

Centralized RBA Auction Alternate Proposals

June 11, 2026

Design Consideration - Cost Allocation

- The 13 PJM Governors' "Statement of Principles" on data centers asserts that **residential and small commercial customers should be protected from the cost of integrating data centers.**
- PJM's RBA proposal for the centralized auction however has the EDCs (and by extension its residential and small commercial customers) underwriting the financial risk associated with large load over procurement.
 - *"If the EDC does not assign LLCs in the zone, **the costs will be reallocated across all load in the zone on a pro rata basis using the Obligation Peak Load Contribution MW** (the same methodology used to allocate RPM costs)."*

PJM's Proposal

RBA Implicated Entities

- Large Loads -- Benefit from purchases in the RBA to avoid Connect & Manage
- Suppliers --Financially benefit from the sale of capacity in the RBA
- Distribution Entities (“Zone Areas”) – **Non-Beneficiaries to the RBA transactions**

Policy Perspective

- Not only does allocating risk/possible future cost conflict with the 13 PJM Governors’ “Statement of Principles”, but it is also conceptually unfair because it assigns cost to entities that are unconnected with the RBA transactions.

PJM's Proposal

Jurisdictional Perspective

- The EDCs are not federally regulated entities
- EDC obligations under the RAA are limited to:
 - *“No later than five months prior to the start of a Delivery Year, the Electric Distributor for a Zone shall provide allocate the most recent Zonal Weather Normalized Summer Peak for such Zone to each zone/area in the zone to determine the Obligation Peak Load for each “zone/area: in such Zone”*
 - *“During the Delivery Year, no later than 36 hours to the start of each Operating Day, the Electric Distributor shall provide to PJM for each Party to this Agreement serving load in such Electric Distributor’s Zone the Obligation Peak Load for all end-use customers served by each Party in such Zone”*

Alternate Proposals

- **Joint EDCs' Alternative Proposal**

(ODEC's preferred solution that has been presented separately)

The Large Load Obligation should be assigned directly to Large Load LSEs (could be a new LSE or an existing LSE).

- **ODEC Alternative Proposal 1**

Modification to PJM's proposal such that if the EDCs (Zone Areas) cannot assign the RBA capacity at any point in time to a Large Load LSE, those RBA MWs will be released back to the capacity supplier, and the EDC will not be under any further financial obligation.

■ Alternate Proposals

- **ODEC Alternative Proposal 2**

Modify PJM's proposal such that the zone areas large loads demands are recommendations to the EDC's, and the EDCs retain the final authority to bid up to such MW amounts.