity or agreed to be curtailable.

FOR THE WHITE HOUSE NATIONAL
ENERGY DOMINANCE COUNCIL


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SECRETARY OF INTERIOR

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FOR THE WHITE HOUSE NATIONAL
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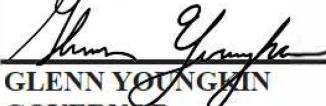
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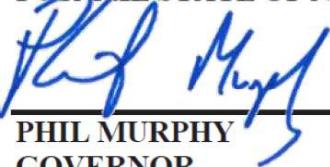


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GRETCHEN WHITMER
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FOR THE STATE OF NORTH CAROLINA



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