Congress of the United States
Washington, DC 20515

November 5, 2025

David E. Mills
Chair, PJM Board of Managers
PJM Interconnection, L.L.C.
2750 Monroe Boulevard
Audubon, PA 19043

Dear Chair Mills:

We write as Members of Congress representing tens of millions of Americans in states within the PJM Interconnection (PJM) territory to express our concern with PJM's proposed approach to managing rapidly increasing energy demand and skyrocketing electricity costs for our constituents. The projected increase in energy demand within PJM in the near future, driven almost entirely by new large data center loads,[1] is a serious concern for future grid reliability, and our constituents are already feeling the impacts on their wallets. Therefore, it is critical that PJM put forward innovative proposals to ensure that it can continue to fulfill its mission[2] to provide affordable and reliable electric service that our constituents depend on, while charting a responsible pathway for data center grid interconnection that does not force our constituents to shoulder the financial and risk burden for wealthy megacorporations.

Data center energy demand has added over $16 billion in costs for our constituents in the last two PJM capacity auctions,[3] and capacity costs alone could amount to $163 billion through 2033 as new data center demand growth exceeds available capacity, keeping prices at the market's price cap.[4] Capacity costs are only one component of what influences the price our constituents pay for energy; data center energy demand will also drive up wholesale costs in energy markets,[5] and the costs from increased electric transmission buildout to serve data centers are already being passed onto our constituents.[6] These troubling trends will continue unless PJM takes action to hold existing customers harmless from data center-related costs and ensure that reliability is not diminished.

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[1] David E. Mills, *PJM Board Letter Regarding Implementation of Critical Issue Fast Path Process for Large Load Additions* (August 8, 2025), https://www.pjm.com/-/media/DotCom/about-pjm/who-we-are/public-disclosures/2025/20250808-pjm-board-letter-re-implementation-of-critical-issue-fast-path-process-for-large-load-additions.pdf

[2] PJM, *Fact Sheet for Policymakers,* https://www.pjm.com/-/media/DotCom/about-pjm/ensuring-a-reliable-energy-transition/fact-sheet-for-policymakers.ashx

[3] Monitoring Analytics, *Analysis of the 2025/2026 RPM Base Residual Auction Part G* (June 3, 2025), https://www.monitoringanalytics.com/reports/reports/2025/IMM_Analysis_of_the_20252026_RPM_Base_Residual_Auction_Part_G_20250603_Revised.pdf & Monitoring Analytics, *Analysis of the 2026/2027 RPM Base Residual Auction Part A* (October 1, 2025), https://www.monitoringanalytics.com/reports/Reports/2025/IMM_Analysis_of_the_20262027_RPM_Base_Residual_Auction_Part_A_20251001.pdf

[4] Tom Rutigliano, *Building Data Centers Without Breaking PJM,* Natural Resources Defense Council (September 30, 2025), https://www.nrdc.org/bio/tom-rutigliano/building-data-centers-without-breaking-pjm

[5] Joseph E. Bowring, *Comments of the Independent Market Monitor for PJM,* FERC Docket No. ER25-3492-000 (October 14, 2025), https://elibrary.ferc.gov/eLibrary/filelist?accession_number=20251014-5324&optimized=false&sid=b9f74d99-7bc8-482f-b41a-93085b205c5a

[6] Mike Jacobs, *Data Centers Are Already Increasing Your Energy Bills. We Have the Receipts.,* Union of Concerned Scientists (September 29, 2025), https://blog.ucs.org/mike-jacobs/data-centers-are-already-increasing-your-energy-bills/

PJM must swiftly address the fact that data center energy demand is threatening to overwhelm the grid. The CEO of the North American Electric Reliability Corporation recently characterized mounting challenges in the power sector, including the influx of new large loads, as "a five-alarm fire when it comes to reliability." [7] While PJM has been rightly pursuing solutions to better manage the changing power system – including implementing reforms to its interconnection queue and load forecasting process, improving its compliance with FERC Order 2023, and pursuing greater collaboration with states to ensure adequate generation is coming online to meet demand – more immediate reforms are necessary.

Firstly, it is critical that PJM continue to improve its generation interconnection queue process and finally eliminate the queue backlog, instead of continuing to rely on queue jumping proposals that undermine business certainty and the generation interconnection queue system as a whole. At the same time, given real-world time constraints on building and interconnecting new generation, it is clear that immediate demand-side solutions are key to addressing the reliability and affordability crisis. PJM's Critical Issue Fast Path (CIFP) process on large load additions has the potential to leverage such solutions to address this critical issue.

PJM's initial CIFP proposal[8] put forward a mandatory backstop to prevent new large loads, primarily data centers, from potentially causing rolling blackouts by 2030.[9] In this proposal, new large loads would have been forced to curtail their energy usage if there was insufficient capacity to serve said loads in order to avoid load shed events, or blackouts, on the grid under times of high demand on the system. Mandatory backstop rules that apply to all new large loads would help shield other users of the grid – including residential homes, schools, and businesses – from higher prices and interruptions in service.

PJM, however, has since updated its draft proposal to remove this important mandatory backstop, opting instead for a system that will rely on the willingness of data centers to voluntarily curtail their demand for a certain number of hours per year. Voluntary curtailment has a role to play in managing PJM's rapid load growth, but we are gravely concerned that PJM's current draft proposal will be inadequate to ensure the reliability and affordability of the electric grid. Without a strong system in place to manage data center load growth, PJM itself has warned[10] that the result could be rolling blackouts affecting all grid users. These interruptions in service would not only be completely unacceptable given they are foreseeable, but also potentially dangerous for our constituents and severely detrimental to the overall economic security of our states. PJM should be doing everything in its power and utilizing all available tools to avoid such drastic measures as its foremost priority.

Furthermore, we are concerned that PJM decided to deprioritize its mandatory backstop proposal as a result of assigning far greater weight to the perspectives of a small group of influential and well-resourced stakeholders

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[7] Francisco "A.J." Camacho, *Data center growth a 'five-alarm fire' for electric reliability*, E&E News (October 22, 2025), https://subscriber.politicopro.com/article/eenews/2025/10/22/data-center-growth-signals-five-alarm-fire-for-electric-reliability-00617204

[8] Stu Bresler & Tim Horger, *Large Load Additions PJM Conceptual Proposal and Request for Member Feedback* (August 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

[9] Susan McGill, *Scenario Analysis Supporting Large Load CIFP Problem Statement* (September 15, 2025), https://www.pjm.com/-/media/DotCom/committees-groups/cifp-lla/2025/20250915/20250915-item-05---cifp-scenario-analysis---presentation.pdf

[10] Ibid.

than to the reliability and affordability concerns of the over 67 million Americans PJM serves. PJM has cited[11] stakeholder feedback in its decision to amend its CIFP proposal, and it is clear from the public comments[12] PJM received in response to its initial proposal that the vast majority of identifiable opposition came from organizations with direct economic incentives tied to rapid data center development. This includes opposition from data center and digital infrastructure developers, energy companies, and utilities – all of whom stand to profit from soaring data center investment and energy demand. In contrast, PJM received comments[13] from at least four statewide consumer protection advocates expressing significant concerns that PJM is not adequately considering affordability and reliability impacts on general ratepayers within the CIFP process. These concerns do not appear to have been addressed in any material way in PJM's current proposal.

Given that billions of dollars of increased electricity costs and reliable grid service for our constituents are on the line, we urge PJM to immediately change course on its CIFP proposal. Instead, PJM must put forward solutions that prioritize grid reliability and affordability for residents and small businesses. A serious solution to this problem must at least include an enforceable backstop to prevent data center demand from bringing about a resource adequacy shortfall and an extension of the current capacity market price collar while the new rules take effect. We recommend that PJM explore proposals that include some combination of the following and hold existing customers harmless from energy cost increases driven by data centers:

- A mandatory backstop to ensure that resource adequacy is maintained for users of the grid that are not new large loads.
- Creating a "large load queue" to ensure that the interconnection of new large loads can be served reliably and keep prices affordable for all users.
- Improved load forecasting to ensure that PJM is not over-estimating the amount of new data center load or double counting mutually exclusive data center load.
- Ensuring prioritization for projects that bring their own new, additional capacity resources to the grid, such as new generation, battery energy storage systems, and demand response, so that they do not impact reliability and energy prices for other grid users.

If necessary, PJM should initiate a filing at the Federal Energy Regulatory Commission under Section 205 of the Federal Power Act (FPA) to request that the Commission clarify PJM's authority to enforce these provisions. The Commission's consideration of the recent advanced notice of proposed rulemaking put forward by the Secretary of Energy related to large load interconnection may also provide PJM with additional clarity.[14] Nonetheless, we believe PJM already has the necessary authority to implement these changes to its tariff

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[11] Tim Horger, *Large Load Additions CIFP Update* (October 1, 2025), https://www.pjm.com/-/media/DotCom/committees-groups/cifp-lla/2025/20251001/20251001-item-04---cifp---lla-updates---pjm-presentation.pdf

[12] PJM, *Comments Submitted in Response to Board Request on Scope & PJM Request for Feedback on Initial Conceptual Proposal* (August 29, 2025), https://www.pjm.com/-/media/DotCom/committees-groups/cifp-lla/postings/20250828-stakeholder-comments-cifp-lla.pdf

[13] Ibid.

[14] Secretary of Energy Chris Wright, *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* (October 23, 2025), https://www.energy.gov/sites/default/files/2025-10/403%20Large%20Loads%20Letter.pdf

because PJM is responsible for the reliable operation of the system, including transmission and generation adequacy, provided at "just and reasonable" rates that are not "unduly discriminatory."

It is not unduly discriminatory to identify and manage demand from new data centers given their incomparably large energy demands, how quickly data centers can come online, and their unique potential to impact the reliability of the electric grid as a collective class and to increase rates for all other customers.[15] Conversely, it *is* unduly discriminatory to force our constituents to subsidize data center development through astronomical rates and costs. It is likewise unduly discriminatory to ask our constituents to tolerate interruptible electric service if PJM does not take action to address the impending imbalance of energy demand and capacity due to new data center loads.

We will be closely monitoring the next steps and outcome of the CIFP process and appreciate the Board's attention to these critical issues, which are inextricably linked to the energy reliability and affordability our constituents both expect and deserve. As the ultimate decisionmakers within the CIFP process, we urge the Board to give full and fair consideration to the reliability and affordability implications of any final proposal, and to place the public interest at the forefront of its decision-making. Thank you again for your consideration in this process.

Sincerely,

Chris Van Hollen
United States Senator

Donald S. Beyer Jr.
Member of Congress

Tim Kaine
United States Senator

Cory A. Booker
United States Senator

Angela D. Alsobrooks
United States Senator

Eleanor Holmes Norton
Member of Congress

[15] As PJM itself noted, "[e]vidence exists to develop and support criteria that are not unduly discriminatory in order to distinguish between types of wholesale load for various purposes." Mark J. Stanisz, *Jurisdictional and Legal Principles relating to CIFP – Large Load Additions* (September 15, 2025), https://www.pjm.com/-/media/DotCom/committees-groups/cifp-lla/2025/20250915/20250915-item-08---jurisdictional-and-legal-principles-relating-to-cifp--large-load-additions---pjm-presentation.pdf

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