

# PJM Merged RBP / C&M Market Risk Considerations

SMECO Feedback on PJM May 27th RBP Proposal | John Rohrbach | June 10-11, 2026 | RBP/C&M CFP-Stage 3.

<u>Category</u>	<u>RBP / C&amp;M Context</u>	<u>Practical Considerations &amp; Proposal</u>
<p>RBP Resource 20% Shortfall Charge Payment to Load for non-delivery. <i>PJM slides 16, 46 &amp; 56.</i></p>	<ul style="list-style-type: none"> <li>RBP non-delivery exposes pro-rata load to Connect and Manage -based curtailment risk.</li> <li>Large load/LSE/ED sponsor may wish to “cure” Connect and Manage curtailment risk that is caused by RBP COD delay outside of its control.</li> </ul>	<ul style="list-style-type: none"> <li>Load seeking to avoid Connect and Manage curtailment risk cannot practically purchase BYONC replacement UCAP with 20% Shortfall + potential PJM non-charge of RBP payment to the load (LSE/EDC/direct load).</li> <li><u>Proposal:</u> Permit RBP-load to purchase RPM replacement UCAP (IA/bilaterally), if RBP deficiency (non delivery) exposes pro-rata load to Connect and Manage curtailment.</li> </ul>
<p>“Shortfall charge Exemption” for RBP resource COD failure due to Network Upgrade delay. <i>PJM slide 16.</i></p>	<ul style="list-style-type: none"> <li>Late COD RBP Resource absolved from Shortfall Charges for Network Upgrade delay.</li> <li>But COD delay exposes pro rata load to Connect and Manage curtailment risk.</li> </ul>	<ul style="list-style-type: none"> <li>COD-delayed RBP resource (network upgrade delay) exposes pro-rata load to C&amp;M curtailment.</li> <li>RBP Shortage charge exemption means that load will not receive compensation for curtailment risk, if PJM was in Connect and Manage posture.</li> <li><u>Proposal:</u> PJM should Withdraw COD/Network Upgrade delay Shortfall Charge Exemption.</li> </ul>

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<p>RBP Resource has three (3) Delivery Years to reach COD; RBP Award terminated if not COD at that point. <i>PJM slide 16.</i></p>	<ul style="list-style-type: none"> <li>RBP generation does not reach COD in 36 months, RBP award is terminated.</li> <li>But Pro-rata New Large Load (NLL) then exposed to C&amp;M curtailment risk via 36-mo. RBP unit COD delay/Cancellation.</li> </ul>	<ul style="list-style-type: none"> <li>3-years-to-reach COD runway exposes load to Connect and Manage curtailment risk during period.</li> <li>However, pro rata NLL, if RBP unit COD-delayed &amp; terminated at 36 months has no resource serving it for remaining ~ 12-years &amp; waited for cancellation notice.</li> <li><u>Proposal:</u> NLLs should be subject to Connect and Manage until BYONC replaced or C&amp;M posture changed.</li> </ul>
<p>Know Your Customer (KYC)- application to new large loads (NLL). <i>New Item: New Large Loads (NLL) KYC verification.</i></p>	<ul style="list-style-type: none"> <li>PJM has a "Know Your Customer" (KYC) program as part of its membership, market participation, &amp; risk management requirement.</li> <li>But the KYC program would not apply to new large loads absent PJM membership.</li> <li>NLL KYC Protects Everyone.</li> </ul>	<ul style="list-style-type: none"> <li>Curtailment Capability: large load must be operationally capable of being curtailed when directed.</li> <li>Financial Security: As applicable, the large load must have provided adequate credit/collateral, or financial commitment to cover its allocated share of RBP costs.</li> <li>Load Forecasting: applicable market participant has represented the large load in PJM's load forecast.</li> <li><u>Proposal:</u> NLL KYC (if not PJM member) verification via applicable market participant.</li> </ul>