STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission On Its Own Motion vs. Commonwealth Edison Company Investigation of possible ratepayer protections and cost recovery mechanisms for servicing large demand project applicants or customers of Commonwealth Edison Company.	)	Docket No. 26-0364

DIRECT TESTIMONY

OF

CLAIRE LANG-REE

ON BEHALF OF

ENVIRONMENTAL LAW & POLICY CENTER, NATURAL RESOURCES DEFENSE COUNCIL, UNION OF CONCERNED SCIENTISTS, VOTE SOLAR, AND THE CITIZENS UTILITY BOARD ("JOINT NON-GOVERNMENTAL ORGANIZATIONS" OR "JNGO")

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TABLE OF CONTENTS

I. INTRODUCTION AND QUALIFICATIONS 1

II. THE COMPANY'S LARGE LOAD TARIFF CASE IN DOCKET NOS. 25-0677/79 SHOWED THE NEED FOR INTERRUPTIBLE SERVICE FOR LARGE LOADS 4

III. LARGE LOADS HAVE CREATED AN APPARENT CAPACITY SHORTAGE IN PJM 6

IV. LARGE LOADS ARE UNDERMINING THE STATE'S CLEAN ENERGY OBJECTIVES 11

V. PJM IS CONSIDERING INTERRUPTIBLE SERVICE AND BRING YOUR OWN NEW CAPACITY 15

VI. RECENT FERC ORDERS ESTABLISH INTERRUPTIBLE SERVICE AND BYONC AS FEDERAL POLICY 25

VII. AN INTERRUPTIBLE SERVICE TARIFF AND BYONC FRAMEWORK WOULD PROTECT COMED RATEPAYERS FROM FURTHER RISKS 27

VIII. LARGE LOADS CAN RELY ON DISTRIBUTED RESOURCES TO SUPPORT AFFORDABILITY AND RELIABILITY 34

IX. CONCLUSION 42

I. INTRODUCTION AND QUALIFICATIONS

Q: Please state your name, title, position, and business address.

A: My name is Claire Lang-Ree. I am an advocate at the Sustainable FERC Project at the Natural Resources Defense Council. My business address is 40 West 20th St., New York, NY, 10011.

Q: For whom are you testifying in this matter?

A: I am testifying on behalf of the Environmental Law & Policy Center Natural Resources Defense Council, Union of Concerned Scientists, Vote Solar, and the Citizens Utility Board, together the Joint Non-Governmental Organizations ("JNGO").

Q: Please describe your formal education and professional experience.

A: I graduated from Stanford University with a B.S. degree in Earth System Science in 2021. During my studies for a master's degree, I took a temporary leave to work as a year-long Schneider Sustainable Energy Fellow at NRDC. The Schneider Fellowship is a program through the Haas Center for Public Service at Stanford University. During my fellowship year, I focused on climate and energy issues in Nevada, Colorado, and New Mexico. I participated in multiple utility proceedings in those states, assisting other NRDC colleagues with research, preparing testimony, and drafting discovery. I then completed my M.S. degree in the fall of 2023 while simultaneously joining as a full-time advocate in the Sustainable FERC Project team at NRDC. As an advocate, I cover PJM Interconnection and ISO New England. For the past three years, I have worked on a variety of wholesale market and transmission issues, including implementing FERC orders, modifying interconnection processes, improving markets, pursuing holistic transmission planning, and recently implementing large load market and operational

reforms. Along with colleagues, I have been deeply engaged in large load issues at PJM, developing a comprehensive large load package to provide price relief, reduce risks on the public, and maintain reliability. I have also had the opportunity to occasionally advise on state electricity policies, including some in Illinois.

Q: Have you previously testified before the Illinois Commerce Commission ("ICC") or other state regulatory bodies?

A: No.

Q: Have you previously presented at a PJM Interconnection stakeholder workshops or board meetings?

A: Yes. I routinely attend and have presented in a variety of PJM stakeholder meetings. Most recently, I presented an NRDC and coalition proposal in the Deactivation Enhancements Senior Task Force. I also presented an NRDC proposal throughout the last Critical Issue Fast Path on Large Load Additions in 2025 and 2026. I also serve as the co-chair of the Public Interest Environmental User Group at PJM. In that role, I present in front of the PJM Board of Managers at the annual meeting. My most recent presentation to the Board was in May.

Q: Are you sponsoring any exhibits today?

A: Yes.

- JNGO Ex 1.01: NRDC Connect and Manage Proposal to PJM.
- JNGO Ex. 1.02: Joint Consumer Advocates Connect and Manage Proposal to PJM.
- JNGO Ex. 1.03: Exelon Connect and Manage Proposal to PJM.
- JNGO Ex. 1.04: PJM May 2026 Connect and Manage Proposal.
- JNGO Ex. 1.05: PJM June 2026 Connect and Manage Proposal.
- JNGO Ex. 1.06: PJM Board Letter Re: Connect and Manage.

- JNGO Ex. 1.07: Brattle Affidavit re: Hybrid Facilities in FERC Large Load ANOPR.
- JNGO Ex. 1.08 Roselle LLP Presentation to ESIG Re: Flexibility for Large Loads
- JNGO Ex. 1.09: Brattle Presentation Re: Bilateral Integration of Generation Portfolios and Load
- JNGO Ex. 1.10: Brattle Presentation on Flexible Interconnections for Large Loads.
- JNGO Ex. 1.11: ComEd data responses to JNGO-ComEd 1.03-1.07

Q: What is the purpose of your testimony?

A: In this testimony, I will explain how large loads have impacted wholesale prices and reliability in PJM. I will also outline recent actions at both PJM and the Federal Energy Regulatory Commission (FERC) related to large loads. Based on this background, I recommend that the Commission direct Commonwealth Edison (ComEd) to take two actions. First, the Commission should direct ComEd to adopt an interruptible service tariff and Bring Your Own New Capacity (BYONC) framework for large loads. Second, the Commission should direct ComEd to pursue new opportunities to allow new supply resources at the distribution level to maximize the flexibility of new large loads, promote decarbonization, and reduce costs.

Put simply, I recommend that to mitigate price and reliability impacts, new large loads should receive firm service only if they bring their own new capacity that complies with Illinois clean energy laws. Any megawatts of load that a large load customer does not match with new capacity should be interruptible. Large loads should also be given the option, supported by new ComEd rules, to utilize distributed, clean, behind-the-meter resources including battery storage to maintain service during periods of interruption.

These rules could harmonize distribution-level planning with new transmission-level interconnection processes that FERC directed PJM to develop.

This approach is necessary to ensure that Illinois fills regulatory gaps created by limitations on PJM's authority to establish rules relating to retail electric service. Uncertain outcomes at PJM and FERC mean that Illinois must take action to protect the public from high electricity bills and reliability risks while making clear rules of the road that encourage responsible large load development.

II. THE COMPANY'S LARGE LOAD TARIFF CASE IN DOCKET NOS. 25-0677/79 SHOWED THE NEED FOR INTERRUPTIBLE SERVICE FOR LARGE LOADS

Q: What is interruptible service?

A: Interruptible service is a form of electric service that allows the utility to disconnect or reduce power to the customer. For example, Tucson Electric Power Company, an Arizona utility, offers interruptible service to large customers, who receive credits for each interruption throughout the year.[1] The Minnesota PUC likewise recently approved an interruptible service tariff for Xcel energy.[2] Other similar concepts are flexible interconnection, non-firm service, and "connect and manage."

Q: Has the Commission previously considered interruptible service proposals for Commonwealth Edison?

A: Yes, but without a final determination. In the Company's large load tariff case, docket nos. 25-0677/70, the Joint NGOs recommended "that the Commission consider directing

[1] Rider–12 Interruptible Service, Tucson Electric Power Company, Tariff Sheet No. 712 (effective Sept. 1, 2023) (issued pursuant to Decision No. 79065).
[2] *In re Xcel Energy's Petition for Approval of its 2026 Integrated Resource Plan*, Docket No. E-002/CN-25-456 (Minn. P.U.C. Jan. 15, 2026) (Order Approving Plan).

ComEd to establish interruptible service options for large-load customers to expedite the interconnection process while mitigating cost and reliability impacts."[3] JNGO witnesses Saad Siddique and Kyle Thomas explained that interruptible service would help to "maintain[] grid reliability and prevent[] cost shifts to other ratepayers."[4] The Company did not take a position on that recommendation, but argued that it was outside the scope of the Company's filing. JNGO recommended that the Commission establish a follow-on proceeding to consider interruptible service options. The Commission's final order in docket nos. 25-0677/79 took that approach by establishing "[t]he feasibility of interruptible service or other flexible interconnection arrangements to address resource adequacy concerns" as one of the issues within the scope of this investigation.[5]

Q: Do you believe that the Commission should direct ComEd to develop interruptible service provisions following this investigation?

A: Yes. As described in the next section, PJM Interconnection ("PJM") is facing a possible region-wide shortage of generating capacity beginning in 2027. As a result, PJM is likely to implement some form of regional interruptible service to protect system reliability as load continues to increase. But PJM itself has said that state regulators will need to adopt retail tariff provisions to fully and fairly implement interruptible service. Moreover, as I describe in Section IV, forecast load growth from large loads presents an obstacle to the state's clean energy goals. It is therefore important that the Commission acts promptly to ensure that the Company can coordinate implementation of interruptible service with PJM in a way that preserves the state's ability to meet its clean energy targets.

[3] *Commonwealth Edison Co.*, Ill.C.C. Docket No. 25-0677/25-0079 (cons.), Final Order at 123 (March 19, 2026).
[4] *Id.*
[5] *Id.*

III. LARGE LOADS HAVE CREATED AN APPARENT CAPACITY SHORTAGE IN PJM

Q: Please describe how the PJM capacity auction ordinarily works.

A: The PJM capacity auction, called the "Reliability Pricing Model" or "RPM," is the mechanism that ensures the PJM region has sufficient generating capacity, energy storage, and demand response to meet demand in all hours of a future year, plus a reserve margin. Like any market, the auction has two sides—supply and demand. First, PJM forecasts load, or demand, for a future year. Then, PJM holds an auction that procures enough supply to meet the forecasted load plus an established reserve margin for the future year, called a "delivery year." For example, the upcoming PJM auction in July of 2026 will procure capacity for June 2028 through June 2029—the delivery year. On the supply side, owners of capacity resources submit "bids" that reflect the price they need the market to pay them to provide their capacity to PJM for one year. The market clears at the price where supply equals the demand—or where the supply and demand "curves" intersect. Every resource that clears the market is paid the same capacity clearing price, expressed in dollars per megawatt-day, for the duration of the delivery year, no matter how they bid.

Q: Please describe how PJM creates the load forecast.

A: PJM itself sets the load forecast, which then helps to set the amount of demand in the capacity auction. First, PJM does econometric modeling of residential, commercial, and industrial load growth, considering factors like population growth, trends in heating and

cooling, and electrification of vehicles and industrial processes.[6] It then supplements this in-house modeling with "Large Load Adjustments" (LLAs) derived from utility load forecasts. Utilities submit LLAs to PJM to account for any load growth from large users—including data centers, cryptocurrency facilities, and industrial plants—which are not captured in the base load forecast. PJM adds the LLAs to the total load forecast.

Q: What has happened with capacity prices in PJM in recent years?

A: Clearing prices in the Base Residual Auction (BRA) have increased dramatically over the past three auctions, from $28.92 per MW-day in 2024 to $333.44 in the most recent auction.[7] Those prices translate to higher bills for ratepayers. In the PJM portion of Illinois, residential customers have seen bill increases of more than $10 per month as a result of capacity price increases.[8] Prices also would have been even higher, but for the past two auctions, PJM has agreed to implement a more restrictive price cap in order to limit bill impacts.[9] PJM said this was necessary to "address concerns about excessive price volatility."[10]

Q: What is driving those price increases?

A: According to the Independent Market Monitor (IMM) for PJM, "[d]ata center load growth is the primary reason for recent and expected capacity market conditions,

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[6] PJM Interconnection, L.L.C., Load Forecast Development Process, https://www.pjm.com/planning/resource-adequacy-planning/load-forecast-dev-process.

[7] Ethan Howland, *PJM Capacity Prices Hit Record High as Grid Operator Falls Short of Reliability Target*, Utility Dive (Dec. 18, 2025), https://www.utilitydive.com/news/pjm-interconnection-capacity-auction-data-center/808264/; PJM Interconnection, L.L.C., *2024/2025 RPM Base Residual Auction Results* (2023), https://www.pjm.com/-/media/DotCom/markets-ops/rpm/rpm-auction-info/2024-2025/2024-2025-base-residual-auction-report.ashx.

[8] Chicago Tribune, ComEd Supply Rate Bill Increases (July 22, 2025), https://www.chicagotribune.com/2025/07/22/comed-supply-rate-bill-increases/.

[9] PJM Interconnection, L.L.C., FERC Approves Capacity Auction Price Collar to Next Two Capacity Auctions, Inside Lines, https://insidelines.pjm.com/ferc-approves-capacity-auction-price-collar-to-next-two-capacity-auctions/.

[10] *Id.*

including total forecast load growth, the tight supply and demand balance, and high prices."[11] In essence, data center developers are driving utility forecasts upwards, and those forecasts translate to higher demand for capacity in the PJM capacity auction. The increase in forecast load has happened so quickly that supply can't keep up, and prices have skyrocketed.

Q: Why can't supply keep up with rising demand?

A: New supply resources are struggling to match the pace of large load demand for a few reasons. First, any new generator or battery storage resource must complete PJM's interconnection queue. PJM studies the new resource to understand their impacts on the grid. The interconnection queue currently takes approximately 2 years, but PJM previously had an interconnection backlog that forced new projects to wait over 6 years.[12] Second, many new resources drop out of the interconnection process for a variety of reasons, including permitting and siting challenges, unexpected cost increases, and supply chain issues. Historically, only around 20% of resources that apply to connect to the PJM grid reach commercial operation.[13] This limits the amount of new capacity that joins PJM. Third, even after completing the interconnection study process, some new resources face unforeseen delays in reaching commercial operation due to transmission network upgrades. These are necessary upgrades to the transmission system to support a new power plant, paid for by the developer, but often constructed by a separate

[11] Monitoring Analytics, LLC, 2026 Q1 State of the Market Report for PJM (May 14, 2026), https://www.monitoringanalytics.com/reports/PJM_State_of_the_Market/2026/2026q1-som-pjm.pdf
[12] Lawrence Berkeley National Laboratory, Queued Up: Characteristics of Power Plants Seeking Transmission Interconnection (Apr. 2023), https://emp.lbl.gov/sites/default/files/queued_up_2022_04-06-2023.pdf.
[13] Monitoring Analytics, LLC, 2024 State of the Market Report for PJM, Section 12: Generation Interconnection (Mar. March 13, 2025), https://www.monitoringanalytics.com/reports/PJM_State_of_the_Market/2024/2024-som-pjm-sec12.pdf.

transmission company. NRDC analysis found that 98% of the capacity from PJM's most recent interconnection cycle will face transmission delays of three years or more.[14] Network upgrade costs are also increasing, which can make it more difficult to finance new resources.[15] New resources cannot start delivering capacity until these network upgrades are completed. Finally, the forward nature of the capacity market creates a delay. New resources will usually only offer into the capacity market if they are fairly certain they will be operational by the delivery year, because clearing the market means that resources will face steep penalties if they don't perform or are not finished with construction. Because the capacity market delivery year is in the future, this means that a fully constructed online new power plant won't provide capacity or lower prices until the future delivery year.

Q: Are higher prices the only problem data center load growth is creating in the capacity market?

A: No. The other problem is that the auction has recently failed to procure sufficient capacity to meet PJM's target reserve margin. The reserve margin is the amount of capacity above actual forecast load that PJM requires to maintain reliability. If available supply falls below that level, the reliability risk is unacceptably high. PJM's most recent auction, for Delivery Year 2027-2028, cleared below this level for the first time in PJM's nearly 100-year history, falling 6.5 GW short of necessary capacity.[16]

[14] Natural Resources Defense Council, *Unlocking the Grid*, https://www.nrdc.org/resources/unlocking-grid.
[15] Lawrence Berkeley National Laboratory, PJM Data Show Substantial Increases, https://emp.lbl.gov/news/pjm-data-show-substantial-increases.
[16] PJM Interconnection, L.L.C., 2027/2028 BRA Reserve Target Shortfall Report, https://www.pjm.com/-/media/DotCom/markets-ops/rpm/rpm-auction-info/2027-2028/2027-2028-bra-reserve-target-shortfall-report.pdf.

To put it simply, PJM anticipates a shortage of capacity starting in 2027. I'd like to make one caveat to that, however.

Q: What is the caveat?

A: As I previously described, PJM's capacity auction derives the demand side of the equation from utility load forecasts. But in recent years, those forecasts have become increasingly unreliable and inflated from speculative data center service requests. The PJM market monitor has described "unmitigated market distortions created by unsubstantiated data center load forecasts" as a key driver of recent capacity auction results.[17] It is unclear whether PJM actually has a capacity shortage, or if it is attempting to procure an unnecessary and unrealistic amount of supply. Even PJM itself expressed that despite this apparent shortage, it may have sufficient capacity through the summer of 2027.18

Q: Does the possibility that inaccurate load forecasts are driving capacity market results have implications for this case?

A: Yes—the possibility that inflated load forecasts are distorting the market means it is even more important for this Commission to protect ratepayers from the effects of demand from large loads. Whether that demand is real or not, the risk associated with procuring capacity to meet it should fall on the large load customers, not residential and small commercial customers.

[17] *See, e.g.*, Monitoring Analytics, LLC, 2026 Q1 State of the Market Report for PJM, at 3 (2026), *available at* https://www.monitoringanalytics.com/reports/PJM_State_of_the_Market/2026/2026q1-som-pjm.pdf. (discussing
[18] PJM Interconnection, L.L.C., PJM Auction Procures 134,479 MW of Generation Resources, Inside Lines, https://insidelines.pjm.com/pjm-auction-procures-134479-mw-of-generation-resources/.

Q: Setting aside inflated load forecasts, how could a capacity shortage affect ratepayers in the Company's territory?

A: The immediate effect is the price increases I've already discussed. But beyond those price increases, a shortage of capacity increases the likelihood of blackouts. If PJM actually does not have enough supply to meet peak load, it will need to institute emergency measures. PJM uses the term "Manual Load Dump Action," which means it tells distribution utilities like ComEd to disconnect a certain number of megawatts to maintain the supply-demand balance.[19] The colloquial term for this is "rolling blackouts." Rolling blackouts are a last resort, but they happen because the alternative—an imbalance in supply and demand—places the entire grid at risk. They are the lesser of two evils when capacity cannot meet load.

IV. LARGE LOADS ARE UNDERMINING THE STATE'S CLEAN ENERGY OBJECTIVES

Q: In addition to the capacity market problems you have already described, is forecast load growth from data centers causing any other problems?

A: Yes. Load growth from large data centers presents a major challenge to reducing greenhouse gas emissions across the country. In some places, utilities are keeping coal plants online to power data centers.[20] Data center developers are increasingly relying on natural gas or even diesel to provide primary or backup power to their facilities.[21] After

[19] PJM Interconnection, L.L.C., Emergency Procedures Message Definitions, https://emergencyprocedures.pjm.com/ep/pages/messagedefinitions.jsf.
[20] Power Magazine, Power Demand from Data Centers Keeping Coal-Fired Plants Online, https://www.powermag.com/power-demand-from-data-centers-keeping-coal-fired-plants-online/.
[21] Reuters, Rush for US Gas Plants Drives Up Costs, Lead Times (July 21, 2025), https://www.reuters.com/business/energy/rush-us-gas-plants-drives-up-costs-lead-times-2025-07-21/; Inside Climate News, Data Center Diesel Generators Cause Noise Pollution (Nov. 12, 2025), https://insideclimatenews.org/news/12112025/data-center-diesel-generators-noise-pollution/.

falling in 2023 and 2024, U.S. greenhouse gas emissions increased by more than 2% in 2025.[22]

Q: Please describe Illinois's clean energy and greenhouse gas emissions targets.

A: The Climate and Equitable Jobs Act (CEJA) requires Illinois to transition to 100% clean energy by 2050,[23] and for 40% of the state's power to come from clean energy by 2030. For existing natural gas and coal power plants, the law also set emissions reductions goals, requiring plants to either retire or reduce their greenhouse gas emissions by certain deadlines depending on their location.[24]

Q: How could data center load growth affect those targets?

A: Illinois's clean energy goals are incompatible with continued reliance on fossil fuels to power new data centers. Meeting the CEJA targets will require phasing out any resources that emit greenhouse gases while building more clean energy. Building new gas and diesel plants to power data centers sends the state in the wrong direction. Illinois will not be able to meet its clean energy and emissions reductions targets without some guardrails on how data centers procure their power.

Data center load growth has created capacity scarcity and resource adequacy threats throughout PJM, as I described in previous sections. In the past, Illinois may have been able to rely on importing electricity from neighboring states as it retired fossil resource capacity, but this is no longer possible. Data centers will force Illinois to build

[22] Matt McGarth, "Cold weather and data centres drive up US greenhouse gas emissions," BBC News, Jan. 13, 2026, https://www.bbc.com/news/articles/cj9r3832j47o
[23] 20 ILCS 3855/1-5(1.5)
[24] 415 ILCS 5/9.15; WGLT, Gov. JB Pritzker Set Ambitious Climate Goals for Illinois; The State is Far From Meeting Them (Feb. 10, 2025), https://www.wglt.org/illinois/2025-02-10/gov-jb-pritzker-set-ambitious-climate-goals-for-illinois-the-state-is-far-from-meeting-them.

much more in-state clean energy resources to replace retiring generators, and to do so much faster than previously anticipated. Even if data centers themselves offset their capacity with clean energy, Illinois will not have made progress toward meeting CEJA targets—it will just be treading water.

Q: Is Illinois currently on track to meet the CEJA targets?

A: No. As of 2025, Illinois was slipping behind in meeting its clean energy goals, even as data center load growth was just starting to appear.[25] Load growth from data centers is part of the reason Illinois is falling behind. The 2025 Resource Adequacy Study that the Illinois Environmental Protection Agency, the Illinois Power Agency, and the Commission jointly issued found that "the impact of the increased electric demand from data centers" has created "a challenge for meeting [clean energy] targets."[26] This finding reflects that data centers are driving increases in total energy use without creating parallel increases in renewable energy generation.

Q: What tools does Illinois have to catch up with its clean energy goals?

A: Under CEJA, the Illinois Power Agency (IPA) procures electricity from renewable energy resources (which includes wind, solar, and geothermal) and nuclear power. A 2025 law called the Clean and Affordable Grid Reliability Act (CRGA) added storage to the list of resources the IPA procures. CRGA also created an Integrated Resource Planning process that is currently underway at the Commission. The purposes of the IRP is to "plan for sufficient electricity resources to serve Illinois customers in a manner that

[25] https://www.wglt.org/illinois/2025-02-10/gov-jb-pritzker-set-ambitious-climate-goals-for-illinois-the-state-is-far-from-meeting-them
[26] Illinois Power Agency, Illinois Resource Adequacy Study 2025 Final Report, at 60 (Dec. 15, 2025), https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/20251215-illinois-ra-study-2025-final.pdf.

is adequate, safe, reliable, affordable, efficient, environmentally sustainable, at the lowest cost over time, and consistent with the energy policy goals of the State," including the CEJA goals discussed above.[27] CRGA also added a provision the Public Utilities Act that directs the IPA to conduct a "long-term clean energy procurement" process to address a potential "resource adequacy shortfall."[28]

The long-term clean energy procurement provision of CRGA recognizes a "potential need to facilitate additional supply to address any resource adequacy challenges" and establishes "long-term contracts" as a tool to "facilitate new and additive supply resources."[29] CRGA limits eligibility for long-term contracts through the procurement process to "new clean energy resources."[30]

As I describe in further detail below, I recommend that the Commission take action in this case to ensure new large loads are subject to requirements that are consistent with the objectives of CEJA and CRGA. Large loads should support new clean capacity, consistent with ongoing reliability and resource adequacy processes including the long-term clean energy procurement.

[27] 220 ILCS 5/16-201.
[28] Illinois Power Agency, Clean Energy Procurement, https://ipa.illinois.gov/electricity-procurement/clean-energy-procurement.html.
[29] 220 ILCS 5/16-111.5(b-10).
[30] *Id.*

V. PJM IS CONSIDERING INTERRUPTIBLE SERVICE AND BRING YOUR OWN NEW CAPACITY

Q: Is PJM working on solutions to the problems data centers are creating in the capacity market?

A: Yes. PJM is considering a broad range of solutions within a stakeholder process PJM calls "Critical Issue Fast Path – Reliability Backstop Procurement / Connect & Manage."[31] Within this process, both PJM and numerous PJM stakeholders are advancing proposals that share many similar features. The process will culminate in an advisory vote of PJM Members on each of the proposals. The PJM Board will make the final decision about which proposal or combination of proposals it submits to FERC for approval. Among the stakeholders who have presented proposals so far are a collection of utilities including Exelon, which is ComEd's parent company, the Joint Consumer Advocates (JCA), which includes the Citizens Utility Board and Attorney General's office, and Natural Resources Defense Council, my employer.[32] I personally contributed to the NRDC proposal.

While the PJM, Exelon, Joint Consumer Advocates, and NRDC proposals are different in important respects, they share two common elements: all three proposals rely on some form of what PJM calls "Connect & Manage" and "Bring Your Own New Capacity."[33] At this stage of the process, PJM staff and most stakeholders generally appear to agree that these two provisions will be part of any final proposal that PJM

[31] PJM Interconnection, L.L.C., Critical Infrastructure Fast Track Process / Reliability Backstop Procurement Task Force (CIFP-RBP), https://www.pjm.com/committees-and-groups/cifp-rbp.
[32] *See* JNGO Exhibits 1.01, 1.02, and 1.03 (Connect and Manage Proposals from NRDC, Joint Consumer Advocates, and electric distribution companies, including Exelon).
[33] JNGO Ex. 1.04 (PJM May Connect and Manage Proposal).

adopts, although the details vary widely. I will describe PJM's proposal in this section of my testimony, noting that the details are still subject to change, and will ultimately need to be approved by FERC before being implemented at PJM.

Q: What is the general concept of "Connect and Manage"?

A: Connect and Manage is a form of interruptible service. The basic concept is that when there is an actual shortage of capacity, new large loads that have not brought sufficient new capacity to offset their load will get curtailed (i.e., shut off) earlier than other customers in order to maintain the supply and demand balance. Large loads that are driving capacity scarcity can *connect* to the grid, but grid operators *manage* that connection to maintain reliability. This concept requires coordination between wholesale and retail jurisdictions—RTOs can direct Connect and Manage curtailments to a certain zone (like ComEd), but states and regulated utilities must control which retail customers (i.e., large loads vs. households) are ultimately turned off during an emergency.

Q: Why is PJM considering a form of Connect and Manage?

A: As I described above, PJM has insufficient committed capacity to meet forecasted demand in future delivery years. That problem is only going to get worse as load forecasts continue to reflect increasing megawatts of apparent data center load. Until supply catches up with forecast demand, PJM faces three options:

1. Accept increased risks of rolling blackouts that impact all customers (as described above).
2. Stop connecting new loads until supply catches up.
3. Connect and Manage.

Connect and Manage is the least disruptive of these alternatives.

Q: How does PJM's proposal implement Connect and Manage?

A: PJM's proposal has changed multiple times throughout the stakeholder process, and it is unclear what the final design will be. PJM initially proposed a mandatory form of Connect and Manage.[34] Under that proposal, PJM would have curtailed zones (such as the ComEd zone) that cleared short in a capacity auction, recognizing that these are locations where large loads have not brought on sufficient supply. PJM would have left to the state-regulated utilities in each zone to establish rules governing curtailment of specific large load customers, subject to oversight by state public utility regulators.

On Thursday, June 18, PJM changed its proposal to reduce PJM's role in Connect and Manage.35 Under the new proposal, PJM will rely entirely on states to designate Connect and Manage load and PJM will no longer curtail any zones that have an apparent shortage unless states take proactive steps. In other words, if a state does not act, they could face rolling blackouts as soon as next summer. All PJM will do is maintain a large load registry—a list of new large loads joining PJM—purely for informational purposes. During an emergency, PJM will direct wholesale entities (like transmission owners or electric distribution companies (EDCs)) to curtail *state-designated* Connect and Manage load prior to taking other emergency actions. It will be up to the relevant utility (in this case, ComEd) to allocate Connect and Manage to individual customers based on state retail tariffs under state regulatory commission oversight. PJM's proposal may change further and will ultimately need to be approved by the Board of managers and FERC before implementation.

[34] JNGO Ex. 1.04 (PJM May Connect and Manage Proposal).
[35] JNGO Ex. 1.05 (PJM June Connect and Manage Proposal)

Q: What does PJM's most recent update to Connect and Manage mean for Illinois?

A: If PJM's current package is approved by the PJM board and FERC, PJM has left it entirely up to states to take proactive steps to protect non-large load customers during a capacity emergency. States are now the entities that must proactively designate Connect and Manage load to ensure large loads that have not brought their own new capacity are interruptible. If states do not take this step, PJM will rely on rolling blackouts that will affect all customers, not just the large loads causing the problem. PJM says states have a "critical" role and recognizes that "States have jurisdiction over development of retail constructs like load reduction prioritization and interruptible load tariffs."[36]

Q: Why did PJM make this change?

A: PJM cited jurisdictional concerns as the main impetus for this change, stating "A number of stakeholders raised issues associated with PJM's jurisdictional authority to implement its proposal."[37] The basic concern is some stakeholders' views that PJM has no authority to curtail individual retail customers, and was over-reaching into state jurisdiction. One stakeholder who was particularly vocal on this issue was the Data Center Coalition, who is a party in this proceeding. For example, in a June 10, 2026 presentation to PJM, the Data Center Coalition described jurisdiction as a "Core Issue" and warned that "PJM cannot dictate retail curtailment decisions," noting that "States and [electric distribution companies] determine actual load shed priorities."[38] It is important to note that PJM's proposal never attempted to "dictate retail curtailment decisions" and PJM always

[36] *Id.*
[37] *Id.*
[38] Data Center Coalition, Presentation to PJM CIFP-RBP (June 10, 2026), https://www.pjm.com/-/media/DotCom/committees-groups/cifp-rbp/2026/20260610/20260610-item-03a---data-center-coalition-presentation.pdf.

respected jurisdictional boundaries, but PJM's fears over extended litigation led to them backing off even triaging reliability risks at the wholesale level.

This change reflects PJM's initial view that Connect and Manage and bring your own new capacity (BYONC), described below, is the right policy, followed by a subsequent determination that it lacks jurisdiction to require that policy.

Q: You also mentioned "Bring Your Own New Capacity." What is that?

A: Bring Your Own New Capacity (BYONC) is the concept that large loads should be encouraged or required to build or support *new* capacity to meet their load. The "new" part of that principle is critical. If large loads simply enter contracts with existing generation, they are not helping to address the capacity shortage problem.

BYONC can take many forms. In its strongest form, new large load customers must bring new capacity equal to 100% of their forecast load. The proposals from Exelon, the Joint Consumer Advocates, and NRDC advance a form of BYONC that is tied to Connect and Manage. Similarly, PJM's previous proposal described BYONC as an "exemption" that would allow large loads to "avoid connect and manage."[39] Under this approach, a large load can receive "firm" service up to the amount of capacity that it brings online through BYONC.[40] The remainder of load will be interruptible through Connect and Manage. PJM's most recent update to its proposal does not explicitly include this provision, but I believe it is the right model for the Commission. I've provided some illustrative examples below.

[39] JNGO Ex. 1.04 at 13-14 (PJM May Connect and Manage Proposal).
[40] *Id.*

Retail Customer	Forecast Peak Load	BYO New Capacity Deliverable to Load	Interruptible Load
Data Center X	500 MW	400 MW	100 MW
Data Center Y	250 MW	250 MW	0 MW
Data Center Z	1000 MW	100 MW	**Q.**

Q: How could BYONC and Connect and Manage address the capacity market issues you've described?

A: Connect and Manage paired with BYONC can help on both the demand and supply sides of the capacity market equation. Under the NRDC proposal, for example, utilities can reduce their capacity obligation—the amount of capacity they have to buy through the PJM market—by moving megawatts of large load demand under Connect and Manage service. That demand would also be excluded from the capacity market as a whole, reducing the total demand the market needs to procure and potentially reducing prices. The current PJM proposal takes a different approach and does not remove load that is subject to Connect and Manage from the capacity obligation.

BYONC works on the supply side of the market by increasing the amount of generation in PJM. One easy way to understand it is that if every large load supplied 100% of its own power through BYONC, large loads would have no net effect on the capacity market.

Both of these effects are subject to another part of PJM's proposal that I have not discussed yet—the Reliability Backstop Procurement.

Q: What is the Reliability Backstop Procurement?

A: PJM has proposed running a separate capacity procurement to help fill the gap that large loads are creating between supply and demand. PJM describes the Reliability Backstop

Procurement (RBP) as a "one-time, transitional procurement of capacity designed to begin to address the unprecedented load growth in the region."[41] PJM has indicated that this procurement will occur over the next 6-9 months. In theory, the RBP will procure additional supply to supplement any capacity shortage and match new demand from large loads. It will also, however, create additional costs. PJM and other stakeholders generally agree that large loads themselves should bear those costs, but PJM's current proposal design still contains significant risks that they will fall on ratepayers.[42]

Q: What is the status of the PJM stakeholder process?

A: On June 30, PJM stakeholders will hold an advisory vote on any final proposals. Then, the PJM Board will decide on a final proposal, which could reflect one of the existing proposals, a combination of them, include other elements, or take no action. PJM will likely file rule changes at FERC soon after, but the exact date is unknown. FERC will need to approve the changes before they are implemented at PJM.

Q: If PJM is working on these policies, why does the Commission need to act?

A: PJM's role as the RTO is limited. PJM does not have authority over retail loads like specific data centers. PJM's board has said in no uncertain terms that "PJM does not have authority to direct individual retail loads to curtail demand."[43] That's up to the utility—in this case, ComEd. And ComEd cannot curtail large loads without tariff rules that allow it to do so. If ComEd does not adopt an interruptible service tariff for large loads, then all

[41] PJM Interconnection, L.L.C., PJM Reliability Backstop Procurement Proposal - White Paper (Apr. 17, 2026), https://www.pjm.com/-/media/DotCom/committees-groups/cifp-rbp/2026/20260417/20260417-item-05---pjm-reliability-backstop-procurement-proposal---paper.pdf.

42 Tom Rutigliano, Trump Wants PJM to Give Gas Industry Multibillion Gift to Supply Data Centers, NRDC Expert Blog (May 20, 2026), https://www.nrdc.org/bio/tom-rutigliano/trump-wants-pjm-give-gas-industry-multibillion-gift-supply-data-centers.

[43] JNGO Ex. 1.04 at 6 (PJM May Connect and Manage Proposal).

of ComEd's customers may be at risk of rolling blackouts if PJM directs ComEd to shed load.

Similarly, PJM maintains that it can't allocate costs arising from the Reliability Backstop Auction to specific large loads or a large load class. Only a utility like ComEd or a state Commission like the ICC can allocate costs to specific retail customers. Again, PJM itself has specifically asked states to adopt "frameworks to appropriately allocate costs to new data center loads."[44] And PJM has explained that if states do *not* act "it is possible that these costs will be allocated to other consumers in the states, including residential consumers."[45]

More fundamentally, PJM has indicated that it does not intend to fully protect other customers from the cost and reliability risks driven by large loads. This is because PJM has elected to keep large load-driven demand in the regular capacity auction, regardless of whether those loads will be curtailable under Connect and Manage and without requiring they bring their own new capacity.[46] Because of difficulties connecting new supply described in the previous section, this decision could cause capacity and energy market prices to continue to rise. Capacity market costs are paid for by the entire PJM pool[47]—residential customers and large load customers alike—despite the increased costs being driven almost entirely by the latter. Illinois could help shield ratepayers from these impacts by implementing tariff rules that reduce the amount of load that PJM includes in its capacity auction.

[44] JNGO Ex. 1.06 (PJM Board Letter re: Connect and Manage).
[45] *Id.*
[46] JNGO Ex. 1.05 (PJM June Connect and Manage Proposal).
[47] Excluding entities on a Fixed Resource Requirement plan, which is an alternative option to PJM's central capacity procurement market. These entities currently include American Electric Power and Duke Energy Ohio & Kentucky.

Finally, it is not clear that PJM will act on Connect and Manage or the RBP, or what the final proposed tariff changes will be. Ultimately, the PJM Board of Managers will make a final decision on the two processes. The Board could decide to take no action, or to create entirely new rules. The PJM staff proposal has changed dramatically over the last two weeks, indicating even PJM is unsure what to move forward with. FERC will have to approve any new tariff changes, and this is not guaranteed. These layers of uncertainty and potential delay underscore the importance of near-term state-level action.

Q: You reference a Joint Consumer Advocates proposal. Can you describe that?

A: The Citizens Utility Board and Attorney General's office have joined other statutory consumer advocates from across PJM to develop the Joint Consumer Advocates (JCA) proposal.[48] The JCA proposal has several key distinctions when compared to the PJM staff proposal. Firstly, the JCA maintains connect and manage as a mandatory status when a large load does not BYONC, whereas PJM staff recently changed their position to make connect and manage voluntary. Without mandatory connect and manage for non-BYONC loads, there is no incentive for large loads to BYONC through bilateral contracting or the RBP. A second key difference in the JCA proposal is that large loads under connect and manage status would be removed from the BRA and Regional Transmission Expansion Plan (RTEP) planning parameters. This would ensure that the cost of large loads are not socialized to other ratepayers through standard BRA and RTEP processes. Finally, while PJM staff propose to base the RBP on a forecast regional

[48] Joint Consumer Advocates, Connect and Manage and Reliability Backstop Procurement - Executive Summary (June 30, 2026), https://www.pjm.com/-/media/DotCom/committees-groups/cifp-rbp/2026/20260630/20260630-item-02c---joint-consumer-advocates---cm-and-rbp---executive-summary.pdf.

capacity shortfall, the JCA propose that all generation bought for the RBP be driven by buy bids or specific commitments by the large loads themselves. Basing the RBP on buy bids or large load commitments prevents procuring capacity that does not have a clear payer.

Q: You mentioned that Exelon also has a proposal in the PJM process. Can you describe that?

A: Exelon is one of several distribution utility companies that have collectively advanced a proposal in PJM's stakeholder process as the "Joint Electric Distribution Companies" or "Joint EDCs."[49] The Exelon proposal accepts many aspects of the original PJM proposal, including the basic premise of Connect and Manage for large loads that do not bring their own new generation. Exelon proposes a different system for tracking new capacity and connecting it to specific loads, as well as a different approach to cost assignment for capacity procured through the Reliability Backstop Auction. Importantly, the proposal also recognizes that PJM must evaluate the location of new supply procured to meet large loads to prevent unforeseen transmission costs (for example, a new power plant in Ohio to serve large loads in Virginia might require expensive new inter-state transmission). PJM's proposal currently does not contain this component. But in broad strokes, Exelon's proposal is similar to the original PJM proposal.

[49] JNGO Ex. 1.03 (Joint EDCs Presentation to PJM).

VI. RECENT FERC ORDERS ESTABLISH INTERRUPTIBLE SERVICE AND BYONC AS FEDERAL POLICY

Q: Please describe how the Federal Energy Regulatory Commission has addressed interruptible service and BYONC over the past year.

A: In a series of recent orders, FERC has been very supportive of policies that will enable interruptible (i.e., non-firm) service and new capacity paired with large loads (i.e., BYONC). These recent orders include:

- **PJM Co-Location Order.** In this decision, FERC directed PJM to offer "non-firm" transmission service to large loads that are co-located with generation or storage that will allow load serving entities to curtail those large loads prior to grid emergencies.[50] FERC found that non-firm service could "potentially avoid costly and inefficient transmission system buildout that may not be necessary."[51]

- **SPP Large Load Orders.** FERC approved two large load proposals from Southwest Power Pool. The first proposal (among other things) aims to accelerate interconnection of generation resources "that are specifically identified for and serving" a large load if that generation is "no more than two substations away" from the large load.[52] The second proposal will enable "new non-firm transmission service."[53]

- **Large Load Show Cause Orders.** Across six orders issued June 18, FERC required every RTO in the country (including PJM) to either adopt non-firm transmission service options for large loads or explain why they aren't necessary. FERC similarly required the RTOs to adopt rules supporting new supply paired with large loads.[54]

Q: What are the implications of these orders?

A: FERC has made clear that non-firm transmission service and BYONC will be part of the federal-level solution to load growth from large loads. The PJM Co-Location Order and

[50] *PJM Interconnection, L.L.C.*, 193 FERC ¶ 61,217 (2025) (PJM Co-Location Order).
[51] *Id.* ¶ 160.
[52] *Sw. Power Pool, Inc.*, 194 FERC ¶ 61,031 (2026) (SPP HILL Order)
[53] *Sw. Power Pool, Inc.*, 195 FERC ¶ 61,196 (2026) (SPP CHILLS Order).
[54] *See, e.g., PJM Interconnection, L.L.C.*, 195 FERC ¶ 61,211, ¶ 1 (June 18, 2026) (PJM Large Load Show Cause Order).

the SPP orders were initial steps to adopt non-firm service and BYONC in specific contexts. The Large Load Show Cause Orders establish non-firm transmission service and BYONC as essential policy tools going forward.

Q: What did the Large Load Show Cause Order that FERC issued to PJM say about flexible, non-firm service?

A: The order discussed comments it had received showing that "flexible large loads can quickly and verifiably adjust their consumption in response to system conditions or price signals."[55] As a result, FERC found that "load flexibility can avoid inefficient and costly transmission system build-out."[56] FERC directed PJM to either propose tariff revisions to incorporate non-firm service for utilities serving large loads or explain why its existing tariff remains just and reasonable without such provisions.

Q: How did the FERC Large Load Show Cause Order address adding new supply to serve large loads?

A: FERC took two steps to address new supply. First, FERC found that PJM's tariff lacks provisions enabling "electrically proximate or co-located load." The Commission explained that transmission system upgrades are a major barrier to bringing new supply online and can lead to unnecessary delays. Pairing new supply with an electrically proximate large load may avoid such upgrades and allow the generation to come online faster.[57] Describing this section of the order in a concurrence, Commissioner Rosner explained that "[t]o add new supply to the grid, we must create incentives for 'Bring

[55] *Id.* ¶ 85.
[56] *Id.* ¶ 87.
[57] *Id.* ¶ 95.

Your Own New Generation.' Today's orders make BYONG faster and more efficient."[58] I discuss the concept of "electrically proximate" load in further detail below.

Q: What is the timeline for PJM to implement FERC's Large Load Show Cause Order?

A: FERC gave PJM 60 days to respond, or 45 days to request an abeyance. Depending on the form of PJM's response (and whether PJM requests an abeyance), the process could take the rest of the year and may stretch into 2027.

VII. AN INTERRUPTIBLE SERVICE TARIFF AND BYONC FRAMEWORK WOULD PROTECT COMED RATEPAYERS FROM FURTHER RISKS

Q: How can the Commission address the resource adequacy and affordability risks that large data centers pose?

A: I recommend that the Commission direct ComEd to take two actions. First, the Commission should direct ComEd to adopt an interruptible service tariff and Bring Your Own New Capacity (BYONC) framework for large loads. Second, the Commission should direct ComEd to pursue new opportunities to allow new supply resources at the distribution level to maximize the flexibility of new large loads, promote decarbonization, and reduce costs.

Put simply, large loads should offset their demand by bringing new capacity or adopting interruptible service. Large loads should also be given the option, supported by new ComEd rules, to utilize distributed, behind-the-meter resources including battery storage to maintain service during periods of interruption. These rules could harmonize

[58] *Id.* Commissioner Rosner, Concurring, at ¶ 13.

distribution-level planning with new transmission-level interconnection processes that FERC directed PJM to develop.

Q: Please describe how interruptible service for large loads would work.

A: In line with the emerging consensus at PJM and at FERC, an interruptible service tariff would limit the amount of firm service for large data centers to the amount of new capacity that a given data center brings online. Large load customers seeking service in ComEd's territory would sign agreements with ComEd detailing the amount of firm and interruptible service they receive. The interruptible service provision of these agreements would remain in effect until the large load brings online incremental new capacity (BYONC).

Q: How should the Interruptible Service Tariff interface with PJM processes?

A: The interruptible service tariff should harmonize, to the extent possible, with PJM rules. Pending what PJM ultimately adopts, and FERC accepts, this could require ensuring that any load subject to an interruptible service tariff is designated as Connect and Manage load at PJM. If PJM does not adopt, or FERC does not accept, the Connect and Manage concept, the Commission should direct ComEd to curtail large loads subject to an interruptible service tariff prior to when PJM calls an Energy Emergency Alert Level 1 (EEA1). EEA1 is the first stage in PJM's progression of actions during emergency conditions. In addition to protecting from rolling blackouts, applying interruptions at this point is important to avoid high scarcity pricing periods, which directly impact ratepayers.

Q: Does ComEd currently have a procedure for curtailing load during PJM emergency actions?

A: Yes. In a discovery response, ComEd explained that the Company follows "a pre-determined load shed plan" during PJM emergencies.[59] That plan "has criteria to exclude loads that have Public Health, Safety and Power Production and Delivery impacts."[60]

Q: Could the Interruptible Service Tariff help reduce capacity prices?

A: Yes, over time. To enable interruptible service to help ease capacity prices, the Commission should also direct ComEd to accurately reflect demand reductions from interruptible service tariffs in the PJM load forecast. As I noted above, PJM currently incorporates load growth from large loads through "Large Load Adjustments" that each distribution utility (like ComEd) sends to PJM.[61] PJM "does not specify a particular methodology for forecasting large loads" and advises that utilities "may utilize any methodology that is reasonable and appropriate." It is reasonable for ComEd to reflect interruptible loads as reductions in its Large Load Adjustments and thus overall load forecast. ComEd may wish to report to PJM and the Commission the total Large Load Adjustments without considering the impacts of interruptible service tariffs for informational purposes only, but PJM should not include this higher load adjustment when determining the overall capacity need. ComEd must ensure that PJM recognizes load reductions and does not procure firm capacity on behalf of non-firm load.

[59] JNGO Ex. 1.11, at 2 (ComEd Response to JNGO-ComEd 1.04).
[60] *Id.*
[61] PJM Interconnection, L.L.C., Load Adjustment Request Implementation, https://www.pjm.com/-/media/DotCom/committees-groups/subcommittees/las/postings/load-adjustment-request-implementation.pdf.

Q: How does interruptible service relate to demand response?

A: While both concepts promote reliability by reducing peak load, interruptible service tariffs are *not* a form of demand response. This is because demand response can participate in the capacity market as a form of supply. In simple terms, PJM recognizes that aggregations of smaller demand response resources can operate like a traditional power plant—but by reducing demand when needed, rather than delivering power. Just like any other supply resource, these demand response aggregators bid in to the capacity market. If they clear, the face capacity obligations and penalties for non-performance. Interruptible service tariffs, on the other hand, are reductions in demand prior to emergencies, reducing load before PJM even starts the capacity process. This type of pre-emergency load reduction is not a form of capacity. Interruptible service cannot be "double counted" as both supply in PJM's market and as demand reduction. That said, new large loads may participate in established demand response programs at PJM, either directly or by contracting with other demand response providers to offset their load. Participating as demand response in PJM's markets should be a form of BYONC, described in greater detail below.

Q: Please describe how BYONC for large loads would work.

A: The tariff should give large loads the opportunity to receive firm service by demonstrating that they have contracted with any new resource recognized as deliverable capacity by PJM; the increment of firm service the large load would receive should be commensurate with the quantity of deliverable new capacity. This includes new generation and storage resources, new demand response, and new aggregations of distributed energy resources (DERs). Any new capacity that meets these criteria should

be considered BYONC. As I describe below, BYONC resources should also comply with relevant state laws, including decarbonization targets and local emission limits.

Q: How should BYONC interface with PJM processes?

A: While BYONC is ultimately a customer-level decision and should be tracked as such, PJM will play an important role in verifying new capacity built to serve large loads. First, PJM must study any new generator or battery storage resources for interconnection. The interconnection study process will ensure they are deliverable to both new large loads and to the broader region. This verification is important to ensure BYONC is electrically deliverable to the new large load.

Second, PJM will evaluate the new resources' contribution to reliability, or Unforced Capacity (UCAP). This should be the metric that ComEd uses to evaluate each large load customer's BYONC amount, and thus each large load customer's required interruptible service. This is a critical step to ensure that new supply is offsetting large load *capacity,* not just energy.

At a high level, any additional accredited capacity in the ComEd region (or deliverable to the ComEd region) should count as BYONC. BYONC resources should include only resources that have not previously participated in PJM's capacity market to prevent "poaching" of existing supply that serves other customers.

Large loads can "claim" BYONC, and thus avoid interruptible service, by providing the Commission with verification that the new supply is paid for, built by, or otherwise would not come in service without the individual new large load's help.

New BYONC resources will participate in PJM's wholesale electricity markets as supply (or demand response). Once new large loads have demonstrated BYONC, the

large loads can also be reflected as load in PJM's capacity market demand curve. Because they will be "matched" with incremental new supply, this will not increase wholesale capacity prices. One outstanding issue that the Commission should consider is any risk that emerges from changes to accredited capacity over time. For example, say a new 100 MW large load customer contracts with a new battery storage resource that provides 100 MW of accredited capacity. This large load would be considered fully BYONC and would not be subject to any interruptible service. Over time, though, the storage resource's accredited capacity declines due to changing grid conditions and risk periods. In year 5, the storage resource may only be worth 60 MW, meaning the large load is now exceeding supply by 40 MW. It will be important for the Commission to establish BYONC rules that recognize changes in the capacity value of new supply resources and ensure that these risks and costs are not passed on to the public.

Q: You mentioned earlier that new capacity should not conflict with Illinois's clean energy targets under CEJA and CRGA. Please explain how that would work.

A: The interruptible service tariff should only credit resources toward BYONC if those resources are compatible with the long-term clean energy procurement plan under Section 16-111.5(b-10) of the Public Utilities Act. That includes, but is not limited to, renewable resources, nuclear power, and storage.

Q: Why should ComEd and the Commission limit BYONC eligibility to resources that are compatible with the long-term clean energy procurement plan under Section 16-111.5(b-10) of the Public Utilities Act?

A: The long-term clean energy procurement plan reflects the General Assembly's effort to add new generation while staying on track to meet the state's clean energy objectives. The Commission should adopt tariff rules that support that policy for a few reasons.

First, new large loads are already leading to resource adequacy concerns in ComEd that could impact the results of the long-term clean energy procurement. For example, load growth could increase the clean energy procurement targets that Illinois must meet to achieve the same level of decarbonization, both by increasing load within Illinois and reducing capacity imports from other states. It should be the responsibility of the large loads themselves to achieve this decarbonization, rather than socializing these costs to the public.

Second, if large load growth does not impact the results of the long-term clean energy procurement (for example, if the procurement only aims to procure enough supply to replace deactivating resources without considering load growth), allowing large loads to bring online new fossil supply without emission protections would undermine any progress made by the procurement. At best, this could net out any decarbonization progress, but at worst it could actually increase emissions in Illinois.

To make progress on Illinois's decarbonization goals, all new large loads must BYONC or participate in the Interruptible Service Tariff, and all BYONC supply must be compliant with Illinois' long-term decarbonization targets.

Q: What are the benefits of an Interruptible Service tariff and BYONC framework from a PJM perspective?

A: From a wholesale perspective, an Interruptible Service tariff and BYONC framework can reduce costs and protect ratepayers in three ways. Together, BYONC and an interruptible service tariff can reduce the impact of large loads on the overall capacity needed in the region. Over time, this can reduce capacity prices and thus ratepayer bills. Second, interruptible service tariffs can reduce transmission costs by avoiding the need for new transmission built to serve new large loads at the local level by avoiding network upgrades, and at a regional level, by reducing the need for new remote power plants to serve large loads. Finally, and perhaps most importantly, interruptible service tariffs can protect other customers from the reliability impact of large loads that have not brought on new capacity. As new large loads degrade resource adequacy and increase the risk of rolling blackouts across PJM, interruptible service tariffs will clarify which loads are subject to curtailment first and shield other customers from these impacts. Interrupting large loads prior to "scarcity pricing" periods at PJM will also benefit consumers by lowering energy costs.

VIII. LARGE LOADS CAN RELY ON DISTRIBUTED RESOURCES TO SUPPORT AFFORDABILITY AND RELIABILITY

Q: What else should ComEd do to implement the Interruptible Service Tariff and BYONC requirements?

A: Given significant delays in building new utility-scale power plants and supporting transmission and distribution infrastructure, large loads should have other options to avoid these bottlenecks while reducing their impacts on the grid. One promising idea is

allowing large loads to partner with nearby behind-the-meter generation and storage or other demand-side resources to further reduce their impacts on the system and allow for maximum utilization of the existing grid. For the purposes of this testimony, we will refer to this concept as "distributed solutions for large loads."

I recommend that ComEd structure its interruptible service tariff to allow and recognize this type of arrangement between large loads and distribution-connected supply. Additionally, new rules and planning processes at ComEd could expand opportunities for flexible load-supply pairs that avoid new upgrades and capacity costs while respecting existing distribution system limits.

Recent actions at FERC are likely to motivate PJM to pursue tariff changes to support flexible interconnection for "electrically proximate or co-located" large load and supply arrangements.[62] While the details of these changes are unknown and must be approved by FERC, ComEd should consider policies to maximize similar opportunities that may emerge on the distribution side.

Q: How are distributed solutions for large loads distinct from BYONC?

A: Behind the meter resources and other distributed energy resources (DERs) can offset some of the impacts of nearby new large loads. In some instances, distributed energy resources may be able to support new large loads without triggering extensive utility infrastructure upgrades or the need for new utility-scale power supply. Adjacent distributed resources can "net out" the impact of new large loads by providing power

[62] *See, e.g.*, PJM Large Load Show Cause Order, 195 FERC ¶ 61,211; SPP CHILLS Order, 195 FERC ¶ 61,196. .

directly to the large loads. These resources may also be able to support a large load during a period of grid interruption by supplying power directly to the large load.

Hence, while BYONC adds capacity *supply* to ComEd and PJM, some distributed solutions could reduce *demand*. Distributed solutions include smaller (<20 MW) batteries, rooftop solar, electric vehicle charging, energy efficiency, use of smart thermostats, time-varying rates, and more, while BYONC includes new transmission-connected power plants.

BYONC may include also aggregations of distributed resources that participate in PJM markets—this is an important nuance that I discuss in more detail below.

Q: Why do distributed solutions reduce demand instead of increasing supply?

A: Transmission-connected power plants have to rely on the transmission system to provide power to large loads (or any other users). That means they must go through the lengthy (and costly) PJM generator interconnection process, which requires new power plants to build network upgrades to ensure they can deliver power to the grid. In contrast, distributed solutions do not need to go through the full transmission interconnection process. While many distributed solutions do increase supply, they can also have the effect of reducing load (as in the case of demand response) or do the electrical equivalent by meeting the needs of electrically proximate loads and reducing the amount of power that needs to move over the transmission system. For example, if a 100 MW large load is proximate to a distributed storage resource totaling 5 MW, it may be able to work directly with that resource to reduce demand to 95 MW. During periods of stress, the large load can draw power from the storage resource instead of the grid. Together, the load-supply "pair" reduce impacts on the region. Of course, such a setup likely requires new planning

and analysis to ensure reliability is maintained at the distribution system level, but the benefits to the region's overall resource adequacy picture is the same as with transmission-interconnected supply.

Q: How do distributed solutions for large loads benefit the system?

A: Distributed solutions benefit large load customers and ratepayers by avoiding distribution and transmission costs, maximizing flexibility, and reducing system peak demand.

Large load customers benefit from increased transparency and flexibility, reducing the need for new upgrades and potentially allowing faster interconnection. Large load customers also benefit from reductions in actual service interruptions if using proximate or co-located supply resources during emergencies.

Ratepayers benefit by avoiding distribution, transmission, and new generation costs that could otherwise be caused by large loads. Some experts have also hypothesized that structures like this could put downward pressure on rates.[63] This structure could also help Illinois meet decarbonization goals by reducing the need for new utility-scale power plants, avoiding reliance on existing fossil plants, and creating opportunities for new clean energy and battery storage.

As described above, the simplest form of an interruptible service tariff simply designates curtailment orders during emergencies. Without considering opportunities for flexible interconnection, interruptible service tariffs may have unintended outcomes, including increased reliance on fossil backup generators or service reductions that endanger critical services. Many developers of large load data centers have expressed

[63] The Brattle Group, The Untapped Grid: Accelerating Clean Energy Integration (Mar. 2026), https://www.brattle.com/wp-content/uploads/2026/03/The-Untapped-Grid-Mar-2026.pdf.

strong preferences to avoid any interruptions.[64] Distributed solutions and co-located arrangements can avoid negative outcomes, improve reliability for large load users, and reduce costs for other customers.

Q: Has the concept of co-located or electrically proximate supply and load pairs come up in PJM?

A: Yes. Stakeholders in PJM developed an analogous concept in 2025. Eolian (a developer of utility-scale storage resources), with support from the Brattle Group and Roselle L.L.P., presented the idea of Bilateral Integration of Generation Portfolios and Load (BIGPAL), which recognized that "operationally-linked" load and supply pairs (like battery storage resources) could reduce capacity impacts and transmission needs.[65] Simply put, large loads would rely on storage resources to deliver power directly to the large load during periods of system stress. This operational linkage would recognize existing system transmission constraints. Since the supply resource respects these constraints, it could also qualify for faster interconnection and would not need a full interconnection study. This could in turn enable faster interconnection for paired large loads. The Brattle Group also presented this concept to FERC in the Large Load ANOPR, and I have attached a copy of their affidavit as JNGO Exhibit 1.07.

While this exact proposal is not currently being implemented in PJM, recent FERC directives may push PJM to operationalize something similar, as I will describe below. As PJM develops these new rules, I recommend ComEd pursue parallel efforts at

[64] PJM Interconnection, L.L.C., Stakeholder Comments on CIFP-LLA (Aug. 28, 2025) (comments from Organizations 1, 7, 9, and 11), https://www.pjm.com/-/media/DotCom/committees-groups/cifp-lla/postings/20250828-stakeholder-comments-cifp-lla.pdf.
[65] JNGO Ex. 1.09 (Brattle-Eolian presentation to PJM).

the distribution level. ComEd should also ensure that its interruptible service tariff harmonizes with any outcomes from the active "flexible interconnection" workstream that I understand is actively underway.[66]

Q: How do FERC's Co-Location and Large Load Show Cause Orders address distributed solutions for large loads?

A: The Co-Location and Show Cause Orders described above both recognize the value of siting large loads near resources that can help meet or offset their demand. The Co-Location Order makes it easier to pair large loads and new generation at a single location. The Large load Show Cause Order goes a step further, and directs PJM to adopt rules that enable "electrically proximate large load," which means a large load that is close enough to generation that the load and generation are effectively "located at the same substation (e.g., large load that is located no more than two substations away from the generating facility)."[67] As Commissioner Rosner explained in his concurrence, pairing large loads with nearby resources "makes connecting to the grid faster, more efficient, and cheaper for both the large load and the associated generator."[68]

Q: What could ComEd do to take advantage of distributed solutions for large loads?

A: I have three recommendations for ComEd to encourage large loads to rely on distributed solutions. I am not an expert on distribution-system planning but hope that ComEd can consider the opportunities that may arise from potential new structures in PJM. With each

[66] Commonwealth Edison Co., DERMS and Flexible Interconnection Report, https://www.comed.com/cdn/assets/v3/assets/blt3ebb3fed6084be2a/blt3b704da2b6cf64d7/688bba64e402a754bb6fb676/DERMS_and_Flexible_Interconnection_Report_%28645050%29.pdf?branch=prod_alias&.
[67] PJM Large Load Show Cause Order, 195 FERC ¶ 61,211 at ¶ 94 (2026).
[68] PJM Large Load Show Cause Order, 195 FERC ¶ 61,211, Comm. Rosner, Concurring, at ¶ 13 (2026).

recommendation, I will describe an analogous PJM process that could complement any distribution-level policies.

First, ComEd could set clear rules for electrical proximity. FERC defined electrical proximity to mean load and generation connecting such that they are effectively located at the same substation.[69] This concept could extend to the distribution system. Just as PJM will need to evaluate transmission system constraints to create rules for electrical proximity of load-supply pairs, ComEd will need to evaluate distribution system constraints and create a definition of electrical proximity for load-supply pairs. Once this definition is established, large loads will be able to partner with new proximate supply resources.

Second, ComEd should also consider expediting the interconnection studies for electrically proximate distributed resources. This is conceptually similar to "Surplus Interconnection Service" (SIS), an established practice at PJM in which new generators that locate at the same site as an existing generator can receive expedited interconnection so long as they obey existing injection constraints and only utilize available headroom at the site. Because SIS resources are inherently barred from triggering network upgrades, PJM does not need to complete a full interconnection study for these resources.[70] Similarly, new distributed supply resources that only inject power up to an established distribution-system limit and are electrically proximate to new large loads could qualify for expedited interconnection. These resources need not be deliverable to the entire

[69] PJM Large Load Show Cause Order, 195 FERC ¶ 61,211 at ¶ 94.
[70] PJM Interconnection, L.L.C., Surplus Interconnection Services Revisions, Presentation to MRC (Mar. 19, 2025), https://www.pjm.com/-/media/DotCom/committees-groups/committees/mrc/2025/20250319/20250319-item-03---1-surplus-interconnection-services-revisions---presentation.pdf.

ComEd zone, but only to the proximate large loads. ComEd should offer this as a permanent type of interconnection service.

Third, ComEd should clarify that its interruptible service tariff allows large loads to contract with and utilize new distribution-connected supply resources during regular operations *and* emergency periods. These resources could include battery storage facilities, household flexibility programs, distributed rooftop solar, and other distributed resources that ComEd and the Commission deem appropriate. I invite ComEd to elaborate on these ideas and propose solutions in its testimony in this case.

Q: You mentioned an important nuance regarding distributed resources that participate in PJM markets. Can you elaborate on that?

A: PJM is allowing DER aggregators to participate as supply in its capacity market for the first time in its upcoming auction.[71] Resources that choose to do so should be eligible for BYONC as new capacity, but to avoid double counting, large loads should not be permitted to rely on such resources to reduce their net load. More generally, electrically proximate supply resources cannot simultaneously be counted as demand reductions for a large load, *and* as supply additions in PJM—they must only choose one or the other.

While there are clear benefits to DERs as a form of BYONC due to their rapid ability to construct and interconnect to the system, and at least one demonstrated example

[71] PJM Interconnection, L.L.C., Updated DER Aggregator Participation Model - Full Model Design, Presentation to DISRS (Mar. 9, 2026), https://www.pjm.com/-/media/DotCom/committees-groups/subcommittees/disrs/2026/20260309/20260309-item-05---updated-der-aggregator-participation-model---full-model-design---informational-only.pdf.

of this arrangement in practice,[72] ComEd must establish clear rules to avoid double-counting given this new opportunity for DERs to participate in PJM's markets.

IX. CONCLUSION

Q: Does this conclude your testimony?

A: Yes.

[72] Voltus, Inc., Voltus and Google Bring Your Own Capacity to PJM, Press Release, https://www.voltus.co/press/voltus-google-bring-your-own-capacity-pjm.