

# Reliability Backstop Proposal

May 4, 2026

# ■ ODEC RBP Proposal

- ODEC is offering an alternative RBP proposal
- Mirrors PJM's current RBP proposal in many respects
- Alters the party that is obligated to commit to the long-term capacity purchases from the EDCs to the Large Load Entity

# ODEC RBP Proposal

## PJM Design Component

Connect & Manage

Large Loads Utilize BYONG

Large Loads Ability to Independently  
Enter into Bilateral Transactions

Large Loads Utilizing PJM “Matchmaking”  
In Phase I

EDCs Commit to the Capacity in Phase II

## ODEC Proposal

Same

Same

Same

Same

Procurement Responsibly Shifts  
from the EDCs to the Large Loads

# ODEC RBP Proposal

## Why it is untenable to have the EDCs take on this procurement role?

- For many Public Power EDCs, the size of the capacity commitments on behalf of the data center loads may be several multiples of their existing member load.
- Places undo financial risk on the EDCs
  - A 500 MW capacity commitment for a 15 yr. period is estimated to cost \$1.5 billion
  - Requires the EDC takes on PAI performance risk
  - Obligates the EDC to take on “Product” risk  
(Most Public Power EDCs have little control as to whether they will be in the PJM RTO in 20 years, and unclear what obligating itself to purchasing unit specific capacity credits may mean if they were in another RTO).

# ODEC RBP Proposal

## Very Diverse Views Regarding the RBP

- Several entities believe they should simply be taking service from the EDC in the traditional manner (no need for an RBP auction)
- Some entities believe it is inappropriate to discriminate against the data center large load customer class
- Differing views on whether data centers will elect Connect & Manage or seek out BYONG opportunities
- Very differing perspectives regarding how the EDC will participate in the RBP auction.
  - Are the EDCs willing to assume the massive financial risk associated with purchasing large blocks of long-term capacity for data center load that they are not providing energy services?

# ODEC RBP Proposal

## ODEC's Views

- The RBP capacity procurement responsibility is not the proper role for the EDCs.
- If this is the ultimate RBP design, it is very possible EDCs will decide they do not want to commit to purchasing long term capacity and Phase II of the RBP auction will have failed before it even starts.

## Alternative RBP Proposal

- The data centers make the long-term capacity commitments (not the EDCs)
  - PJM contracts directly with the data centers
  - Data centers will be required to become Market Participants
  - PJM and the data centers will execute a financial contract for differences indexed to the applicable BRA clearing price.
  - At least 80% of the nominal capacity purchase price to be posted as cash collateral
- PJM's contract with the generators require them to offer these units into the BRA.
  - PJM will execute a financial contract for differences indexed to cleared BRA price
  - Generators will retain all performance obligations
- PJM establishes a Registry to link the Gen and data center load fulfilling the BYOG requirement.

# Mechanics of ODEC Proposal

Event	Large Load	EDC	PJM	Generator
RBP Clears at \$500	Executes a Contract for Differences with PJM Based \$500			Executes a Contract for Differences with PJM Based \$500
BRA Clears at \$300		\$300	\$300	\$300
Financial Settlement		\$200	\$200	\$200
PJM BYOG Registry Avoids Connect and Manage				

The diagram illustrates the flow of funds between four entities: Large Load, EDC, PJM, and Generator. The flows are as follows:

- Large Load sends \$300 to EDC.
- EDC sends \$300 to PJM.
- PJM sends \$300 to Generator.
- Large Load sends \$200 to PJM.
- PJM sends \$200 to Generator.