

PJM Reliability Backstop Bilateral Matchmaking Process Overview



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CRA Charles River
Associates



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Objective and Design Principles

Maximize bilateral MW that converts into executed agreements

Prioritize feasible, financeable matches with high likelihood of closing

Optimize volume and conversion concurrently

How the Matching Works

Splitting and aggregating across counterparties

Matching is **multiple-to-multiple**. A single supply resource can serve multiple loads, and a single load can contract with multiple supply resources. This would enable full subscription of capacity on both sides.

Feasibility screens first, compatibility scores second, negotiation refines third

Location, timing, and product definition are hard feasibility constraints. Quantity, credit, and commercial alignment are scored for conversion likelihood. Top matches move into a curated negotiation set.

Evaluate all feasible pairings simultaneously, not sequentially

All eligible supply-demand combinations are considered at once. The combinations with the highest compatibility will be matched.

Guardrails

Facilitate introductions, not commercial outcomes

CRA proposes matches based on compatibility across disclosed preferences. **Terms and contract structure are set by counterparties bilaterally.**

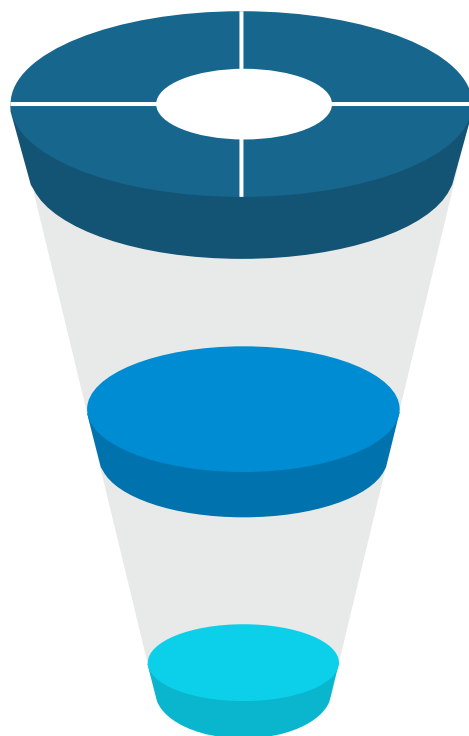
Recycle unmatched MW through iterative rounds

Matching runs in rounds. Rejected or unmatched MW re-enters the pool, is re-optimized, and proposed again. **Residual flows to central procurement.**



Matches are identified and prioritized through a three-stage process focused on feasibility, conversion likelihood, and execution.

1. Feasibility Screen



2. Compatibility Scoring

3. Negotiation Funnel

Location, timing, and minimum scale

- Apply hard constraints (pass or fail); if power cannot be delivered or timelines are structurally incompatible, no match exists
- Eliminate infeasible pairings early

Quantity, credit, and commercial terms

- Scored for conversion likelihood. MW fit, bankability of counterparty credit and security structure, and commercial alignment (tenor, products etc.)
- Rank matches by likelihood of execution

Shortlist high-potential counterparties

- Further optimized refinements based on technology preferences, development maturity, optionality, etc.
- CRA introduces a curated shortlist of supply counterparties to each load participant
- Only contact information is exchanged; parties can exchange NDAs as necessary
- CRA facilitates initial meeting regarding matches; parties continue discussions thereafter

Simultaneous optimization ▪ Many-to-many matching ▪ Iterative recycling



Supply and load inputs need to be standardized, precise, and more granular to enable execution.

Supply Inputs

Load Inputs

1. Feasibility

- PJM Zone
- Nameplate Capacity (MW)
- Queue Number & Interconnection Phase
- COD Window

- PJM Zone / EDC
- Requested & Peak Load (MW)
- Existing Supply Arrangements
- Phasing Profile
- COD Window & Development Stage

2. Compatibility

- Preferred Commercial Structure
- Contract Tenor
- Willingness to split across multiple loads
- Credit & Financial requirements

- Preferred Commercial Structure
- Contract Tenor
- Credit Profile & Credit Support

3. Negotiation Preferences

- Expansion / Optionality
- Specific Considerations

- Technology Preference
- Specific Considerations

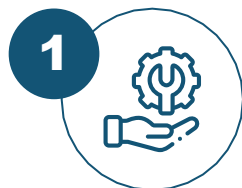
More important



Less important



Bilateral and central procurement operate as a coordinated system to maximize market outcomes while ensuring full procurement of required capacity.



Bilateral Matching

- Matches supply and load to execute bilateral contracts
- Maximizes projects conversion into agreements
- Runs iteratively to improve outcomes



Iterative Cycle

- All projects may not match initially due to feasibility constraints or compatibility scoring
- Unmatched projects are recycled and re-evaluated based on compatibility



Central Procurement

- Runs in parallel and does not depend on perfect bilateral visibility
- Target will be sized based on 28/29 BRA shortfall
- Ensures reliability targets are met regardless of bilateral outcomes

