UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

PJM Interconnection, L.L.C.	)	Docket No. ER26-3515-000

PROTEST OF AMERICA'S POWER

Pursuant to Rule 211 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("Commission"),[1] America's Power[2] protests the unjust, unreasonable and unduly discriminatory Interim Resource Adequacy Service ("IRAS") proposal filed by PJM Interconnection, L.L.C. ("PJM") because it discriminates against existing generation, will suppress capacity market price signals, and threatens to accelerate the retirement of resources that remain essential to system reliability.

PJM's IRAS proposal creates a new source of capacity demand through its Bring Your Own New Capacity ("BYONC") arrangements with New Large Loads, while categorically excluding existing generation from serving that demand. At the same time, PJM would suppress Reliability Pricing Model ("RPM") clearing prices by removing demand from the Variable Resource Requirement ("VRR") Curve and requiring BYONC resources to submit $0/MW-Day offers for ten years. The approximately 38,000 MW of coal-fueled generation

[1] 18 C.F.R. § 385.211.

[2] America's Power is a trade association with members that participate in the electric power generation supply chain, including in the PJM region. America's Power advocates on behalf of the U.S. electric generation coal fleet and its supply chain, including coal producers, transportation companies, and equipment manufacturers. The nation's fleet of more than 400 coal-fueled generating units located across 37 states provides affordable, reliable, dispatchable and energy-secure electricity on a 24/7 basis.

within PJM[3] would therefore be denied access to this new revenue opportunity while also facing reduced revenues in RPM—the only capacity market available to them. The resulting loss of revenue would be consequential because capacity payments represent roughly 25% to 45% of total revenue for PJM coal-fueled generators.[4]

The most obvious and predictable result is increased financial pressure to retire more coal-fueled generation. For perspective, almost 10,500 MW of coal-fueled capacity in PJM have announced plans to retire over the next five years.[5] (This would add to the approximately 46,500 MW that have already retired since 2011.[6]) Without IRAS, these retirement plans might be reversed. With IRAS, reversals are less likely, and the prospect of so-far unannounced retirements increases. Ironically, these retirements are the principal near-term threat to resource adequacy and the very condition PJM asserts its filing is intended to address. The IRAS Proposal thus purports to remedy a capacity shortfall by undermining the economics of the fleet that currently provides capacity, especially coal units that have on-site fuel supply that provides critical reliability benefits during extreme weather conditions. PJM offers no support for excluding such resources from the opportunity to serve Large Load because it submitted no analysis of the filing's market effects.

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[3] *See* Monitoring Analytics, LLC, Independent Market Monitor for PJM, *2025 State of the Market Report for PJM*, Section 12 at 711 (Mar. 12, 2026)("PJM IMM 2025 Report"), 2025 Annual State of the Market Report for PJM.

[4] *See id.,* Section 7 at 421(capacity market revenue as % of new entrant net revenue); *id.* at 443 (Table 7-39, net revenue by quartile for coal-fueled units), 2025 Annual State of the Market Report for PJM.

[5] Energy Ventures Analysis maintains a data base that tracks announced coal retirements. These announced retirements are based on Integrated Resource Plans, consent agreements, and press releases. As such, announced retirements are subject to change.

[6] PJM IMM 2025 Report at 711.

Accordingly, the Commission should find that PJM has not shown its IRAS proposal to be just, reasonable and not unduly discriminatory, and reject PJM's filing.

I. THE PJM IRAS PROPOSAL

PJM filed its IRAS proposal with the Commission on August 13, 2026, following its July 31, 2026[7] companion filing regarding its Reliability Backstop Procurement ("RBP").[8] The IRAS proposal is intended to address new "Large Load" additions—principally data centers—that interconnect with the grid without first securing sufficient capacity to support their load.[9]

Pursuant to the IRAS Proposal, a New Large Load that does not provide its own qualifying capacity would be required to take IRAS.[10] IRAS would make the load subject to curtailment during grid emergencies arising from resource inadequacy, subject to a maximum compensation rate of 50% of the Non-Performance Charge Rate.[11] BYONC is the mechanism through which a New Large Load may reduce or eliminate its IRAS exposure by securing qualifying new capacity.[12] IRAS will be available starting with the 2027/2028 Delivery year, *i.e.*, starting June 1, 2027.[13]

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[7] *PJM Interconnection, L.L.C.*, Proposal of PJM Interconnection, L.L.C. to Establish Interim resource Adequacy Service and a Large Load Registry to Address System Reliability, Docket No. ER26-3515-000 (filed Aug. 13, 2026)("IRAS Proposal").

[8] *PJM Interconnection, L.L.C.*, Reliability Backstop Procurement to Address Resource Adequacy Concerns Stemming from Large Loads, Docket No. ER26-3380-000 (filed Jul. 31, 2026)("RBP Proposal").

[9] IRAS Proposal at 6.

[10] *See id.* at 23.

[11] *See id.* at 22, 102.

[12] *See id.* at 23.

[13] *See id.* at 61.

PJM defines BYONC as a quantity of capacity that permits a New Large Load to satisfy its obligation through contracts with one or more resources.[14] The contracted capacity, however, must constitute an actual addition to PJM's supply.[15] Eligible resources may include new generation, uprates, surplus interconnection service, repowered resources, fuel conversions, and storage.[16] A load may use a combination of BYONC, allocated RBP UCAP, and IRAS to satisfy its capacity-related needs, but it cannot use existing capacity.[17]

BYONC directs new capacity into bilateral, load-specific arrangements rather than the competitive RPM auction. Thus, new supply may obtain long-term, load-specific revenue outside the RPM auction, while existing resources remain dependent on RPM revenues – which are critically important to the financial viability of the coal fleet – and are fully exposed to auction-clearing dynamics. Existing generators have no comparable mechanism through which to capture the value associated with serving new load.

Further, beginning with the 2029/2030 Delivery Year, PJM proposes to exclude from the VRR Curve the MW associated with New Large Loads that neither have BYONC arrangements nor allocated RBP UCAP MW, to the extent those MW exceed the New Large Load included in the 2028/2029 Delivery Year load forecast.[18] Under the proposal, the demand curve would subtract that amount of excluded New Large Load from the PJM Region

[14] *See id*. at 51.

[15] *See id*. at 52.

[16] *See id*. at 52-53.

[17] *See id*. at 51.

[18] *See id*. at 109-10.

Reliability Requirement.[19] In practical effect, PJM would not procure incremental RPM capacity for those loads. Instead, the loads would be required to secure qualifying capacity through BYONC or remain subject to IRAS.[20] This exclusion directly reduces the reliability requirement—and therefore the quantity of capacity procured—in future Base Residual Auctions ("BRAs").[21] Although PJM characterizes this structure as consistent with its Ratepayer Protection Pledge,[22] the same design that avoids charging ratepayers for capacity associated with unbacked New Large Load also removes a material source of capacity demand from the market on which existing generators depend.

II. PROTEST

A. PJM's IRAS Proposal is Unjust and Unreasonable and Unduly Discriminates Against Existing Generators

1. The Exclusion of Existing Capacity from Serving Large Load is Unsupported

Under the proposed IRAS construct, a Large Load may avoid interruption only by securing capacity from new resources, while otherwise available capacity from existing generation is excluded from serving that purpose. Only "new" capacity may qualify as BYONC. Capacity already on the system as of May 31, 2027, is categorically ineligible, as are

[19] *See id*. at 117-18.

[20] *See id*. at 110-11.

[21] *See id*. at 23-24.

[22] *See id*. at 109-12.

MW previously included in an FRR Capacity Plan.[23] Eligible BYONC capacity is limited to new construction, uprates, Surplus Interconnection Service, repowering of resources deactivated before April 10, 2026, and efficiency-driven fuel conversions.[24]

This distinction between new and existing capacity is unsupported. A MW of accredited capacity from existing generation is indistinguishable, for resource adequacy purposes, from a MW of accredited capacity from new generation. Both count toward the Reliability Requirement, are accredited under the same methodology, and assume the same Capacity Performance obligations and exposure to non-performance charges. At the time capacity is delivered, the PJM Tariff recognizes no difference between them.

PJM's own authority confirms this conclusion. PJM cites a D.C. Circuit case for the proposition that the Tariff "defines a Capacity Resource as the amount of net MW committed from one or many generating units, not a physical facility."[25] If a Capacity Resource is defined by committed MW rather than by the particular facility supplying them, PJM has no principled basis to discriminate between capacity based on whether the facility that produces the capacity is new or existing.

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[23] *See id*. at 52. The FRR Capacity Plan is "a long-term plan for the commitment of Capacity Resources and Price Responsive Demand to satisfy the capacity obligations of a Party that has elected the FRR Alternative, as more fully set forth in the Reliability Assurance Agreement." PJM Reliability Assurance Agreement, Definitions.

[24] IRAS Proposal at 53-54.

[25] IRAS Proposal at 51 & n.137 (*citing Energy Harbor, LLC v. FERC*, 143 F.4th 388, 394 (D.C. Cir. 2025)).

A public utility may not confer an undue preference or establish an unreasonable difference in rates or service among similarly situated customers or suppliers.[26] The relevant inquiry is whether the entities receiving different treatment are similarly situated and, if so, whether the distinction is supported by a legitimate, non-discriminatory basis. PJM has provided no legitimate, non-discriminatory basis for the distinction between new and existing generation. PJM's discrimination analysis rests on New Large Loads being a "separate, unique class"[27] justifying different treatment. This is not legitimate. A BYONC generation resource and an existing coal unit, for example, both physically provide the same capacity product such that they are similarly situated. PJM's core discrimination defense, namely that New Large Loads "caused" the shortfall and so can be treated differently,[28] misses the mark. If cost-causation justifies putting the burden of the shortfall on New Large Loads through IRAS curtailment, existing generators who did not cause the shortfall should not simultaneously absorb the adverse market consequence through exclusion from serving that demand and resulting in suppressed prices, as discussed further below. A mechanism designed to accommodate the entities that caused a shortfall should not discriminate against those similarly situated entities that did not.[29]

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[26] 16 U.S.C. § 824d(b); *City of Lincoln v. FERC*, 89 F.4th 926, 935 (D.C. Cir. 2024) (*citing Mo. River Energy Servs. v. FERC*, 918 F.3d 954, 958 (D.C. Cir. 2019)).

[27] IRAS Proposal at 104.

[28] *Id.* at 50, 52, 98-99.

[29] *Consol. Edison Co. of New York, Inc. v. FERC*, 45 F.4th 265, 282 (D.C. Cir. 2022)(finding undue discrimination where threshold "unduly discriminates against small zones, which must absorb higher cost allocations after large zones are exempted.").

2. *PJM's Own Eligibility Categories Refute the New-Versus-Existing Rationale*

PJM's distinction between new and existing capacity turns solely on an arbitrary date. That cutoff produces a perverse result. For example, a unit that announced its deactivation on April 9, 2026, and is retained or returned to service through a BYONC contract may qualify as new supply, while an otherwise identical unit that announced deactivation on April 11, 2026, and is retained through an identical contract may not.

To illustrate the perverse consequences of PJM's eligibility cutoff further, consider that whether a unit announced retirement on April 9, 2026, or April 11, 2026, it confronts the same underlying environmental, economic, and operational pressures. Those pressures affect the coal fleet broadly; they do not depend on the date of a particular retirement announcement. PJM therefore has no principled basis to extend April 10 treatment to one subset of at-risk coal resources while denying it to otherwise similarly situated units. Preventing the retirement of an existing resource contributes to resource adequacy no less than returning a retired resource to service. The same treatment should be available to all coal units, and PJM offers no reasoned explanation for this distinction.

In addition, PJM's reasoning for the BYONC qualifying criteria that it is designed to stimulate incremental supply ignores the fact that more than 200 GW of proposed new generation qualified for study in PJM's Cycle 01 without its IRAS Proposal.[30] This underscores that PJM need not exclude existing generation from the capacity market to encourage

[30] PJM Inside Lines, Over 700 New Generation Projects Accepted Into First Cycle of Reformed Interconnection Process (Aug. 3, 2026), Over 700 New Generation Projects Accepted Into First Cycle of Reformed Interconnection Process | PJM Inside Lines.

incremental supply, because the current market already is attracting substantial proposed new generation.

Moreover, the IRAS filing defines a Large Load as an end-use customer or aggregated site with peak demand of at least 50 MW, consistent with the Commission's show cause order.[31] But PJM does not explain why a 50-MW load is too large to be served through the RPM construct, while a slightly smaller load may rely on that same market. Ten 50-MW data centers and one 500-MW data center impose the same aggregate 500-MW demand on the system. Nothing about the size of an individual customer's facility establishes that the customer must procure a dedicated new power plant rather than rely on the capacity market.

Since RPM's inception, PJM has relied on the capacity market to procure resources needed to serve load growth. The IRAS Proposal departs from that approach by treating the addition of a 50-MW customer as sufficient reason to exclude its demand from RPM unless the customer brings qualifying new supply or receives RBP UCAP. PJM has not shown why RPM is adequate to serve additional load below that threshold, but inadequate to serve the same quantity of incremental demand once it is concentrated at a single customer site.

3. The Discrimination is Permanent and Eventually Universal

The discrimination is not temporary or self-limiting. New generation that contracts with a Large Load today will become "existing" generation in subsequent years. If PJM satisfies its Reliability Requirement for three consecutive Delivery Years but subsequently experiences another shortfall, the proposal would reset the "new/existing" capacity baseline to the capacity then in existence. A resource that qualified as BYONC during the initial cycle

[31] IRAS Proposal at 32 (*citing PJM Interconnection, L.L.C.*, 195 FERC ¶ 61,211 at P 58 (2026)).

would consequently be ineligible to qualify in a subsequent cycle.[32] When PJM forecasts insufficient capacity in later years, that same resource, which previously was considered new, may no longer qualify to support a Large Load under the IRAS framework. Thus, over time, every resource will fall on the disfavored side of the eligibility line. The proposal therefore establishes a recurring preference for new capacity, with no identified end date or limiting principle.

4. The Derivative Discrimination is that Existing Capacity is Worth Less to a New Large Load

The exclusion does more than deny existing generators access to the BYONC market; it affirmatively diminishes the value of their capacity. Large Loads that contract with existing resources would remain subject to curtailment, making those resources a less attractive contractual option than new generation regardless of their comparable reliability value. An ironic consequence of PJM's IRAS Proposal is that a Large Load that co-locates with an existing generator may reduce the need for transmission upgrades, yet would receive no BYONC credit merely because the supporting capacity is existing. The Large Load would therefore remain subject to IRAS curtailment notwithstanding the potential transmission and reliability benefits of the arrangement. This outcome would discourage efficient bilateral contracting, distort Large Load procurement decisions, and deny existing resources a meaningful opportunity to compete to serve Large Load demand. As a result, the IRAS Proposal causes existing capacity to command a lower price than new capacity for the same physical product.

[32] *See id*. at 52-55.

In doing so, PJM sends precisely the wrong investment and retirement signal. By diminishing the value of existing capacity, PJM would increase pressure on existing baseload resources to retire, especially coal units that have on-site fuel supply that provides critical reliability benefits during extreme weather conditions. These resources are not easily replaced. At a time when PJM faces increasing reliability risks, as it has made clear,[33] its tariff should preserve, rather than undermine, the economic viability of dependable existing resources.

B. PJM's Proposal Results in Price Suppression

1. Removing Demand from the PJM Capacity Forecast Results in Price Suppression

PJM's proposal promotes artificial capacity price suppression. Although Large Load demand is increasing, PJM proposes to exclude that demand from its capacity forecast. As a result, PJM would procure less supply than it otherwise would to meet the region's actual resource-adequacy needs. Reducing the demand forecast in this manner and lowering the quantity of capacity procured artificially depresses auction clearing prices. Those suppressed prices will distort the market signals needed to encourage market participants—including existing coal generators—to remain available and invest in continued operation. The distorted market signals will affect new resources too. To the extent those new resources do not participate in the RBP central procurement or serve as RBP offset MW through bilateral arrangements with data centers, those resources likewise would depend on RPM price signals to support investment and entry.

[33] *Id.* at 6, 13-14, 18, 21.

Further, the IRAS Proposal creates asymmetric treatment between incumbent resources and new BYONC resources. It suppresses RPM prices while imposing the cost of new supply on New Large Loads through bilateral arrangements. A New Large Load that procures BYONC would pay the resource's actual cost through a load-specific contract—potentially at a level comparable to the $555/MW-Day figure identified in PJM's RBP filing—while the resource would be required to offer into RPM as a $0/MW-Day price taker.

PJM's ramping treatment magnifies that effect.[34] Where a Large Load ramps up over time but contracts for a generator sized to meet its eventual load, PJM would include the portion of the Large Load then supported by BYONC in the applicable RPM load forecast. At the same time, PJM would permit the generator's full accredited capacity to be offered into that auction as a price taker. Capacity intended to serve the Large Load's future growth would therefore be offered at $0/MW-Day before the corresponding future load is reflected in the demand curve. The result is an imbalance: the auction receives the full quantity of zero-priced BYONC supply, while its demand curve reflects only the then-current, supported portion of the ramping Large Load.

This effect is compounded by PJM's broader exclusion of incremental New Large Load that is not supported by BYONC or allocated RBP UCAP. Existing generators receive no comparable load-specific contracting or cost-recovery mechanism. They must compete in an RPM market facing both excluded incremental demand and an expanding volume of zero-priced capacity whose costs are recovered outside the auction. The proposal therefore does more than treat new and existing resources differently; it shifts new-resource cost recovery

[34] *Id.* at 115-16.

to bilateral contracts while placing downward pressure on the RPM revenues available to existing resources. As a result, newcomers get price insurance; incumbents get price suppression.

2. The Resulting Price Suppression Threatens to Accelerate Generation Retirement

This resulting price suppression is likely to further the retirement of existing generation and reduce the capacity available to support reliability. Deactivation decisions respond to expected net revenue. Reduced expected revenue accelerates those decisions. That result is particularly untenable given PJM's own reliability assessments identifying a capacity shortfall. Accelerated retirement of accredited capacity is the principal near-term threat to resource adequacy — the condition PJM says the filing exists to address.[35] PJM cannot reasonably respond to a growing reliability need by excluding increasing Large Load demand from its procurement requirement and, in turn, weakening the incentives to existing generation needed to meet that demand.

As an example, under the BYONC/RBP gating criteria, a coal plant that retires and is later repowered can requalify as "new" capacity — eligible for price-taker guaranteed clearing or a 15-year RBP contract. The same plant, if it simply keeps running as existing capacity, gets no such treatment and faces a suppressed clearing price. PJM's IRAS Proposal construct, therefore, economically rewards retirement-and-reentry over continued operation — the opposite of what a resource-adequacy-focused filing should incentivize, especially given PJM's own acknowledgment that thermal retirements are a major driver of

[35] IRAS Proposal at 6.

the shortfall.[36]

PJM has separately extended the capacity must-offer requirement to all available Existing Capacity Resources.[37] Thus, existing generators are required to offer it in. Combined with the VRR exclusion suppressing clearing prices, existing generators (particularly higher-marginal-cost coal units) could be forced to operate — or stay available — at prices below what are needed to justify continued investment in the plant, with no legal ability to exit the market other than through full deactivation.

Capacity revenue is often the difference between viability and retirement for aging thermal units, especially coal, whose energy-market margins have compressed as gas and renewables have grown. By excluding uncovered New Large Load MW from the demand curve, PJM is shrinking the *measured* reliability requirement even though the *physical* load is real and growing. A lower demand curve clears at a lower price. Every existing generator — not just the ones connected to New Large Loads — receives less capacity revenue than the true system need would otherwise support, at precisely the moment when load growth should be pushing prices up and signaling "build/retain more capacity."

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[36] *See, e.g.*, Written Testimony of Manu Asthana, President and CEO, PJM Interconnection, *Keeping the Lights On: Examining the State of Regional Reliability* at 4, Hearing Before the Subcomm. on Energy, H. Comm. on Energy & Commerce, 119th Cong. (Mar. 25, 2025), https://www.pjm.com/-/media/DotCom/library/reports-notices/testimony/2025/20250325-asthana-testimony-us-house-subcommittee-on-energy.pdf ("the pace of retirements of existing dispatchable fossil-based resources, largely due to state and federal policies, is clearly outpacing the rate of construction of new resources").

[37] RBP Proposal at 23-24 (*citing PJM Interconnection, L.L.C.*, 190 FERC ¶ 61,117, *order on reh'g*, 191 FERC ¶ 61,221 (2025)).

The recent National Coal Council ("NCC") report highlights the need to retain existing generation resources such as coal given the rapid demand growth resulting from data centers.[38] The NCC Report states:

> After nearly 15 years of flat electricity demand, the grid must now support rapid growth from data centers, AI, manufacturing, electrification, and broader economic activity. Despite this demand growth, dispatchable capacity remains at risk of retirement, with financial pressures expected to increase to the extent new loads are encouraged or required to obtain their electricity from only new generation resources. For net capacity increases to occur, existing generation resources must be retained even as new resources are added to the grid. Retaining and operating the existing coal fleet through at least the 2040s remain one of the most cost-effective pathways to maintain grid reliability.[39]

[38] National Coal Council, *Maximizing the Value of the U.S. Coal Fleet* at 5 (Jul. 2026), FINAL-NCC_Maximizing-Value-of-US-Coal-Fleet.pdf ("NCC Report").

[39] *Id.*

3. The IRAS Proposal is Inconsistent with Commission Precedent Recognizing the Importance of Appropriate Price Signals and PJM Provides no Evidence to Justify that Departure

Commission and court precedent recognize the need for appropriate price signals.[40]

PJM has not justified treating a failure to clear the full Reliability Requirement in a particular auction as requiring the permanent exclusion of otherwise forecasted new load

[40] *See, e.g.*, *Sw. Power Pool, Inc.*, 191 FERC ¶ 61,214 at P 45 (2025)("because these out-of-market actions and resulting uplift costs are not reflected in market prices, those costs and the reasons for incurring them are inherently less transparent, which limits the ability of competitive electric markets to send appropriate price signals to compensate and encourage investment in resource attributes that respond to system needs."); *PJM Interconnection, L.L.C.*, 173 FERC ¶ 61,23 at P 67 (2020)(stating that "the Commission has required the RTOs to implement scarcity pricing, finding that RTO market designs were unjust and unreasonable if energy prices failed to reflect shortages in reserves"); *Uplift Cost Allocation and Transparency in Markets Operated by Regional Transmission Organizations and Independent System Operators*, Order No. 844, 163 FERC ¶ 61,041 at P 3 (2018)(finding RTO practices that mask system conditions impede market participants' ability to value resources or evaluate the need for new investment and are unjust and unreasonable); *FERC v. Elec. Power Supply Ass'n*, 577 U.S. 260, 269 (2016), as revised (Jan. 28, 2016)("[a]s in any market, when wholesale buyers' demand for electricity increases, the price they must pay rises correspondingly"); *Offer Caps in Markets Operated by Regional Transmission Organizations and Independent System Operators*, Order No. 831, 157 FERC ¶ 61,115 at PP 34-41 (2016)(finding energy price cap can impair price formation because inefficient price signals can harm reliability and can inhibit performance and investment), *order on reh'g and clarification* 161 FERC ¶ 61,156 (2017); *Settlement Intervals and Shortage Pricing in Markets Operated by Regional Transmission Organizations and Independent System Operators*, Order No. 825, 155 FERC ¶ 61,276 at PP 1-2 (2016) (requiring shortage pricing in energy and operating reserves markets to reflect value of the service and noting that a failure to properly price a service results in a "distort[ion] [of] price signals and [a] fail[ure] to provide appropriate signals for resources to respond to the actual operating needs of the market"); *id.* at P 163 (finding "that the shortage pricing requirement will help ensure that prices rise sufficiently and appropriately to allow supply to meet demand during an operating reserve shortage, and thus will more accurately reflect the value a resource provides"); *Wholesale Competition in Regions with Organized Electric Markets*, Order No. 719, 125 FERC ¶ 61,071 at P 192 (2008) (finding that rules "that do not allow for prices to rise sufficiently during an operating reserve shortage to allow supply to meet demand are unjust, unreasonable, and may be unduly discriminatory"), *order on reh'g*, Order No. 719-A, 128 FERC ¶ 61,059, *order on clarification*, Order No. 719-B, 129 FERC ¶ 61,252 (2009); *id.* rules that do not allow prices to rise during a shortage "may not produce prices that accurately reflect the value of energy and, by failing to do so, may harm reliability, inhibit demand response, deter entry of demand response and generation resources, and thwart innovation").

from RPM. PJM is presently approximately 6,800 MW short of its Reliability Requirement,[41] but PJM has not demonstrated that any auction shortfall necessarily translates into an inability to serve all load reliably. If anticipated data-center load does not materialize, the actual shortfall may be materially smaller. In that circumstance, RPM could procure capacity to serve additional New Large Load that PJM's proposal instead excludes. Yet PJM would keep that load outside RPM until the market clears the Reliability Requirement for three consecutive Delivery Years.

PJM's recent operating experience underscores the need for such analysis. During the 2026/2027 summer, PJM reportedly served load reliably despite a 90/10 peak-load outcome, greater-than-expected unit outages, and an RPM auction that had cleared slightly short of the Reliability Requirement.[42] That experience does not establish that shortages are immaterial, but it does call into question PJM's apparent premise that any auction shortfall requires excluding all future Large Load above 50 MW from the ordinary capacity-market framework. PJM has provided no evidence showing the point at which the size of an individual load makes RPM incapable of serving that load without a dedicated new generating resource. PJM further has provided no evidence of how large and persistent an

[41] In the 2028/2029 BRA, PJM cleared 6,831 MW short of its Reliability Requirement. PJM itself acknowledged, however, that this shortfall does not necessarily mean the system will be unable to serve load reliably during the Delivery Year. *See* PJM News Release, *PJM Capacity Auction Procures 138,318 MW of Generation Resources as Work Continues To Address Growing Electricity Demand* at 1 (Jul. 14, 2026),20260714-pjm-capacity-auction-procures-138318-mw-of-generation-resources.pdf.

[42] During the July 2026 heat event, PJM maintained reliable operations while serving a record preliminary peak load of 168,158 MW—near its 90/10 summer forecast of 169,128 MW—and managing forced generation outages of 18,100 to 19,400 MW, compared with a 12,800 MW average for the ten highest summer-peak days in the prior three years. *See* PJM Inside Lines, *PJM Serves Load Through Record-Breaking July Heat* (Jul. 14, 2026), PJM Hot Weather Operations Update – July 14, 2026 | PJM Inside Lines.

RPM shortfall must be before PJM may exclude otherwise forecasted New Large Load from RPM and instead procure supply through out-of-market arrangements. Absent evidence, the proposal merely substitutes an indefinite market-exclusion regime for the established RPM mechanism with no specific reasoning tying it to the 50-MW load size threshold.

PJM supports its filing merely with a single affidavit from an operations witness, which addresses emergency procedures and dispatch sequencing.[43] It presents no testimony from an economist or market-design witness; no quantification of the demand-curve exclusion's effect on capacity clearing prices; no analysis of the effect of ten years of mandated $0/MW offers; no loss-of-load-expectation study; and no estimate of the capacity volume that would be excluded. PJM's entire showing on price effects consists of a single sentence.

Instead of respecting the long-established Commission and Court precedent that competitive markets must allow prices to reflect market fundamentals, such that prices should rise in the face of growing demand and tight supply in order to retain and attract needed supply, PJM's IRAS Proposal results in price suppression.

C. PJM's Proposal Results in a Negative Impact on Reliability

The negative impact of PJM's IRAS Proposal on reliability is significant. Treating load as if it is not on the system by excluding it from the demand curve and replacing this through a load-reduction mechanism only will further increase pressure to retire coal and other thermal generation, diminish critical reliability attributes like fuel security, create financial uncertainty for the coal supply chain and decrease available capacity necessary for reliability.

[43] *See* IRAS Proposal at 76 (referring to Affidavit of Christopher Pilong).

The nation's coal fleet provides essential reliability services, helps moderate electricity prices, provides energy security, promotes resilience during extreme weather, and can provide substantial amounts of dependable and affordable electricity.[44] Many existing generators—whether coal-fueled or other generators—generate substantially less power than they are capable of generating. The average capacity factor for the coal fleet was 49% last year,[45] which means there is considerable underutilized generating capacity available to serve Large Loads. To illustrate the amount of underutilized capacity, the nation's coal fleet totals some 172,000 MW of capacity.[46] Retaining existing coal generation facilities is a more cost-effective and timely means of supporting grid reliability. The NCC Report states that "[r]etaining and operating the existing coal fleet through at least the 2040s remain one of the most cost-effective pathways to maintain grid reliability."[47] It also makes clear that "[p]reserving and modernizing existing coal power plants is generally less expensive than replacing

[44] NCC Report at 17 ("Coal power plants provide reliability and fuel security for the electricity grid."); *id*. at 18 ("[c]oal power plants contribute to the stability of the electricity grid because they are dispatchable – meaning that grid operators can dispatch the power plant (increase or decrease generation) when needed to match customer demand for electricity."); *id*. ("Coal power plants also provide critical on-site fuel security by maintaining large stockpiles of coal at the plants. This provides reliability in the event that fuel deliveries are interrupted due to adverse weather conditions or transportation problems.").

[45] *See* EIA Electric Power Monthly, Electric Power Monthly - U.S. Energy Information Administration (EIA) (2025 coal capacity factor).

[46] *Id*.

[47] NCC Report at 5 ("Retaining and operating the existing coal fleet through at least the 2040s remain one of the most cost-effective pathways to maintain grid reliability.").

them with new capacity, which can take several years to build."[48]

Despite this, PJM proposes to exclude existing generation, including coal units, from serving the increasing Large Load demand with no justification. Section 205 of the FPA requires that the public utility proposing tariff revisions bears the burden of proof to demonstrate that the changes are just and reasonable and not unduly discriminatory.[49] PJM has not supported its proposed exclusion of generating resources that have needed reliability attributes and that are critical to resource adequacy. PJM's IRAS Proposal departs from precedent and threatens to undermine, rather than advance, system reliability.[50] The Commission rejects filings where, as here, the filing public utility has failed to meet its burden of proof, and therefore, should reject PJM's IRAS Proposal.

[48] *Id.*; *id.* at 25 ("the current development pipeline is not capable of replacing retiring coal-fueled capacity quickly enough to meet rapidly increasing electricity demand. Existing coal power plants already have interconnection rights, transmission access, fuel supply logistics, operating workforces, and on site infrastructure in place.").

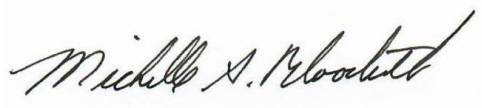
[49] 16 U.S.C. § 824d(a)("[a]ll rates and charges made, demanded, or received by any public utility for or in connection with the transmission or sale of electric energy . . . shall be just and reasonable.").

[50] *PJM Interconnection, L.L.C.*, 186 FERC ¶ 61,097 at p 126 (2024), *reh'g denied*, *PJM Interconnection, L.L.C.*, 187 FERC ¶ 62,016 (2024); *PJM Interconnection, L.L.C.*, 180 FERC ¶ 61,089 at P 6 (2022), *order denying reh'g* 181 FERC ¶ 61,191 (2022).

III. CONCLUSION

WHEREFORE, for the reasons explained fully herein, America's Power requests that the Commission reject PJM's unjust, unreasonable and unduly discriminatory IRAS Proposal.

Respectfully submitted,



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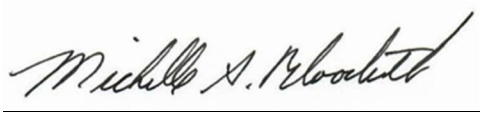
September 3, 2026

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 3rd day September, 2026.



Michelle Bloodworth