



Reliability Backstop Proposal – Executive Summary

MN8 Energy (“MN8”) submits a “bolt-on” proposal to PJM’s RBP Package to not exclude resources utilizing Surplus Interconnection Service (SIS).

Surplus Resources Should Not Be Excluded

Proposal

MN8 proposes to extend eligibility to resources utilizing SIS as long as they meet all other eligibility requirements. The incremental UCAP from new surplus resources should be eligible for the RBP. Incremental UCAP is defined as the difference between the UCAP of the resource after it has been modified through surplus interconnection and the UCAP that the resource would have had before modification.

The table below illustrates this with a simple example where a new 4-hour storage resource is added to a standalone solar resource through SIS. In this example, the BESS would be counted as 48 MW UCAP under RBP.

	Solar MW	BESS MW	CIRs	UCAP
Standalone solar	100	0	100	7
Hybrid	100	100	100	55
Incremental				48

Reason for Distinction from PJM Proposal

PJM’s proposal excludes resources utilizing SIS from eligibility.

Rationale for MN8 Proposal

Surplus interconnection was intended to increase the utilization of the transmission system by allowing new resources to come online faster utilizing existing interconnection rights. SIS resources can quickly bring new UCAP to market while not straining the existing grid further.¹ While SIS resources may be slightly more competitive than other resources in expectation due to lower interconnection costs, SIS resources will still fall victim to the investment credibility trap and therefore require long-term offtake (e.g., RBP) to be financed and built.² Furthermore, SIS resources will likely in many cases have a faster path to interconnect, such that they present a material opportunity to provide critical incremental resource adequacy in the near-term. Therefore, it is in PJM’s interest to allow the incremental UCAP from surplus resource additions to qualify for the RBP.

¹ Analysis by Gabel Associates identified 7.7 GW UCAP of surplus potential in PJM
<https://acore.org/resources/resisting-a-resource-shortfall-fixing-pjms-surplus-interconnection-service-sis-to-enable-battery-storage/>

² See previously-presented MN8 slides, citing analysis done using Brattle Net CONE model
<https://www.pjm.com/-/media/DotCom/committees-groups/cifp-rbp/2026/20260611/20260611-item-04d---mn8-energy-presentation.pdf>