

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Independent Market Monitor for PJM	)	Docket No. EL26-____-000
	)	
v.	)	
	)	
PJM Interconnection, L.L.C.	)	
	)	

COMPLAINT OF THE INDEPENDENT MARKET MONITOR FOR PJM

Pursuant to Rule 206 of the Commission’s Rules and Regulations,¹ Monitoring Analytics, LLC, acting in its capacity as the Independent Market Monitor (“Market Monitor”) for PJM Interconnection, L.L.C. (“PJM”),² files this Complaint.

PJM states repeatedly that reliability is job one. Reliability has two broad components. As a Regional Transmission Organization (“RTO”), PJM has the responsibility to ensure resource adequacy based both on maintaining a defined reserve margin through the capacity market and developing a Regional Transmission Expansion Plan (“RTEP”).³ The RTEP “shall enable the transmission needs in the PJM Region to be met on a reliable, economic and environmentally acceptable basis.”⁴

¹ 18 CFR § 385.206 (2025).

² Capitalized terms used herein and not otherwise defined have the meaning used in the PJM Open Access Transmission Tariff (“OATT”), the PJM Operating Agreement (“OA”) or the PJM Reliability Assurance Agreement (“RAA”).

³ See OA Schedule 6; OATT Attachment DD; RAA.

⁴ See OA Schedule 6 § 1.1.

Order No. 2000 “codifies minimum characteristics and functions that a transmission entity must satisfy in order to be considered an RTO.”⁵ Order No. 2000 states: “The Commission’s goal is to promote efficiency in wholesale electricity markets and to ensure that electricity consumers pay the lowest price possible for reliable service.”⁶ Order No. 2000 defines the minimum characteristics for an RTO. Order No. 2000 requires PJM, as an RTO, to “perform its functions consistent with established NERC (or its successor) reliability standards.”⁷ The NERC reliability standards define reliability requirements for planning and operating the bulk power system. One principle of the NERC reliability standards is that “Interconnected bulk power systems shall be planned and operated in a coordinated manner to perform reliably under normal and abnormal conditions as defined in the NERC Standards.”⁸

Order No. 2000 states (at 955):

The Regional Transmission Organization must be the only provider of transmission service over the facilities under its control, and must be the sole administrator of its own Commission-approved open access transmission tariff. The Regional Transmission Organization must have the sole authority to receive, evaluate, and approve or deny all requests for transmission service. The Regional Transmission Organization must have the authority to review and approve requests for new interconnections.

PJM is currently proposing to allow the interconnection of large new data center loads that it cannot serve reliably and that will require load curtailments (black outs) of the

⁵ See *Regional Transmission Organizations*, Order No. 2000, 65 Fed. Reg. 809 (January 6, 2000), *order on reh’g*, Order No. 2000-A, 90 FERC ¶ 61,201 (2000), *aff’d sub nom.* Pub. Util. Dist. No. 1 of Snohomish County, Washington v. FERC, 272 F.3d 607 (D.C. Cir. 2001).

⁶ *Id.* at 810.

⁷ *Id.* at 875.

⁸ See NERC “Reliability Principles,” (August 29, 2023). <https://www.nerc.com/globalassets/standards/resources/documents/reliability_principles.pdf>.

data centers or of other customers at times.⁹ That result is not consistent with the basic responsibility of PJM to maintain a reliable grid and is therefore not just and reasonable.

The Market Monitor requests that the Commission rule that PJM has the authority to add large new data center loads only when they can be served reliably as defined both by transmission and capacity adequacy. Such a ruling is necessary if PJM and its stakeholders are to develop reasonable rules to address the rapid addition of large new data center loads. PJM's failure to clarify and enforce its existing rules and to protect reliable and affordable service in PJM is unjust and unreasonable.

I. BACKGROUND

There are clear warning signs for the capacity market. The capacity market was short of meeting its reliability objective in the most recent capacity auction for the 2026/2027 BRA. PJM was also short of meeting its IRM target as of June 1, 2025, on an ICAP and a UCAP basis. The amount that PJM is short capacity is relatively small, around 200 MW in both the BRA and the actual available capacity.¹⁰

Data center load growth is the primary reason for recent and expected capacity market conditions, including total forecast load growth, the tight supply and demand balance, and high prices. But for data center growth, both actual and forecast, the capacity market would not have seen the same tight supply demand conditions, the same high

⁹ See PJM, Large Load Additions: PJM CIPF initial proposal and Alternatives considered (September 15, 2025) at 7 ("In the event of expected supply shortages given forecasted large loads that do not elect BYOG or DR, PJM would require sufficient load to be Non-Capacity-Backed Load (NCBL) to maintain the RTO Reliability Requirement. ").

¹⁰ See Monitoring Analytics, LLC, *2025 Quarterly State of the Market Report for PJM: January through September*, Section 5: Capacity Market, Table 5-7 (November 13, 2025).

prices observed in the 2025/2026 BRA and the 2026/2027 BRA, and the currently expected tight supply conditions and high prices for subsequent capacity auctions.^{11 12}

Holding aside all the other issues associated with the 2026/2027 BRA, existing and forecast data center load by itself resulted in a significant increase in the 2026/2027 BRA revenues. Based on actual auction clearing prices and quantities and uplift MW, inclusion of existing and forecast data center load in the peak load forecast for 2026 resulted in a \$7,271,197,971 or an 82.1 percent increase in capacity market revenues for the 2026/2027 RPM Base Residual Auction. Inclusion of existing and forecast data center load growth resulted in a combined total increase in capacity market revenues for the 2025/2026 BRA and the 2026/2027 BRA of \$16,603,301,829. This total will continue to grow until the issues associated with the additions of large data center loads are addressed. The impact will increase significantly in the 2028/2029 BRA currently scheduled for June 2026, when the maximum and minimum prices defined by the Agreement are no longer effective.¹³

The impact on the 2026/2027 BRA revenues would have been higher had PJM not used the restricted VRR curve defined in the Agreement. If the 2026/2027 BRA had been run with an unrestricted VRR curve, total revenues would have been \$19,294,286,100, an increase of \$3,169,915,210, or 19.7 percent, compared to the actual auction results. Without

¹¹ See “Analysis of the 2025/2026 RPM Base Residual Auction - Part G Revised,” <https://www.monitoringanalytics.com/reports/Reports/2025/IMM_Analysis_of_the_2025_2026_RPM_Base_Residual_Auction_Part_G_20250603_Revised.pdf> (June 3, 2025).

¹² See “Analysis of the 2026/2027 RPM Base Residual Auction - Part A,” (“Part A”) <https://www.monitoringanalytics.com/reports/Reports/2025/IMM_Analysis_of_the_20262027_RPM_Base_Residual_Auction_Part_A_20251001.pdf> (October 1, 2025).

¹³ On December 30, 2024, in Docket No. EL25-46-000, Governor Josh Shapiro and the Commonwealth of Pennsylvania filed a complaint against PJM asserting that the maximum price for PJM’s capacity auctions is unjust and unreasonable. The Governor and PJM reached an Agreement. On February 20, 2025, in Docket No. ER25-1357-000, pursuant to FPA section 205, PJM submitted proposed revisions to its Tariff to establish a specific maximum price and minimum price for all RPM auctions for the 2026/2027 and 2027/2028 Delivery Years, consistent with the Agreement. The resultant VRR curve is termed the restricted VRR curve.

the restricted VRR curve, including existing and forecast data center load in the 2026 peak load forecast would have resulted in capacity market revenues of \$19,294,286,100, a \$14,189,483,234 or a 278.0 percent increase in capacity market revenues for the 2026/2027 RPM BRA compared to what RPM revenues would have been without the impact of data center load.

Large data center load additions have already had a significant impact and will have additional significant impacts on other customers as a result of higher transmission costs, higher energy market prices and higher capacity market prices.

The Department of Energy and the Commission recognize that the problem of serving new large data center loads is a national issue.^{14 15}

Specifically, the ANOPR states: (at 8)

In light of the unprecedented current and expected growth of large loads seeking to interconnect to the transmission system, and to provide open access and nondiscriminatory access to the transmission system, it has become necessary to standardize interconnection procedures and agreements for such loads, including those seeking to share a point of interconnection with new or existing generation facilities (hybrid facilities).

¹⁴ See *Interconnection of Large Loads to the Interstate Transmission System*, Notice Inviting Comments, Docket No. RM26-4-000 (October 27, 2025); Secretary of Energy's Direction that the Federal Energy Regulatory Commission Initiate Rulemaking Procedures and Proposal Regarding the Interconnection of Large Loads Pursuant to the Secretary's Authority Under Section 403 of the Department of Energy Organization Act, Attachment (*Ensuring the Timely and Orderly Interconnection of Large Loads*, Advanced Notice of Proposed Rulemaking) (October 23, 2025) ("DOE Directive," with attachment "ANOPR").

¹⁵ ANOPR at P 2, citing July 2025 Report <<https://www.energy.gov/sites/default/files/2025-10/403%20Large%20Loads%20Letter.pdf>>; NERC, 2024 Long- Term Reliability Assessment (December 2024, updated July 2025), <[https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/NERC Long%20Term%20Reliability%20Assessment 2024.pdf](https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/NERC%20Long%20Term%20Reliability%20Assessment%202024.pdf)> ("United States electricity demand is expected to grow at an extraordinary pace, due, in large part, to the rapid growth of large loads. According to NERC, demand growth is now higher than at any point in the past two decades.").

In order to address the issues related to the addition of large new data center loads, the PJM Board of Managers created a Critical Issue Fast Path (“CIFP”) stakeholder process that began on August 18, 2025, and concluded on November 19, 2025.

At present there is no explicit agreement on the fundamental premise of the CIFP discussions in PJM about the addition of large new data center loads. The solutions offered by PJM and most stakeholders simply assume that PJM must agree to add large loads to the system when the loads cannot be served reliably because PJM does not have the required capacity resources. From another perspective, the position of PJM and market participants assumes that PJM does not have the authority to require that large new data center loads can be served reliably before those loads are added to the system.

Despite the fact that the premise is assumed in their proposals, PJM and market participants fail to explicitly state the premise, to discuss the premise or to provide any support for the premise.

The Market Monitor believes that this premise is false. The Market Monitor believes that under current rules, PJM does have the authority to require that the loads can be served reliably before allowing the loads to be added to the system. As part of its obligation to maintain reliability, PJM has the authority to require large new data center loads to wait to be added to the system until the loads can be served reliably, meaning that there is adequate generation to serve it and adequate transmission to serve it. PJM has the authority to create a load queue.

The logic is simple. The question is clear. If PJM has an obligation to provide reliable service to all PJM loads, is it just and reasonable for PJM to add new loads that it cannot serve reliably?

The answer to that question is no.

PJM and market participants clearly recognize that the high level of new data center loads cannot now be served reliably. PJM’s Non Capacity Backed Load (“NCBL”) proposal

made it clear that such loads would be subject to mandatory curtailments because there is not enough capacity to serve them.¹⁶ Most of the other CIFP proposals include provisions for curtailments of the new loads for the same reasons. None of the proposals have addressed the fact that PJM does not have the authority or the capability to order or enforce curtailments. Under all these proposals, PJM will be in the position of recommending the allocation of load curtailments rather than ensuring reliable service for all customers.

Given the failure to explicitly establish a basis for the fundamental premise, it is not possible for PJM to address the issue of large new data center load additions without an answer from the Commission.

It is not just and reasonable to have this level of uncertainty about the meaning of the Market Rules and in PJM's interpretation of its own Market Rules when billions of dollars of costs for PJM customers are at stake and the process for interconnecting large new data center loads is at issue.

¹⁶ See also PJM. CIFP. Pilog, Chris "Additional Large Load Challenges: Peak vs. Shoulder Seasons & Gen Outage Scheduling" (Oct. 21, 2025) <<https://www.pjm.com/-/media/DotCom/committees-groups/cifp-lla/2025/20251021/20251021-item-04---additional-large-load-challenges---pjm-presentation.pdf>> ; Interconnection Process Subcommittee "Expansion of Provisional Service – Problem Statement," (Nov. 24, 2025) <<https://www.pjm.com/-/media/DotCom/committees-groups/subcommittees/ips/2025/20251124/20251124-item-05a-----expansion-of-provisional-service---problem-statement.pdf>> ; CIFP, Bresler, Stu "Large Load Additions PJM Conceptual Proposal and Request for Member Feedback," (Aug. 18, 2025) <<https://www.pjm.com/-/media/DotCom/committees-groups/cifp-lla/2025/20250818/20250818-item-03---pjm-conceptual-proposal-and-request-for-member-feedback---presentation.pdf>>; CIFP. Horger, Tim "Large Load Additions PJM CIFP initial proposal and Alternatives considered," (Sept. 15, 2025) <<https://www.pjm.com/-/media/DotCom/committees-groups/cifp-lla/2025/20250915/20250915-item-07---pjm-initial-proposal-and-alternatives-considered---pjm-presentation.pdf>>; Resource Adequacy Analysis Subcommittee, 2025 PJM Effective Load Carrying Capability and Reserve Requirement Study (ELCC/RRS) at Table 4 (Oct, 22 2025) <<https://www.pjm.com/-/media/DotCom/planning/res-adeq/elcc/2025-pjm-elcc-rrs.pdf>>, PJM Interconnection, L.L.C., Motion to Intervene and Comments of PJM Interconnection, L.L.C. Docket No. ER26-444-000 (Nov. 21, 2025).

It would make the task of the PJM Board of Managers significantly more manageable if the Commission would indicate that the Commission intends to rule on this Complaint and then rules on this Complaint in the near future.

II. COMPLAINT

A. PJM Has Existing Authority to Address the Reliability and Affordability Impacts of Large New Interconnecting Data Center Loads.

Reliable service should be clearly and explicitly defined to include both reliable transmission service, and enough capacity to serve the load reliably plus a reserve margin. That is the only logical definition of reliable service. Interconnecting large new data center loads when adequate capacity is not available is not providing reliable service. The obligation to provide service is the obligation to provide reliable service. The obligation to provide service is not met if customers are simply interconnected without adequate resources to meet their demand.

It is essential that there be a clear path for the interconnection of large new data center loads and the provision of reliable service to large new data center loads. All loads should be served. All loads should be served reliably. The process for adding large data center loads should be transparent. All loads should benefit from competitive markets. All loads should have equal access to the transmission system. All loads should be treated as full transmission customers. All loads and all generation are and should be on the grid and in the markets. The grid is highly interconnected.

PJM is assigned the responsibility to maintain reliability in the PJM region.¹⁷ PJM is recognized by NERC as responsible for the PJM Control Area.¹⁸ One of the stated purposes

¹⁷ See OA § 10.4(iv) (“The Office of the Interconnection ... shall...[c]omply with NERC, and Applicable Regional Entity operation and planning standards, principles and guidelines...”)

¹⁸ See OATT § 1 (Definitions O-P-Q, “PJM Control Area”).

of a Control Area is to provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.^{19 20}

PJM's authority to add large new data center loads only when they can be served reliably as defined both by transmission and capacity adequacy is based on the resource adequacy rules in the RAA and on the RTEP rules in Schedule 6 to the PJM Operating Agreement ("OA"). No rule authorizes PJM to provide additional electric service that it knows or should know cannot be reliably provided, while meeting its obligations to existing customers.

B. PJM Should Be Directed to Exercise Its Existing Authority Consistent with Its Obligations to Engage in System Planning, Protect Resource Adequacy, and to Ensure Just, Reasonable and Non-Discriminatory Prices for Its Existing and New Customers.

PJM is not required to add large new data center loads when the loads cannot be served reliably consistent with the standards defined in the PJM Market Rules. However, the positions presented in the CIFP stakeholder process have clarified that PJM and many stakeholders are not willing to state that PJM has such authority. The positions taken in the CIFP stakeholder process are based on the unstated and unsupported premise that PJM does not have such authority.

Whether or not the Market Monitor is correct in its interpretation of PJM's authority under the current rules, more explicit rules are plainly needed in order to remove confusion and to provide PJM the tools to protect resource adequacy and to ensure just and

¹⁹ See RAA Art. 1 (Control Area).

²⁰ See OA § 1 (Definitions G-H) "Good Utility Practice" shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition.); *see also* RAA Art. 1.

reasonable capacity prices and to ensure that there is a clear path to provide for the reliable interconnection of large new data center loads.

PJM cannot both meet its basic responsibilities under the OA and the RAA, and ignore resource adequacy when serving large new data center loads. It is implicit, if not explicit, that PJM cannot take actions, including the interconnection of large new data center loads, that PJM knows would compromise the reliability of the PJM Control Area. Explicit rules would build upon, clarify and provide greater detail regarding PJM's existing authority to provide reliable interconnection or transmission service to large new data center loads only when they can be served reliably.

This Complaint seeks an order finding that PJM has the authority to add large new data center loads only when they can be served reliably as defined both by transmission and capacity adequacy, and directing PJM to file tariff language stating this explicitly. The Complaint also seeks an order finding that PJM's failure to clarify and enforce its existing rules and to protect reliable and affordable service in PJM is unjust and unreasonable.

This Complaint is consistent with the objectives of the ANOPR but recognizes that PJM markets face an urgent need for immediate clarification of PJM's authority over the interconnection of large new data center loads.

III. RULE 206 REQUIREMENTS

A. Rule 206(b)(1): Action or Inaction Alleged To Violate Statutory Standards or Regulatory Requirements

For the reasons set forth in Section II, PJM is not exercising its authority to add large new data center loads only when they can be served reliably as defined both by transmission and capacity adequacy.

B. Rule 206(b)(2): Legal Bases for Complaint

The legal bases for this Complaint are set forth in detail in Section II.

C. Rules 206(b)(3) and 206(b)(4): Issues Presented as They Relate to the Complainant and Quantification of Financial Impact on Complainant

The indicated issues are addressed in Section II.

D. Rule 206(b)(5): Nonfinancial Impacts on Complainant

The indicated impacts are addressed in Section II.

A. Rule 206(b)(6): Related Proceedings

Complainant is aware that there are pending proceedings that may be considered to be directly related to the issues raised in this Complaint. There is a potential overlap of issues related to the Commission's investigation of large load co-locations in Docket No. EL25-29 in which some generation owners want the authority to remove their resources from the market in order to serve data center load and impose the reliability issues on other market participants. The ANOPR and any resultant NOPR and rule may in the future broadly address some of the issues raised in the Complaint.

B. Rule 206(b)(7): Specific Relief Requested

This Complaint seeks an order finding that PJM has the authority to add large new data center loads only when they can be served reliably as defined both by transmission and capacity adequacy and directing PJM to file tariff language stating this explicitly. The Complaint also seeks an order finding that PJM's failure to clarify and enforce its existing rules and to protect reliable and affordable service in PJM is unjust and unreasonable.

A. Rule 206(b)(8): Documents that Support the Complaint

This pleading supports the complaint.

B. Rule 206(b)(9): Dispute Resolution

The Market Monitor has not contacted the Enforcement Hotline or Dispute Resolution Service or made use of the tariff-based dispute resolution mechanisms. Such mechanisms are neither intended nor appropriate for resolving disputes of this nature.

C. Rule 206(b)(10): Form of Notice

A form of notice suitable for publication in the Federal Register is attached.

D. Rule 206(c): Service on Respondent

The Market Monitor certifies that copies of this Complaint were served by email on Respondent.

IV. COMMUNICATIONS

All communications with respect to this pleading and in connection with this proceeding should be addressed to the following:

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²¹ Designated to receive service.

²² Designated to receive service.

V. CONCLUSION

The Market Monitor respectfully requests that the Commission afford due consideration to the arguments raised in this Complaint as the Commission resolves the issues raised in this proceeding.

Respectfully submitted,



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Dated: November 25, 2025

Attachment

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Independent Market Monitor for PJM

v.

PJM Interconnection, L.L.C.

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Docket No. EL26-__-000

NOTICE OF COMPLAINT

(__, 2025)

Take notice that on November 25, 2025, pursuant to section 206 of the Rules and Practice and Procedure of the Federal Energy Regulatory Commission (Commission), 18 CFR § 385.206 (2011), Monitoring Analytics, LLC, acting in its capacity as the Independent Market Monitor for PJM (Complainant) filed a formal complaint against PJM Interconnection, L.L.C. (Respondent) requesting that the Commission issue an order finding that PJM has the authority to add large new data center loads only when they can be served reliably as defined both by transmission and capacity adequacy and directing PJM to file tariff language stating this explicitly, and, further, finding that PJM's failure to clarify and enforce its existing rules and to protect reliable and affordable service in PJM is unjust and unreasonable.

The Complainant states that copies of the complaint were served on representatives of the Respondent.

Any person desiring to intervene or to protest this filing must file in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211, 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a notice of intervention or motion to intervene, as appropriate. The Respondent's answer and all interventions, or protests must be filed on or before the comment date. The Respondent's answer, motions to intervene, and protests must be served on the Complainants.

The Commission encourages electronic submission of protests and interventions in lieu of paper using the "eFiling" link at <http://www.ferc.gov>. Persons unable to file electronically should submit an original and 14 copies of the protest or intervention to the Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426.

This filing is accessible on-line at <http://www.ferc.gov>, using the "eLibrary" link and is available for review in the Commission's Public Reference Room in Washington, DC. There is an "eSubscription" link on the web site that enables subscribers to receive email notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please email FERCOnlineSupport@ferc.gov, or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Comment Date: 5:00 pm Eastern Time on __, 2025.

Debbie-Anne A. Reese,
Secretary