

Stakeholder Feedback on Reliability Backstop Procurement Survey	
Company Name	Please provide any feedback or questions on the PJM proposals presented at the May 27, 2026 meeting for the Critical Issue Fast Path - Reliability Backstop Procurement / Connect & Manage.
Invenergy Energy Management LLC	<p data-bbox="384 248 2003 475">Invenergy appreciates the opportunity to provide comments on PJM’s Reliability-Based Planning (RBP) process. While we support PJM’s efforts to address the capacity shortfall and enhance system reliability, we are concerned that key elements of the current Reliability Backstop Procurement framework are particularly challenging for resource developers. The primary areas of concern are allocation of network upgrade cost risk and the associated credit and collateral requirements. In their current state, these proposals post a substantial cost risk to resources selected in the procurement process. These points are elaborated on below with potential solutions.</p> <p data-bbox="384 521 1438 553">Network Upgrade Cost Risk Should Be Shared and Allocated to Beneficiaries</p> <p data-bbox="384 599 2003 826">Under the current RBP framework, generator developers selected in the central procurement are required to bear the full risk of potentially significant and uncertain network upgrade costs. This approach is particularly punitive for generators selected through the RBP process which is intended to address identified reliability issues related to capacity shortfalls. Considering the uncertainty of the costs there is limited ability for a resource to provide a cost-effective economic bid. Given this issue, PJM should reconsider how to manage network upgrade cost risks and assign them to benefiting parties.</p> <ul data-bbox="384 872 2003 1252" style="list-style-type: none"> <li data-bbox="384 872 2003 937">• Costs Should Follow Benefits: Network upgrades driven by RBP-selected resources are necessary to serve load and maintain system reliability. As such, these costs are fundamentally attributable to load-serving obligations. <li data-bbox="384 982 2003 1092">• Allocation to Large Loads and EDCs Is Appropriate: Network upgrade cost risks associated with RBP-cleared resources should be allocated to large loads or Electric Distribution Companies (EDCs), as they are the primary beneficiaries of these reliability-driven investments. <li data-bbox="384 1138 2003 1252">• Consistency With NEDC Statement of Principles: The NEDC Statement of Principles recognizes that large loads should bear the costs of new capacity; which inherently includes the required transmission upgrades. Allocating the transmission costs to generators contradicts that principle and misaligns incentives. <p data-bbox="384 1297 2003 1369">Moreover, imposing this risk upfront on generators introduces unnecessary financing friction, increases project risk, and may prevent cost-efficient projects from bidding or advancing, thereby increasing total system costs over time.</p> <p data-bbox="384 1414 2003 1485">For these reasons, PJM should reconsider its network upgrade cost allocation to ensure that network upgrade cost risks for RBP-cleared resources are shared by load-serving entities, large loads, and EDCs, consistent with cost</p>

causation and reliability planning objectives.

If PJM is unable or unwilling to assign network upgrade cost to Large Load, it should implement other measures to ensure generation does not take on unreasonable risk allocation. Options to mitigate these risks could include:

1. Network Upgrade Cost Cap:

Establish a cap on generator responsibility for NU costs, with any remaining costs allocated to load or other beneficiaries.

2. Offramp for Excessive Costs:

Provide developers with a clear, penalty-free offramp where NU costs materially exceed expectations, allowing projects to withdraw without disproportionate financial consequences.

These mechanisms are essential to maintaining revenue certainty while preserving the integrity of the RBP process, which aligns with the first NEDC principle of providing 15 years of price certainty for new capacity resources.

Credit and Collateral Requirements Are Misaligned with Industry Norms

The current credit and collateral requirements further compound the challenges to develop and finance generator projects

- Disproportionate Financial Burden: Generators already face excessive collateral obligations tied to network upgrade costs and RPM requirements. Additionally, constructing a completed generation plant requires substantial capital investment in and of itself.
- Inconsistent With Risk Reality: Generators selected through RBP are meeting a defined reliability need and, once operational, are subject to must-offer obligations—significantly mitigating non-performance risk.
- Out of Step With Other Markets: PJM’s requirements exceed those of other RTOs/ISOs, discouraging investment precisely when new resources are most needed.

Invenergy suggests that PJM revise the credit and collateral requirements to meet industry standards by requiring a flat rate of \$75K/MW which would reduce to \$0 as the project completes necessary milestones, achieves COD, and proves performance requirements.

The current framework that places full network upgrade cost responsibility and associated financial risk on generators, including those selected to meet identified reliability needs is inconsistent with cost causation principles and ultimately counterproductive. A more rational approach is to allocate network upgrade costs for RBP-cleared resources to large loads and EDCs, consistent with the NEDC Statement of Principles. Coupled with reasonable cost

	<p>caps, offramps, and reformed credit requirements, this approach will better support PJM’s long-term reliability and resource adequacy. Invenergy appreciates PJM’s consideration of these comments and looks forward to continued stakeholder engagement.</p>
	<p>Please provide any feedback on the PJM initial proposal presented on April 16, 2026 or any stakeholder proposals presented at the CIFP – Reliability Backstop Procurement meetings on May 4 and May 5, 2026.</p>
Sierra Club	<p>Whatever process PJM selects, it must ensure that existing ratepayers, especially residential ratepayers, are not responsible for paying for capacity needed to meet the needs of new data centers. In selecting a process, PJM should ensure that any cooperation with states and utilities is clear and realistic to ensure that all parties (PJM, new large loads, utilities, and states) are able to provide the necessary information to properly allocate costs.</p>