

## RELIABILITY BACKSTOP PROCUREMENT

### *Issue Source*

The PJM Board of Managers (PJM Board) issued a [letter](#)<sup>1</sup> on January 16, 2026 in which the Board directed PJM staff to develop a proposal to both accelerate and execute a Reliability Backstop Procurement. Additionally, on April 8, 2026 the PJM Board issued a [letter](#)<sup>2</sup> initiating the Critical Issue Fast Path (CIFP) process delineated in Manual 34: PJM Stakeholder Process, section 8.6.4 to engage stakeholders in the development of the Reliability Backstop Procurement proposal.

### *Issue Content*

This issue is intended to address development of a Reliability Backstop Procurement proposal.

### *Key Work Activities and Scope*

1. Provide education as necessary (beyond what was provided during the pre-CIFP workshops in February and March 2026) concerning proposed design elements and solution options.
2. Explore solutions considering:
  - a. the quantity of capacity demand to be represented in the Reliability Backstop Procurement,
  - b. the term of commitment of the resource,
  - c. the price of capacity (e.g., fixed, capped, etc.)
  - d. the format for the procurement (e.g. bilateral contracting, auction, request for proposal, etc.),
  - e. management of risks, including risks associated with non-performance of selected resources
  - f. allocation of the costs of the procurement,
  - g. the role of PJM, the Load Serving Entities, Electric Distribution Companies, the large load entities, entities offering supply resources, and the States,
  - h. interactions between the Reliability Backstop Procurement, the regular Base Residual Auctions and the Interconnection Process,

### *Out of Scope*

Changes to:

1. Changes to the Base Residual Auction or Incremental Auction rules unrelated to the implementation of the proposed Reliability Backstop Procurement

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

<sup>2</sup> Board Letter initiating Critical Issue Fast Path process for Reliability Backstop Procurement, dated April 8, 2026

2. Load forecast rules
3. Fixed Resource Requirement (FRR) rules

### ***Expected Deliverables***

1. Draft Matrix, including options considered and PJM's preferred solution.
2. Additional stakeholder design criteria options.
3. Additional stakeholder solution packages
4. Final PJM and stakeholder proposals.
5. Members Committee advisory vote on proposal(s).

### ***Decision-Making Method***

This effort will be accomplished via the CIFP process in accordance with Manual 34, section 8.6.4. Following the Stage 4 meeting, a Members Committee meeting is expected to be convened for the purpose of advisory voting on proposals developed via the CIFP (truncated voting will not apply). Ultimately a decision on a filing with the FERC will be made by the PJM Board. As it is expected that the entirety of this issue is to be contained in the PJM Tariff and/or Reliability Assurance Agreement, such filing is anticipated to be submitted pursuant to FPA section 205.

### ***Stakeholder Group Assignment***

This work will be conducted through the Critical Issue Fast Path reporting directly to the Members Committee.

## Expected Duration of Work Timeline

Pursuant to the PJM Board's April 8, 2026 letter initiating the CIFP, this work is expected to conclude with the Members Committee meeting on May 27, 2026. The Stage 1-4 CIFP Meetings will occur as follows:

|       |                                                                                                                                                                                                                                 |
|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| April | <b>April 10 (Friday)</b> – PJM posts initial proposal, Issue Charge and matrix, including all proposals identified to date in the matrix.                                                                                       |
|       | <b>Stage 1: April 16–17 (Thursday–Friday)</b> – PJM presents Issue Charge and initial proposal <ul style="list-style-type: none"> <li>(April 16, 9 a.m. to 4 p.m., in person; April 17, 9 a.m. to 2 p.m., in person)</li> </ul> |
|       | <b>April 27 (Monday)</b> – Alternate proposal sponsors and/or commenters post alternate proposals and position papers.                                                                                                          |
|       | <b>April 30 (Thursday)</b> – PJM posts updated matrix, including PJM proposal and all alternate proposals.                                                                                                                      |
| May   | <b>Stages 2 and 3: May 4–5 (Monday–Tuesday)</b> – Sponsors present alternate proposals. <ul style="list-style-type: none"> <li>(May 4, 9 a.m. to 4 p.m., in person; May 5, 9 a.m. to 4 p.m., in person)</li> </ul>              |
|       | <b>May 18 (Monday)</b> – Target posting final proposals in updated matrix and updated paper (must be posted by May 20).                                                                                                         |
|       | <b>Stage 4: May 27 (Wednesday)</b> – Members Committee to hold in-person special meeting with the Board, including voting on packages.                                                                                          |
|       | <b>Early June</b> – Filing at FERC                                                                                                                                                                                              |

| Start Date | Priority Level                                                                                              | Timing                                                                                                                   | Meeting Frequency                                                                                                               |
|------------|-------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| 4/10/26    | <input checked="" type="checkbox"/> High<br><input type="checkbox"/> Medium<br><input type="checkbox"/> Low | <input type="checkbox"/> Immediate<br><input checked="" type="checkbox"/> Near Term<br><input type="checkbox"/> Far Term | <input type="checkbox"/> Weekly<br><input checked="" type="checkbox"/> See schedule above<br><input type="checkbox"/> Quarterly |

## Charter

(check one box)

|                                     |                                                                                                  |
|-------------------------------------|--------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> | This document will serve as the Charter for a new group created by its approval.                 |
| <input type="checkbox"/>            | This work will be handled in an existing group with its own Charter (and applicable amendments). |

*More detail available in M34; Section 6*