

RELIABILITY BACKSTOP PROCUREMENT

Issue Source

The PJM Board of Managers (PJM Board) issued a [letter](#)¹ 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](#)² 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.

Also included in the Board's January 16 letter, the Board directed PJM to implement a "Connect and Manage" framework for new large load additions that do not Bring Your Own New Capacity (BYONC) with curtailment expected to occur prior to the deployment of pre-emergency Demand Response, subject to stakeholder development of the appropriate operational framework. The framework is meant to serve as an interim solution to manage the reliability challenges during the transition period in which new load additions are outpacing the additions of new capacity in the PJM system. The framework will apply to the Electric Distribution Companies (EDCs) or Transmission Owners (TOs) serving new large loads. It would apply specifically to the EDCs or TOs where these certain loads are not linked with qualifying Bring Your Own New Capacity (BYONC) or other supply resource arrangements (to be defined in the stakeholder process) for Delivery Years where there is a shortage of available capacity to satisfy the Installed Reserve Margin (IRM). This work was undertaken by the Connect and Manage Sr. Task Force (CAMSTF).

On May 19, 2026, the Board issued a [letter](#)³ directing that the above scope of the CAMSTF be incorporated into the CIFP – Reliability Backstop Procurement process.

Issue Content

This issue is intended to address development of Reliability Backstop Procurement and Connect and Manage proposals.

Key Work Activities and Scope Regarding Reliability Backstop Procurement

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,

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

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

³ Board Letter initiating combined Critical Issue Fast Path process for Reliability Backstop Procurement/Connect and Manage, dated May 19, 2026

- 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,

Key Work Activities and Scope Regarding Connect and Manage

1. Scoping Load: Discuss and develop the process to determine the new Large Load Additions that will be subject to the connect and manage framework.
2. Scoping Supply: Discuss and develop what qualifying BYONC or other supply resource arrangements (and their related terms and conditions) would be acceptable to offset the quantity of load subject to Connect and Manage across EDCs/TOs.
3. Assessing processes, procedures, and potential need for governing document enhancements: Discuss and develop processes, procedures and the potential need for governing document enhancements to, among other things:
 - a. Define supply-load linkages for the purposes of Connect and Manage exemption
 - b. track supply-load linkages for purposes of determining how PJM, the PJM states, LSEs, and/or Transmission Owners will perform their respective roles under the connect and manage framework; and
 - c. allow PJM, the PJM states, LSEs, and/or Transmission Owners to evaluate on a Delivery Year basis new large load additions that are not linked with qualifying BYONC or other supply arrangements.
4. Capacity shortfall allocation methodology and transparency: Discuss and develop methodology used to allocate capacity shortfalls associated with new Large Loads for a given Delivery Year (DY), as a function of applicable large load additions and applicable qualifying BYONC or other supply resource arrangements paired with new Large Load Additions, in each Delivery Year. Also, discuss and develop mechanisms to promote transparency into the MW quantities identified for potential curtailment by the EDC/TO and the broader PJM stakeholder community. This could include, by way of example only, communications in advance of the Delivery Year and in the operations horizon as appropriate and subject to Confidentiality and CEII restrictions.
5. Evaluate and define the system conditions, reliability triggers, and operational sequencing under which load subject to the Connect and Manage framework would be curtailed, including consideration of alternative trigger points relative to existing emergency procedures and pre-

emergency Demand Response. Develop the framework for curtailment: This includes a new emergency procedure, including the applicable conditions and sequencing of curtailment actions, and their relationship to pre-emergency Demand Response and other emergency procedures, that PJM would use to issue a curtailment instruction to the EDC/TO for their implementation, including the applicable conditions under which the procedure could be implemented, relationship to other emergency procedures, and other relevant details. The framework development will also consider any associated automations, telemetry and/or market outcome reforms, such as price formation during curtailments. This procedure is expected to be a interim measure that will only be necessary during the transition Delivery Years until new supply can sufficiently match the increasing load.

Out of Scope Regarding Reliability Backstop Procurement

Changes to:

1. Changes to the Base Residual Auction or Incremental Auction rules unrelated to the implementation of the proposed Reliability Backstop Procurement
2. Load forecast rules
3. Fixed Resource Requirement (FRR) rules

Out of Scope Regarding Connect and Manage

1. Changes to the demand included in the capacity market.
2. Changes to PJM's authority or role in the determination of which specific retail load/customers a TO/LSE will curtail when receiving an instruction from PJM to shed load
3. Changes to the overall load shed allocation approach across the RTO. It is intended that this work be handled as a follow-on stakeholder effort.

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 June 30, 2026. The Stage 1-4 CIFP Meetings will occur as follows:

CIFP Formal Process	
Stage 1: PJM PS/IC & initial proposal including matrix	April 16 and 17
Stages 2 and 3: PJM and stakeholders develop matrix options and finalize proposals	May 4 and 5
Stage 3 – Per the second Board letter to include C&M in the CIFP, PJM will provide updated RBP and C&M proposals on May 27. Stakeholders will present alternative RBP and C&M proposals on June 10/11.	May 27 June 10 and 11
Stage 4: Final meeting*	June 30
Special MC Meeting / Vote	June 30
Board review	
Feedback to members	
Filing	July

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