

## Executive Summary & Introduction

1. PJM has launched a fast-track stakeholder process to develop new rules for [interconnecting data centers and other large loads](#) to its system while ensuring grid reliability.
2. PJM and its stakeholders will begin work this year exploring [sub-annual capacity market constructs](#) in the newly established Sub-Annual Capacity Market Senior Task Force.
3. The U.S. Department of Energy issued a second emergency order directing MISO and Consumers Energy to continue running 1,560-MW, coal-fired [J.H. Campbell power plant](#) in Michigan for another 90 days through November 19, and also for PJM and Constellation Energy to continue running 760-MW, oil- and gas-fired [Eddystone Units 3 and 4](#) in PECO Zone for another 90 days through November 26.
4. The FERC approved methodologies for Consumers Energy and Constellation Energy to [recover the costs of complying](#) with the U.S. Department of Energy orders to continue running powerplants they had planned to retire.
5. FERC Chairman Christie has stepped down on August 8, leaving just three remaining commissioners, and President [Trump has named David Rosner, D, as Chairman](#).

### 1.1 Risk Assessment Approach

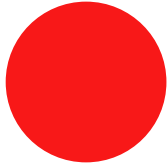
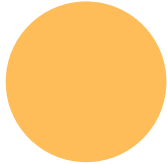
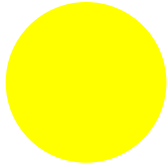

Our analysis of the regulatory risk(s) to our customers is summarized in the rating(s) categories defined below:

#### Potential Financial Impact to Customers:

**\$+** Signifies potential increase in costs

**\$-** Signifies potential decrease in costs

## Magnitude of Risk to Customer(s):

Symbol	Impact	Description
	Major Impact	Represents a regulatory or policy change that is in the process of being enacted by Regulators (i.e., PUC, ISO, FERC, EDC) and is expected to result in a meaningful increase in cost(s) to load; likely require immediate action.
	Medium Impact	Represents a regulatory or policy change that is in the proposal process and being sponsored by one or more ISO stakeholders. Most of these Risk's will likely be elevated to RED. Medium Impact issues will require involvement but we expect to have time to coordinate load on these type(s) of issues.
	Actively Monitor	Represents regulatory or policy discussions or trends that may evolve to either RED or ORANGE categories. No immediate action item for load.
	For Your Information	Industry developments or information, while not directly impacting the customer, may be of interest or import to the customer.

### 2.0 Overall Assessment

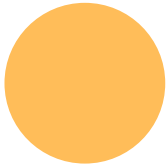

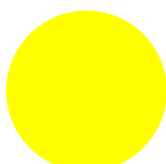
We have identified various issues that coalesce with the ratings categories described above. Notwithstanding, these are the Regulatory or Policy issues we consider extremely relevant to our retail customers\*. With respect to this Bulletin, the six categories which appear to represent the most significant impacts to retail customers are identified below and categorized according to ISO:

- Section 2.1** – Policy
- Section 2.2** – Capacity / System Reliability
- Section 2.3** – Transmission
- Section 2.4** – Ancillary Services
- Section 2.5** – Energy
- Section 2.6** – Industry Development

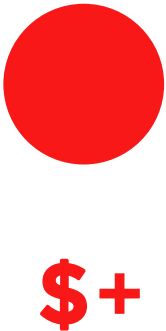

\*Where appropriate, we have provided links to articles and other relevant information for reference purposes.



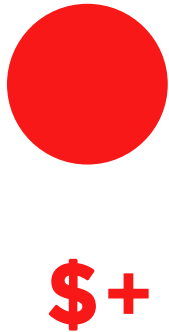
## 2.2 Capacity / System Reliability

Issue #	Rating	Issue	Impact	Action/Result
2.2a PJM	 	<p><b>The PJM Board <a href="#">directed the ISO</a> to develop rules for interconnecting data centers and other large loads to its system while ensuring grid reliability, resource adequacy, reforming interconnection rules, and enhancing coordination among stakeholders.</b></p> <p>PJM's recent long-term load forecast shows its peak load growing by 32 GW from 2024 to 2030, with almost all of that growth coming from data centers. PJM's system peaked at 153 GW last year.</p> <p>PJM serves northern Virginia, home to Data Center Alley, the largest data center hub in the world with 250 data centers and 130 under development.</p>	<p>PJM already faces tight supply-demand conditions, which drove record high-capacity prices in the last two auctions (<i>see our <a href="#">July Regulatory Bulletin, Sec. 2.2a</a></i>). At the same time, power plant developers face siting and permitting challenges and supply chain backlogs.</p> <p>As a result, PJM launched a fast-track stakeholder process called <b>Critical Issue Fast Path (CIFP)</b> aimed at developing a proposal to be filed for approval with FERC by the end of the year, in time for the new rules to be implemented for the <b>2028/2029 Base Residual Auction (BRA), scheduled to be held in July 2026.</b></p>	<p>The PJM board asked stakeholders to consider existing resource adequacy tools, such as demand response and options for large load customers to bring new power supplies to meet their electricity needs.</p> <p>At its initial pre-CIFP workshop, PJM proposed creation of Non-Capacity-Backed Load (NCBL) for new large loads greater than 50 MW, that:</p> <ol style="list-style-type: none"> <li>1. If not backed by its own behind-the-meter generation, is <b>interruptible</b>.</li> <li>2. NCBLs will be <b>removed from capacity auctions</b> if the RTO is short capacity.</li> <li>3. Such NCBLs would <b>not pay for capacity</b> but would pay network transmission service.</li> </ol>
2.2b PJM		<p><b>PJM and its stakeholders will begin work this year exploring sub-annual capacity market constructs in the newly established Sub-Annual Capacity Market Senior Task Force (SACMSTF), created earlier this year by the Markets &amp; Reliability Committee.</b></p> <p>PJM currently procures capacity on an annual basis, designed to preserve reliability through extreme summer conditions.</p> <p><a href="#">PJM launches effort to explore sub-annual capacity market design</a></p>	<p>Meanwhile, system risk continues to shift to the winter, driven by the increase in renewable generation. <i>There is growing consensus that separate auctions to procure sub-annual capacity may better reflect the different risks between summer and winter seasons.</i></p> <p>For example, during extremely cold winters, fuel procurement for natural gas generation plants competes with home heating needs. Also, generation availability, performance and outages vary in winter versus summer.</p>	<p>The SACMSTF will consider procurement targets for reliability, resource class accreditation, capacity obligations, and cost allocation within the context of a sub-annual capacity market.</p> <p>The NYISO and MISO currently operate seasonal capacity markets, while the New England ISO is exploring adoption of seasonal capacity markets.</p>


## 2.2 Capacity / System Reliability

Issue #	Rating	Issue	Impact	Action/Result
2.2c MISO		<p>The U.S. Department of Energy issued a second emergency order (<a href="#">Order No. 202-25-7</a>) directing MISO and Consumers Energy to continue running 1,560-MW, coal-fired J.H. Campbell power plant in West Olive, MI for another 90 days through November 19.</p> <p>The DOE's initial order expired on August 21 (<a href="#">see our May Regulatory Bulletin, Sec. 2.1b</a> for more).</p> <p><a href="#">Wzzm13: U.S. Department of Energy orders J.H. Campbell coal plan to remain open through November</a></p>	<p>Under the Federal Power Act (FPA), DOE can order power plants to operate up to 90 days during emergencies.</p> <p>DOE contends that emergency conditions exist in MISO, citing the 664,000 MWh that J.H. Campbell produced in June, operating at 61% capacity factor. The plant produced 7.9 million MWh in 2024.</p> <p>DOE also pointed to the “dozens” of alerts issued by MISO to manage grid reliability in its central region between June 11 and August 18 and noted that resource adequacy problems are not limited to the summer.</p>	<p>The DOE's initial emergency order has been challenged in court by the Michigan Attorney General and a coalition led by the Sierra Club and Earthjustice.</p> <p>However, the DOE stated that the <b>emergency conditions resulting from increasing demand and accelerated retirements of generation facilities will continue in the near term and likely continue in subsequent years.</b></p> <p>Consumers Energy said that it spent \$29 million in the first 38 days of the DOE order to keep Campbell plant online (<a href="#">see Sec. 2.2e of this Regulatory Bulletin on FERC's approval of the cost allocation methodology proposed by MISO</a>).</p>
2.2d PJM		<p>The U.S. Department of Energy issued a second emergency order (<a href="#">Order No. 202-25-8</a>) directing PJM and Constellation Energy to continue running Units 3 and 4 of Eddystone Generating Station near Philadelphia, PA for another 90 days through November 26.</p> <p>The order directs PJM and Constellation Energy to take all measures necessary to ensure that the Eddystone Units are available to operate.</p>	<p>The DOE found that the <b>operational availability and economic dispatch of Eddystone Units 3 and 4 are still necessary to meet an emergency and serve the public interest, adding that the emergency conditions that led to the issuance of the initial order on May 30 continue, both in the near and long-term.</b></p> <p>The DOE's initial order expired on August 28 (<a href="#">see our June Regulatory Bulletin, Sec. 2.2a</a> for more).</p>	<p>Under the Federal Power Act (FPA), DOE can order power plants to operate up to 90 days during emergencies.</p>

2.2 Capacity/ System Reliability

Issue #	Rating	Issue	Impact	Action/Result
2.2e FERC		<p><b>The FERC approved methodologies for Consumers Energy and Constellation Energy to recover the costs of complying with the U.S. Department of Energy orders to continue running power plants they had planned to retire.</b></p> <p>The cost of keeping the 1,560-MW, coal-fired J.H. Campbell power plant in Michigan online will be shared across MISO’s northern and central regions, Zones 1 through 7, under FERC’s decision, Docket <a href="#">EL25-90-000</a>.</p>	<p>Consumers reported that it spent \$29 million in the first 38 days of the DOE order to keep the Campbell power plant online.</p> <p>Costs related to operating 760-MW, oil- and gas-fired units at Constellation’s Eddystone plant near Philadelphia will be spread across the PJM footprint under FERC’s decision, Docket <a href="#">EL25-2653-000</a>.</p> <p>Consumers and Constellation will need to return to FERC for approval to recoup their costs.</p>	<p>DOE said that MISO and PJM faced emergency conditions and ordered Consumers to run the Campbell until August 21, now extended to November 19 (<i>see Sec. 2.2c of this Regulatory Bulletin</i>) and Constellation to run its Eddystone units until August 28 (<i>see Sec. 2.2d of this Regulatory Bulletin</i>).</p> <p>(<i>See our <a href="#">May</a> and <a href="#">July</a> Regulatory Bulletins, Secs. 2.1b and 2.2a, for more on the initial DOE 202c orders for J.H. Campbell and Eddystone power plants, respectively.</i>)</p>

2.6 Industry Development

Issue #	Rating	Issue	Impact	Action/Result
2.6a FERC		<p><b>FERC’s Chairman Christie stepped down on August 8, 2025, leaving the agency with three members: Lindsay See, R, David Rosner, D, and Judy Chang, D.</b></p> <p>Christie joined FERC in January 2021, after being nominated by President Trump in his first term. Christie was named chairman in January 2025 but was not renominated for a second five-year term when his term ended in June 2025.</p> <p>While at FERC, Christie focused on grid reliability and was known for his skepticism of capacity markets.</p> <p><a href="#">FERC Chairman Christie’s resignation letter</a></p>	<p>The White House has named David Rosner as Chairman of FERC. Rosner joined FERC in 2017 as an energy industry analyst and has been a commissioner since June 2024.</p> <p>Rosner’s top priorities are grid reliability, affordability, managing the energy transition, and supporting gas and transmission infrastructure development.</p> <p>He is a consensus builder and values reaching broad-based agreements on issues.</p> <p><a href="#">President Trump names David Rosner as Chairman of FERC</a></p>	<p>The FERC, with three commissioners, has a quorum needed to issue orders. However, if any of the remaining commissioners needs to recuse themselves from certain cases because of their previous work, it would prevent the agency from issuing orders.</p> <p>President Trump has nominated Laura Swett and David LaCerte to fill the remaining two seats (see our <a href="#">June</a> and <a href="#">July</a> Regulatory Bulletins, Secs. 2.6a, respectively). Both are awaiting Senate confirmation prior to taking their seats.</p>



## 3.0 Contact Information

### Calpine Energy Solutions Regulatory Contacts:

- Clint Sandidge, Regulatory Policy, ERCOT, Midwest, 713-361-7717 (office)
- Greg Bass, Regulatory Policy, West, 619-684-8199 (office)
- Wyatt Elbin, Regulatory Strategy & Analysis, 419-348-4057 (mobile)
- Jung Suh, ISO & RPS Analytics, 610-717-6472 (mobile)

### Public/ISO Regulatory Contacts:

- PJM - <http://pjm.com/about-pjm/who-we-are/contact-us.aspx>
- MISO - <https://www.misoenergy.org/AboutUs/ContactUs/Pages/ContactUs.aspx>
- NEISO - [http://iso-ne.com/contact/contact\\_us.jsp](http://iso-ne.com/contact/contact_us.jsp)
- NYISO - [http://www.nyiso.com/public/markets\\_operations/services/customer\\_support/index.jsp](http://www.nyiso.com/public/markets_operations/services/customer_support/index.jsp)
- ERCOT - <http://ercot.com/about/contact/>
- CAISO - <http://www.caiso.com/Pages/ContactUs.aspx>
- Public Utilities Commission - <http://www.naruc.org/commissions/>

**Disclaimer:** This report is provided to the intended recipients for informational purposes only, and is provided 'as is', and is not guaranteed to be accurate, or free from errors or omissions. The information, opinions, estimates, projections, and other materials contained herein are subject to change without notice. Any pricing contained herein is indicative only, and this report does not constitute an offer to buy or sell. Some of the information, opinions, estimates, projections, and other materials contained herein have been obtained from various sources (e.g., publicly available information, internally developed data, and other third-party sources, including, without limitation, exchanges, news providers, and market data providers), believed to be reliable, and to contain information and opinions believed to be accurate and complete, however, Calpine Energy Solutions, LLC, ("Solutions") has not independently verified such information and opinions; makes no representation or warranty, express or implied, with respect thereto (any and all of which are expressly disclaimed); takes no responsibility for any errors and omissions that may be contained herein, whether attributable to itself or others; and disclaims all liability whatsoever for any loss arising whether direct, indirect, incidental, consequential, special, exemplary or otherwise, including any lost profits, from any use of or reliance on the information, opinions, estimates, projections, and other materials contained herein, whether relied upon by the intended recipient or any third party. Any reliance on, and/or any and all actions and judgments made based on it are recipient's sole responsibility, and at its sole risk. This report, the information, opinions, estimates, projections and other materials contained herein (except for certain forecast maps obtained from the National Oceanic and Atmospheric Administration, a U.S. governmental agency, for which no copyright protections exist), shall remain the sole and exclusive property of Solutions, all rights reserved. This report may not be used, reproduced, disseminated, sold, distributed, transmitted, published or circulated in any manner or for any purposes – all of which are expressly forbidden – without the prior express written consent of Solutions, in its sole discretion, and/or any relevant source, as may be applicable. Solutions and/or its affiliates may deal as principal in the products (including, without limitation, any commodities or other financial instruments) referenced herein. Information not reflected herein may be available to Solutions.