

June 23, 2026

To: PJM Board of Managers

Attn: Dave Anders and Michele Greening, Co-Chairs

Matt Connolly and Mollie Lacek, Co-Secretaries

Cc: PJM Members

From: Calibrant Energy

Re: Comments on Critical Issue Fast Path (CIFP) Reliability Backstop Procurement/
Connect & Manage – Stage 4 Proposals

Calibrant Energy (“Calibrant”) appreciates the opportunity to provide these comments on PJM’s final stage 4 proposal in the Reliability Backstop Procurement (“RBP”) and Connect and Manage (“CAM”) CIFP process and the effort that PJM staff has put into designing these proposals. Calibrant provides flexibility solutions to large customers through on-site storage, generation, and other demand response capabilities. We have been engaged in the CIFP process because the design of the RBP/CAM proposals will have a significant impact on the availability and efficacy of using this flexibility to meet the needs of new large loads and to meet those needs on a timely basis.

During the development of their proposal, PJM staff spent a significant amount of time with the Calibrant team, collaboratively refining the CAM and RBP proposals to incorporate pathways to enable customers to quickly bring new load flexibility solutions to meet resource adequacy needs. We greatly appreciate the work staff did to integrate our suggestions into their proposal throughout this process. Although many of these elements are no longer explicitly included in the latest version of the CAM proposal (which better reflects state-federal jurisdictional boundaries), Calibrant strongly recommends that the states leverage PJM’s work to include demand-side load flexibility in its Bring Your Own New Capacity (“BYONC”) and CAM frameworks to inform their own development of retail constructs for load reduction prioritization and interruptible load tariffs. New demand-side flexibility should count as new supply or as a demand-side decrement to load in the capacity market, and any large loads that commit to on-site solutions, load flexibility, or demand response should not be subject to involuntary curtailment.

To achieve this goal, Calibrant makes the following three recommendations to PJM’s latest proposal for the Board’s consideration:

Recommendation #1: The Large Load Registry should explicitly track and include committed Generation and Demand Response (“DR”)/Distributed Energy Resources (“DER”) supply associated with the Large Load. Calibrant recommends that PJM’s guidance to States regarding eligible BYONC supply leverage the work from the CAM stakeholder process. This guidance should include new Load Management and other demand-side products



as defined in PJM’s June 11 CAM proposal.¹ This includes: 1) new locations that had not previously been registered in DR Hub including at large load customer facilities 2) incremental amounts of DR at locations that have already been registered as DR that are the result of the addition of new generation or storage, and 3) reactivations of locations that had previously exited the market and that are not registered for the 25/26 or 26/27 DY but would seek to reenter. And second, PJM should explicitly track the MW and location of committed generation and DR/DER associated with a large load within the registry to provide state policymakers visibility into the commitments that these large loads have made under their programs and rules.

Recommendation #2: Ensure comparable treatment between DR/DER and generation in the RBP. Leading up to PJM modifying their proposal, PJM had worked diligently to ensure comparable treatment between resource types. When PJM runs the RBP, PJM must ensure that demand-side options receive comparable treatment as other types of new supply, respecting states’ repeated, strong interest in leveraging demand-side assets². PJM has proposed to allow new generation to decrement the RBP target if that generation plans to COD before June 1, 2032. However, cell #9 of PJM’s matrix could be read to suggest that new DR/DER must COD by the 28/29 Delivery Year to decrement the RBP target. If we’ve interpreted PJM’s proposal correctly, this creates an uneven playing field between resource types. We recommend that PJM allow both DR/DER and generation to decrement the RBP target if it can COD by June 1, 2032.

PJM should require all supply (DR/DER or generation), whether procured through bilateral contracts or RBP, to offer into the RPM through DY 42/43. For generation supply, this means that they would not be able to submit a must-offer exemption until DY42/43 and for DR/DER supply means that they must offer their initial year ICAP into the RPM until DY 42/43. This is consistent with PJM’s previous proposal related to “maintaining BYONC” obligations under a previous version of CAM.

Recommendation #3: Ensure the timing of the RBP auction aligns with new state-level programs. Calibrant agrees with PJM’s assessment from their CIFP Stage 4 materials (“Proposed Backstop Mechanism: A Parallel Path Approach”) that stakeholders will highly prefer bilateral contracting for bringing new capacity, but state action will be critical before contracting. States must establish clear cost allocation and “Connect & Manage” rules so that large loads know that they can leverage BYONC to reduce their cost allocation and exposure to involuntary curtailment. In finalizing the RBP auction date, we recommend that PJM consider

¹ <https://www.pjm.com/-/media/DotCom/committees-groups/cifp-rbp/2026/20260611/20260611-item-02---pjm-connect-and-manage-package-updates.pdf>

² See PJM Governors’ Collaborative’s April 9 Letter to the PJM Board: “PJM should remain flexible about resource eligibility and contract term for the 2027/2028 delivery year, given the long lead times for new generation and the imminent reliability shortfall. All resources must be new, additive capacity and should not include capacity that has cleared prior capacity market auctions. PJM must be technology-neutral and inclusive of all resources that can meet unforced capacity needs today, both demand-side and supply-side.” <https://www.pjm.com/-/media/DotCom/about-pjm/who-we-are/public-disclosures/2026/20260414-pjm-govs-collaborative-letter-re-reliability-backstop-procurement-objectives.pdf>



the timeline for state action to finalize retail tariffs, and the time large loads and suppliers will need to finalize contracts following the state action. Without taking a position on an exact date for running the auction, we note the PJM Legislators' Collaborative's letter³ also raising auction timing.

Conclusion

As both the PJM Governor's Collaborative⁴ and the PJM Legislators' Collaborative⁵ have acknowledged, load flexibility or demand-side solutions are part of broader strategies to connect large load customers quickly, efficiently, and reliably. These solutions should remain eligible options to meet near- and long-term needs, and we commend PJM for committing to facilitating all voluntary commitments to participate in pre-emergency procedures included in new state retail constructs for load reduction prioritization, interruptible load tariffs or other state programs. Calibrant looks forward to continued leadership from the states in implementing BYONC at the state-jurisdictional-level and the opportunity to engage in state-level proceedings to include load flexibility to be a solution.

Sincerely,

Judith Judson
Executive Vice President, Regulatory and Policy
Calibrant Energy

³ See PJM Legislators' Collaborative's June 9 Letter to the PJM Board: "Looking further into the future, states are examining ways to procure new supply for data centers in a way consistent with their clean energy policies. It is unreasonable to expect those efforts to have reached the point of offers into an RBP held in 2026."

<https://www.pjm.com/-/media/DotCom/about-pjm/who-we-are/public-disclosures/2026/20260615-pjm-legislators-collaborative-letter-regarding-reliability-backstop-procurement-and-connect-manage-proposals.pdf>

⁴ See PJM Governors' Collaborative's April 9 Letter to the PJM Board: "PJM must be technology-neutral and inclusive of all resources that can meet unforced capacity needs today, both demand-side and supply-side."

<https://www.pjm.com/-/media/DotCom/about-pjm/who-we-are/public-disclosures/2026/20260414-pjm-govs-collaborative-letter-re-reliability-backstop-procurement-objectives.pdf>

⁵ See PJM Legislators' Collaborative's June 9 Letter to the PJM Board: "Many states are going further to protect the public: passing policies to incentivize – or require – large load flexibility, requiring new large loads to bring their own capacity before receiving full retail service, and ensuring that during emergencies, essential services are preserved. PJM must not undermine those policies through its capacity market design, and must respect state authority to choose what loads are not guaranteed firm service."