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Attention: President Asthana, Chair Mills, Board Member VanZandt, Board Member Nelson, Board Member Johnson, Board Member Conboy, Board Member Ethier, Board Member Loebel, Board Member Robinson, and Board Member Xie

Dear Members of the PJM Board of Managers,

As PJM approaches its 100th anniversary in 2027, you, the Members of the Board of Managers, find yourselves confronting a challenge worthy of that legacy—one that will define the next century of our regional grid for the 65 million people whose lives and livelihoods depend on your decisions. **This is no small task.** The volume of CIFP Large Load Additions (LLA) proposals before you, the rapid escalation of large-load development, the unprecedented level of stakeholder engagement, and the fact that PJM is now the subject of dinner-table conversations across the region all signal the gravity of this moment.

We, Directors of the 14 Sierra Club Chapters representing the 13 PJM states and the District of Columbia, are committed to ensuring that the region's energy future is reliable, affordable, and aligned with the health and economic well-being of the communities we serve. **Together, our 13 states and D.C. represent 152,193 dues-paying Sierra Club members within PJM.**

As we write, we are also mindful that the rejection of all proposed alternatives in the CIFP LLA stakeholder process reflects the unprecedented complexity of managing large-load growth within a legacy grid system. That complexity is real. But it also means the Board now has a rare and consequential opportunity: to articulate a forward-looking vision for PJM's next century. We urge you to anchor that vision in the legacy you intend to leave—one that protects everyday households, respects the core "just and reasonable" mandate of FERC-regulated markets, and accelerates the transition to reliable clean and hybrid resources while ensuring that large new loads carry responsibility commensurate with their impacts.

Let us also be clear about the stakes of inaction. Another possible future—one driven by inaction, or worse, from yielding to pressure from industry appetite—would impose staggering, avoidable costs on the very ratepayers for which the Board is charged to ensure just and reasonable rates. This path also risks locking the region into decades of unnecessary, "fast

tracked” generation at substantial cost to public health, system reliability, and household budgets. That cannot be the legacy of PJM’s centennial era. Conservative estimates indicate that more than **\$160 billion**, roughly **\$70 per household per month**, could be shifted onto existing customers over the next six years, largely to prop up aging plants instead of upholding existing interconnection processes that would accommodate investment in a broader diversity of already-queued generation resources that could just as readily reliably serve growing loads if allowed to interconnect.¹

We therefore need a solution that ensures new data centers connecting to the grid pay their fair share. Many of the stakeholder proposals submitted in this process offer practical, enforceable, and consumer-protective elements that should be incorporated into the final CIFP LLA design. We urge the Board to ensure the final proposal includes the following, which together, offer a future PJM that is holistically considerate of critical reliability backstops, respect for the standing interconnection processes, cost mechanisms to ensure just and reasonable rates—and even introduce fair industry incentives.

The PJM Board of Managers must uplift a solution that incorporates the following:

1. **Prevent new large loads that do not bring their own generation from raising capacity prices for existing ratepayers.** Several proposals, including those from Glatz-Ableman, MD-OPC, NRDC, PA Office of Consumer Advocate, and state legislators, offer workable mechanisms. These include conditions that large new loads are ineligible for firm service until they secure dedicated capacity, or that they initially enter a hold status when there is inadequate generation to serve all customers and supply runs tight—at least until they bring generation online equal to their load.
2. **Adopt a binding reliability backstop that squarely assigns risks to the entities that create them.** Relying on voluntary demand response is insufficient, and allowing large loads to activate behind-the-meter fossil generation without consequence will continue to undermine grid reliability and public health. A mandatory, load-specific backstop is essential to ensure that the entities driving reliability risks are the first to curtail when supply is strained.
3. **Ensure that data centers do not distort or raise PJM’s capacity market prices for all other consumers.** Allowing these new large loads into the capacity market, especially before they have secured firm service or demonstrated resource adequacy, will only exacerbate cost shifts, and indirectly delay the deployment of cleaner, more reliable capacity already waiting in PJM’s queue.

Crafting a thoughtful, durable response to the surge in large-load development throughout the PJM footprint will require difficult decisions and real alignment across stakeholders. We are

¹ Estimates based on analysis by expert staff at the Natural Resources Defense Council (NRDC), “Building Data Centers Without Breaking PJM,” published on September 30, 2025. Available at <https://www.nrdc.org/bio/tom-rutigliano/building-data-centers-without-breaking-pjm>

optimistic, however, that the Board recognizes the weight of this moment and the unique opportunity it presents. By advancing a timely CIFP LLA package that incorporates these core principles, the Board can set PJM on a path that ushers beneficial improvement on its century-long legacy: a resilient, modern, cost-effective electric system that ensures new large loads contribute fairly to the system.

We look forward to learning what legacy you choose to leave behind,

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