

Joint EDCs Reliability Backstop & Connect and

Manage Packages

· Buckeye · ***PSEG**

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Proposal 1 (RBP) *All listed ED

Registry & Financial/Credit
Responsible Entity **Components**

Proposal 2 (RBP) *All listed EDCs except PSEG

Full package

Proposal 3 (C&M) * All Listed EDCs except PSEG

Full package



RBP -- Joint EDCs vs. PJM: Key Differences

Joint EDCs appreciate PJM's shift of financial responsibility to LSEs and away from EDCs/EDs — but key differences remain.

Subscription vs. Forecast

Joint EDCs use a **registry-based subscription** approach, unlike PJM's forecast-based procurement target.

C&M Avoidance

Large Loads can avoid C & M by ensuring their LSE brings offsetting resources or secures capacity MW through the RBP; information captured in a registry..

- **PJM requires EDs who are not responsible for the supply plan of loads to provide BYONG information; and requires the EDs to determine which Large Load did not satisfy PJM rules and thus are C&M .**

Firm Commitment

A LL LSE's RBP purchase is a **firm commitment fixed at clearing**.—Collateral must be posted at time of procurement. (TBD amount/methodology for collateral)

- **PJM's package does not assign collateral until just prior to DY adding to risk of cost spread to non-LL**

PJM Risk Concern

PJM's Delivery Year assignment creates mismatch risk — potentially causing **all LSEs**, including those serving no Large Loads, to bear significant costs for many years. **Joint EDC packages mitigate this risk.**

RBP Procurement Target & Credit/Financial Responsibility

Registry Mechanics

- PJM creates & maintains an **LSE–Large Load Registry**, with information provided by LL LSEs (or LL themselves) verifying eligibility, capacity, and zone/meter mapping
- Registry identifies loads not subject to C&M due to verified supply or in-flight resource actions
- Registry determines how many MW are sought to be secured through the RBP (subscription model)

Target Calculation

- PJM accounts for **in-flight actions** (e.g., IRPs, bilateral contracts and self-build) and existing supply portfolio length intended for Large Load service of LSEs subject to state IRPs
- Procurement target = **aggregate net short position** after eligible loads, verified supply additions, and portfolio length captured in the registry
- Collateral must be posted prior to procurement; if an LSE cannot post (and its LL is unable to provide support to meet collateral requirement), that load is not procured through the backstop

Locational Constraints & Clearing Mechanics

Weighted Average Price Cap

Maximum volume-weighted average procurement price = **maximum price in 28/29 auction (~\$555/MW-day)**.

- **Logic:** No resource in qualifying queue cycles would have expected a greater price than this, at least not in near term
- **Clearing:** Offers ranked by volume weighted price (in \$/MW, averaged across years) and accepted sequentially until reliability need is met or price cap is breached.

Example: Target = 1,000 MW.

O1: 250 MW @ \$475

O2: 250 MW @ \$500

O3: 250 MW @ \$525

O4: 250 MW @ \$600

All accepted if weighted avg \leq \$555.

If O1 instead was priced at \$500, O4 is excluded.

Locational Requirement

*Backstop capacity located within rest-of-RTO area to satisfy a procurement target for the combined MAAC + DOM areas cannot exceed [500 MW].

*More capacity than the combined MAAC/DOM area target may be procured within those areas.

*Mitigates a scenario where generation procured through RBP is located far from the Large Load it is intended to serve, which limits the reliability and economic benefits to that area.

Procurement may fall short of the nominal target if accepting additional supply would violate the average volume-weighted price maximum

Connect & Manage (C&M) Conditions

Large Load Subject to C&M

New Large Loads without associated supply (as recorded in the LL-LSE Registry) and that do not secure capacity through an RBP mechanism are subject to C&M.

BYONC & RBP Matching

Any Large Load Bring Your Own New Capacity (BYONC) matching, which includes RBP MWs, will be recorded in the registry.

BYONC Capacity Transfers

BYONC Capacity can be transferred if a new large load does not materialize. Adopts PJM's proposal regarding use of portfolios and reserving excess BYONC for future use.

Pre-BYONC Interconnection

A Large Load that interconnects prior to its BYONC coming online will remain under Connect & Manage until the BYONC is fully operational.

C&M Action & Curtailment Implementation



C&M Load Quantity

The total C&M load is calculated as the sum of Large Load MWs that lack associated supply, as verified within the registry.



Targeted Curtailment

When PJM issues a C&M directive, only Large Loads identified in the registry without adequate supply (BYONC and/or RBP MWs) will be subject to curtailment.



PJM Discretion

While proportional allocation is possible, PJM retains discretion to direct Large Load curtailments in specific parts of the system to achieve maximum reliability benefits.



Execution & Coordination

Following a C&M curtailment instruction from PJM, TOs will coordinate with EDCs and LSEs to support affected load switching off from utility power sources within 15 minutes. PJM's C&M expectations should reflect operational realities (ramp down, switching to backup) and impacts on grid stability.

C&M Curtailment Measurement Considerations



Coincident Peak Impact

C&M curtailments could improperly impact the calculation of coincident peaks (5 CP, 12 CP), potentially impacting capacity and transmission cost allocation.



Load Data Adjustment

To guard against inappropriate cost shifting, the curtailed load should be added back into peak load data.