

RELIABILITY BACKSTOP PROCUREMENT

In the latest Reliability Pricing Model (RPM) auction for Delivery Year 2027/2028, PJM committed nearly 100% of the supply that was offered to meet the projected needs of customers, while clearing less capacity than the reliability requirement. The PJM Tariff currently allows PJM to run a backstop capacity procurement if the system clears short of the reliability requirement for three consecutive capacity auctions. In a [letter](#)¹ dated January 16, 2026, the PJM Board directed PJM staff to develop a proposal to both accelerate and execute a Reliability Backstop Procurement.

In its [Statement of Principles Regarding PJM](#)², the White House National Energy Dominance Council and the Governors of PJM's 13 states urged PJM to expeditiously file proposed Tariff revisions at FERC that reflect several principles. The first of these principles relates to the initiation of a Reliability Backstop Auction:

- **Provide Revenue Certainty to New Generation:**
 - Provide 15-year price certainty for *new* capacity resources. This can be accomplished by holding a Reliability Backstop Auction to procure *new* capacity resources commencing no later than September 2026. The PJM Board should file tariff revisions at FERC expeditiously, as PJM has already received stakeholder input through the 2025 Critical Issues Fast Path (CIFP) process and no further CIFP processes are necessary.

This Problem Statement is initiated to address the instruction of the PJM Board in both its letter of January 16, 2026 and its April 8, 2026 [letter](#)³ initiating a related Critical Issue Fast Path Process, as well as the White House National Energy Dominance Council and the Governors' Statement of Principles Regarding PJM.

¹ Board Decisional Letter on Critical Issue Fast Path - Large Load Additions, dated January 16, 2026

² White House National Energy Dominance Council and 13 Governors' Statement of Principles Regarding PJM, dated January 16, 2026

³ Board letter initiating Critical Issue Fast Path process addressing Reliability Backstop Procurement, dated April 8, 2026