



DRAFT Manual 18 Attachment F: Reliability Backstop Procurement

This manual language reflects the Reliability Backstop Procurement as filed (ER26-3380) on July 31, 2026 and is pending a FERC order. To the extent any manual provisions herein are inconsistent with or otherwise superseded by the tariff that is approved by FERC, those manual provisions are severable from the rest of this manual and is ultimately governed by the tariff.

The Reliability Backstop Procurement or “RBP” is a one-time procurement to address resource adequacy challenges in the PJM Region arising from insufficient capacity committed through Reliability Pricing Model Auctions starting in the 2027/2028 Delivery Year.

This Manual 18 Attachment intends to provide supporting details and process information for the Reliability Backstop Procurement, as described in **Attachment DD, Section 18 of the PJM Open Access Transmission Tariff**.

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1. Reliability Backstop Window Overview

1.1 Overview of Process

Charles River Associates (CRA) and PJM Interconnection, L.L.C. (PJM) will be known collectively as the “Evaluation Team” for this process.

The Reliability Backstop Procurement is intended to function as a safety net to close the immediate reliability gap not otherwise addressed through bilateral arrangements. The objective is to commit new supply resources to cure the observed MW shortfall of the reliability requirement in the 2028/2029 Base Residual Auction (BRA), thereby maintaining resource adequacy across the PJM footprint through long-term, capacity-only commitments.

The Final RBP Target for the RTO will be determined based on load participation during the defined ~~bid~~ submission window. Load, through Electric Distributors, Load Serving Entities (LSEs), Transmission Owners, or other entities, that intends to reduce the Initial RBP Target through bilateral arrangements must submit evidence of Qualifying RBP Offset UCAP MW, further described in Section 2.2. Electric Distributors, that meet certain requirements, may also elect to opt-out of the RBP as further described in Section 2.1.1. The UCAP MW associated with Qualifying RBP Offset UCAP MW and opt-outs will be decremented from the Initial RBP Target to set the Final RBP Target.

On the supply side, RBP Sellers will submit binding RBP Sell Offers through standardized offer forms during the defined ~~bid-solicitation-submission~~ window. The Evaluation Team will evaluate offers against eligibility requirements and gating criteria, and then select projects using the evaluation and prioritization framework described in Section 4. Among projects that pass gating, the selection will prioritize earliest Delivery Year associated with projects’ commercial operation dates (CODs) and lower levelized costs over the term, to satisfy the RTO-level procurement target while ensuring the maximum willingness to pay across selected offers is honored. Selected RBP Resources will receive fixed commitments, up to 15 years, settled as a contract for differences (CfD) against the resource’s unit-specific weighted average resource clearing price of all applicable RPM Auctions in which the RBP Resource participated for the



relevant Delivery Year. Applicable RPM Auctions include all RPM Auctions for the associated Delivery Year that are conducted after the RBP.

Submission of an offer into the RBP reflects a willingness to take on a binding commitment. The binding nature of the process is described in Section 1.3. Projects that are not selected in the RBP may re-engage in bilateral matching.

1.2 Timeline and Key Milestones

Key Dates for Final RBP Target Determination, detailed in Section 2.

	Activity	Responsible Party	Start	Stop
1	Request for configuration information for resources eligible to supply Qualifying RBP Offset UCAP MW that do not have a <u>2028/2029 ELCC Class Rating</u> and require a unit-specific ELCC estimate for the 2028/2029 Delivery Year	Electric Distributors, LSEs, interconnecting customers, large loads, Transmission Owners, or other entities	8/11/2026	8/25/2026
2	Unit-specific 2028/2029 ELCC values communicated to submitting parties to inform RBP Window submission of Qualifying RBP Offset UCAP MW	PJM	9/14/2026	9/14/2026
3	Last day <u>to submit form</u> for unit-specific ELCC analysis, if not submitted by 8/25. 2028/2029 ELCC estimates to be communicated no later than 10/14/2026.	Electric Distributors, LSEs, interconnecting customers, large loads, Transmission Owners, or other entities	9/30/2026	9/30/2026
4	Window to submit evidence of Qualifying RBP Offset UCAP MW	Electric Distributors, LSEs, interconnecting customers, large loads, Transmission Owners, or other entities	9/30/2026	10/21/2026 12:00pm EPT
5	Window to request opt-out	Electric Distributors	9/30/2026	10/21/2026 12:00pm EPT
6	Communication with participants for clarifications on evidence submitted, and approval or denial of Qualifying RBP Offset UCAP MW and opt-outs	PJM	9/30/2026	11/18/2026
7	Final RBP Target and Electric Distributor zone/area allocations posted	PJM	11/18/2026	11/18/2026
8	RBP results posted	PJM	12/2/2026	12/2/2026

Key Dates for RBP Sell Offers, detailed in Section 3.

	Activity	Responsible Party	Start	Stop
1	Request for configuration information for RBP Resources that will not have Preliminary Class Ratings for 2028/2029 through 2042/2043* and require unit-specific ELCC analysis	RBP Sellers	8/11/2026	8/25/2026
2	Preliminary Class Ratings for 2028/2029 through 2042/2043* posted	PJM	8/31/2026	8/31/2026
3	<u>Advisory deadline to provide unexecuted letter of credit form</u>	RBP Sellers	9/1/2026	9/7/2026
4	Communication of unit-specific ELCC values for 2028/2029 through 2042/2043* to RBP Sellers to inform submission of RBP Sell Offers	PJM	9/14/2026	9/14/2026
5	Last day <u>to submit form</u> for unit-specific ELCC analysis, if not submitted by 8/25. ELCC values for 2028/2029 through 2042/2043* to be communicated no later than 10/14/2026.	RBP Sellers	9/30/2026	9/30/2026
6	Window to submit RBP Sell Offers and post credit requirement	RBP Sellers	9/30/2026	10/21/2026 12:00pm EPT
7	Provide notice of deficiencies in RBP Sell Offers	PJM & CRA	9/30/2026	10/21/2026 12:00pm EPT
8	Cure deficiencies in RBP Sell Offers in 5 calendar days from notice	RBP Sellers	9/30/2026	10/21/2026 12:00pm EPT
9	Communication of final gating pass/fail determinations to RBP Sellers	PJM & CRA	11/18/2026	11/18/2026
10	Return of credit requirement for RBP Sell Offers that do not pass gating	PJM	11/25/2026	11/25/2026
11	Post results	PJM & CRA	12/2/2026	12/2/2026
12	Communicate final selection determinations to RBP Sellers	PJM & CRA	12/2/2026	12/2/2026



13	Return of credit requirement for RBP Sell Offers that are not selected	PJM	12/9/2026	12/9/2026
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1.3 Binding Nature of Process

Each RBP Sell Offer is a binding offer once any identified deficiencies are cured and until the conclusion of the Reliability Backstop Procurement. RBP Resources that are subject to an RBP Sell Offer are not permitted to exit the RBP to enter bilateral arrangements, until notification that such resource did not pass gating or was not selected. Selected RBP Resources receive an RBP commitment and are subject to the obligations detailed in Tariff, Attachment DD, section 18.6.

2. Target Determination & Load Participation Requirements

2.1 Determination of Final RBP Target

The Initial RBP Target, set at the region-wide 2028/2029 BRA shortfall, will be 6,831.3 MW UCAP. The Final RBP Target shall be a PJM region-wide value equal to the Initial RBP Target minus the total PJM region-wide Qualifying RBP Offset UCAP MW and the unforced capacity obligation value of load that have successfully requested and obtained an opt-out.

Fixed Resource Requirement (FRR) Entities as of the 2028/2029 Delivery Year shall be excluded from the Reliability Backstop Procurement, including Initial and Final RBP Targets. To the extent an Electric Distributor zone/area that has RBP UCAP MW committed through the Reliability Backstop Procurement later becomes an FRR Service Area, the Electric Distributor zone/area shall continue to be accountable for the RBP UCAP MW quantity committed through the RBP.

The Final RBP Target and Electric Distributor zone/area allocations will be posted by November 18, 2026.

2.2 Qualifying RBP Offset UCAP MW

Qualifying RBP Offset UCAP MW is capacity that has not previously supported a capacity commitment or been committed in an FRR Plan as of the commencement of the Reliability Backstop Procurement. A resource eligible to supply Qualifying RBP UCAP MW must have an expected commercial operation date, or must be reasonably expected to be an Annual Demand Resource or DER Capacity Aggregation Resource that will be registered with the Office of the Interconnection and under a contract to perform based on PJM dispatch instructions, by no later than June 1, 2032 and be:

1. A new build generation resource including new resources that obtain Capacity Interconnection Rights transferred from deactivated resources or resources that have announced deactivation as of April 10, 2026;
2. The incremental capacity created by an uprate of existing Generation Capacity Resources, but only to the extent such incremental capacity is created through an increase in such Generation Capacity Resource's installed capacity and increase in Capacity Interconnection Rights associated with that Generation Capacity Resource;
3. The incremental capacity created by the utilization of Surplus Interconnection Service;
4. Repowering of a deactivated generation resource that deactivated prior to April 10, 2026;

5. Incremental capacity, whether due to greater Unforced Capacity or a higher level of Capacity Interconnection Rights, created by an existing Generation Capacity Resource's changing fuel type to a more efficient fuel type; or
6. Planned Demand Resources or Planned DER Capacity Aggregation Resources, as described in the RAA, Schedule 6 and Schedule 6.2.

Evidence of Qualifying RBP Offset UCAP MW may be submitted by Electric Distributors, LSEs, interconnecting customers, large loads, Transmission Owners, other entities. The submitting entity must provide at least one of the following:

1. Signed bilateral contracts for Qualifying RBP Offset UCAP MW for at least five Delivery Years with a commercial operation date prior to the start of the 2032/2033 Delivery Year, and matched with load that has an executed electric service agreement or transmission service agreement, indicating that the load will be coming online in the 2027/2028 or 2028/2029 Delivery Year.

a. Signed bilateral contracts must include:

- i. Buyer name;
- ii. Load name and load address. If the load name and load address are not in the contract, a signed officer certification from the buyer indicating the load name and address will be acceptable;
- iii. Seller name;
- iv. The resource name and amount of capacity being transferred from the seller to the buyer. If such information is not in the contract, a signed officer certification from the seller indicating this information will be acceptable;
- v. Indication that the contract is for the capacity portion of the resource (i.e. cannot be an energy-only contract);
- vi. Contract start and end dates; and
- vii. Signature, with date, from each party.

b. To the extent such bilateral contracts are for Annual Demand Resources or Planned DER Capacity Aggregation Resources:

- i. The applicable plan for Demand Resources or DER Capacity Aggregation Resources Demand Resource Sell Offer Plan or DER Capacity Aggregation Resource Sell Offer Plan with planned locations identified; and

4-ii. The locations of such resources must be distinct from the matched load.;

2. Self-Supply generation that is in a Relevant Electric Retail Regulatory Authority ("RERRA")-approved or accepted integrated resource plan with either associated generation in the PJM interconnection queue or signed bilateral contracts for Qualifying RBP Offset UCAP MW for at least five Delivery Years with a commercial operation date prior to the start of the 2032/2033 Delivery Year, and matched with load that has an executed electric service agreement or transmission service agreement, indicating that the load will be coming online in the 2027/2028 or 2028/2029 Delivery Year. ~~or~~

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a. Signed bilateral contracts must include:

- i. Buyer name;
- ii. Load name and load address. If the load name and load address are not in the contract, a signed officer certification from the buyer indicating the load name and address will be acceptable;
- iii. Seller name;
- iv. The resource name and amount of capacity being transferred from the seller to the buyer. If such information is not in the contract, a signed officer certification from the seller indicating this information will be acceptable;
- v. Indication that the contract is for the capacity portion of the resource (i.e. cannot be an energy-only contract);
- vi. Contract start and end dates; and
- vii. Signature, with date, from each party.

b. To the extent such bilateral contracts are for Annual Demand Resources or Planned DER Capacity Aggregation Resources:

- i. The applicable plan for Demand Resources or DER Capacity Aggregation Resources Demand Resource Sell Offer Plan or DER Capacity Aggregation Resource Sell Offer Plan with planned locations identified; and
- ii. The locations of such resources must be distinct from the matched load.

2.3. Signed commitment between a Curtailment Service Provider or DER Aggregator and new load(s) that has an executed electric service agreement or transmission service agreement, indicating that the new load(s) will, in a MW quantity equal to MW quantity of the new load(s), either (a) participate as Annual Demand Resources or DER Capacity Aggregation Resources starting in the 2028/2029 Delivery Year Second Incremental Auction and continuing through the 2032/2033 Delivery Year, or (b) purchase replacement Qualifying RBP Offset UCAP MW that are eligible generation or storage resources.

Such evidence submitted between September 30 and October 21, 2026 through the corresponding online form provided by the Evaluation Team. Instructions will be available on pjmbackstop.com. The Evaluation Team will review submissions as they are received and verify against the eligibility criteria above. The Evaluation Team will communicate with participants on clarifications to evidence submitted as needed, and will communicate final acceptance or denial of Qualifying RBP Offset UCAP MW no later than November 18, 2026.

The total quantity of Qualifying RBP Offset UCAP MW used to decrement the Initial RBP Target total amount for each Electric Distributor zone/area will be capped at the UCAP equivalent (based on the 2028/2029 BRA Forecast Pool Requirement (FPR) of 0.9401) of the Load Adjustment MW (2028 minus 2026) for each zone/area that has not been opted out.

Qualifying RBP Offset UCAP MW will account for the applicable 2028/2029 BRA ELCC Class Ratings, or the estimated unit-specific value for resources with no ELCC Class Rating.



2.3 Opt-Out Provision

An Electric Distributor may elect to opt out of the Reliability Backstop Procurement cost allocation for its zone/area under either of the circumstances below.

Where an Electric Distributor's zone/area has rates that are not regulated by the states and is unable to address cost allocation associated with capacity procured in the backstop. Such request shall specify:

1. Associated MW quantity of load in the zone/area that will be opted out of the RBP, up to the Load Adjustment MW (2028 minus 2026) for each zone/area;
2. Supporting documentation demonstrating an inability to address cost allocation associated with capacity procured in the backstop; and
3. Written support for such opt-out from the relevant state governor, RERRA, and interconnection customer(s).

Where an Electric Distributor's zone/area addresses their capacity needs through peak shaving adjustment programs that are codified in state law and that also meet the requirements of Tariff, Attachment DD-2. Such request shall:

1. Specify the MW quantity of load associated with the peak shaving adjustment program, up to the Load Adjustment MW (2028 minus 2026) for each zone/area;
2. Demonstrate the relevant peak shaving adjustment program is codified in state law; and
3. Attest to submitting a peak shaving adjustment plan for the specified MW quantity of load by September 30, 2027 meeting the requirements of Tariff, Attachment DD-2, to be in place by the 2028/2029 Delivery Year.

Such requests shall be submitted between September 30 and October 21, 2026 through the corresponding online form provided by the Evaluation Team. Instructions will be available on pjmbackstop.com. The Evaluation Team will review submissions as they are received and verify against the eligibility criteria above. The Evaluation Team will communicate with Electric Distributors on clarifications to evidence submitted as needed, and will communicate final acceptance or denial of opt-outs no later than November 4, 2026.

The total UCAP MW of opt-outs used to decrement the Initial Procurement Target will be equal to the sum of opt-out MW provided by each Electric Distributor multiplied by the 2028/2029 BRA Forecast Pool Requirement of 0.9401.

3. Supply Participation Requirements

This section sets forth participation requirements for supply-side offer submissions.

3.1 Supply Eligibility

Participation in the offer submission process is open to generation developers, asset owners, and other supply-side participants offering "new" resources. To be eligible to participate, an RBP Seller submitting an RBP Sell Offer for any resource type:

1. Has met the RBP credit requirements;
2. Has a commercial operation date (COD), or is reasonably expected to be an Annual Demand Resource or DER Capacity Aggregation Resource that will be registered with PJM and under a contract to perform based on PJM dispatch instructions, no later than June 1, 2032, inclusive of network upgrades;



3. Has not received a capacity commitment or been committed in an FRR Plan as of the commencement of the RBP;
4. Is not supplying Qualifying RBP Offset UCAP MW;
5. To the extent the subject of a notice of intent for the 2028/2029 Base Residual Auction, must have offered and not cleared in the 2028/2029 Base Residual Auction; and
6. To the extent the subject of a notice of intent for the 2029/2030 Base Residual Auction, must be offered into the 2029/2030 Base Residual Auction.

For resources that are supplying Qualifying RBP Offset UCAP MW, any incremental UCAP of a resource beyond the amount being used for Qualifying RBP Offset UCAP MW may be included in an RBP Sell Offer.

Additional eligibility requirements for RBP Sell Offers for Generation or Energy Storage Resources:

7. Located in the PJM Region or meet the Tariff pseudo-tie requirements;
8. Composed of new Installed Capacity and new Maximum Facility Output;
9. Supported by new Capacity Interconnection Rights (if located in the PJM Region) or Capacity Interconnection Rights transferred from a deactivated resource or a resource that announced deactivation as of April 10, 2026; and
10. Consist of (1) new build; (2) incremental capacity created by an uprate of an existing Generation Capacity Resource's or Energy Storage Resource's installed capacity and associated level of Capacity Interconnection Rights; or (3) repowering of a generation resource that had deactivated, or announced deactivation, on or before April 10, 2026.

Additional eligibility requirements for RBP Sell Offers for Demand Resources:

7. Not be reliant on or composed of registered location(s) that previously supported a Demand Resource that provided capacity in a prior Delivery Year unless such location represents an incremental increase in capacity resulting from an investment in new generation or new storage resources at that location; and
8. Identify, as part of its RBP Sell Offer, for the full length of the fixed term, the location(s) and associated participation contract(s).

Additional eligibility requirements for RBP Sell Offers for DER Aggregation Resources:

7. Identify, as part of its RBP Sell Offer, for the length of the fixed term, the location(s) and associated participation contract(s).

To verify the above requirements, the minimum supporting documentation demonstrating compliance from participants is listed below.

Eligibility Requirement	Supporting Documentation
COD no later than June 1, 2032	Documentation demonstrating expected COD and completion of required network upgrades such as project schedule, Engineering, Procurement, and Construction (EPC) schedule, milestone dates, commercial operation date certification, interconnection schedule showing network upgrade timing.



New ICAP and MFO	Documentation demonstrating new ICAP and MFO eligibility including technical project description, nameplate capacity, evidence that the capacity is incremental and not previously committed, project development documentation.
Eligible CIRs	Documentation supporting eligibility of CIRs, interconnection queue information, transfer documentation, deactivation notices where applicable.
No prior RPM/FRR commitment	Certification and supporting documentation sufficient for PJM to verify resource eligibility, including resource identifiers, auction participation history, NOI outcomes (if applicable), and compliance with RPM and FRR requirements.
<u>Annual Demand Resource and DER Capacity Aggregation Resources</u> eligibility	Documentation supporting eligibility and any claimed incremental capacity including registered locations, prior DR -participation history, evidence that any capacity increase is incremental and supported by new investment.

Detailed project, development, interconnection, credit, and offer information required to support eligibility determinations and offer evaluation is described in Sections 3.2, 3.3 and 3.4.

3.2 Respondent Information

Include organization details, ownership structure, corporate parent, PJM member status, and primary and back-up contact information. Respondents must complete all applicable sections of the standardized forms corresponding to their participation type. Forms use a tiered field classification to indicate the importance of each data element:

- Fields marked with * (asterisk) are mandatory. Submissions missing mandatory fields will not be accepted for evaluation.
- Fields marked with ** (double asterisk) are strongly recommended. Incomplete strongly recommended fields may delay review or affect commitment terms.
- Fields marked (Optional) enhance response quality but are not required.

3.3 Project and Offer Information

~~Supply-side respondents must provide detailed information on project location, PJM zone, transmission owner territory, technology/facility type, nameplate capacity (MW), interconnection queue number and phase, and current development milestones including permitting, siting, and financing status. In addition, respondents must provide:~~

Each RBP Sell Offer shall include:

- ~~Commercial operation date (COD), inclusive of network upgrades;~~
- 1. The MW of UCAP to be provided by such resource for each Delivery Year;
- 2. The price in \$/MW-day UCAP for each Delivery Year beginning with the first full Delivery Year in which the RBP UCAP MW is expected to provide capacity through the end of the fixed 15-year term;

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3. The first full Delivery Year for which such resource shall be available and offering to provide capacity; and
4. All relevant documentation necessary for evaluating the project

specified in the online form, described in Section 5, and in Section 4.1 Gating Criteria. This includes, information on project location, PJM zone, transmission owner territory, technology/facility type, capacity (MW), interconnection queue number and phase, current development milestones, commercial operation date (COD) inclusive of network upgrades, ~~Network upgrade cost estimates as incorporated into the offer.~~

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Fuel supply and firm transportation arrangements, where applicable, ; and
Project development risk factors and mitigation plans.

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- ~~• Offer price in \$/MW-day UCAP and UCAP MW for each Delivery Year, beginning the first Delivery Year of the resource's COD, as early as 2028/2029 through 2042/2043;~~
- ~~• Commercial operation date (COD), inclusive of network upgrades;~~
- ~~• Network upgrade cost estimates as incorporated into the offer;~~
- ~~• Fuel supply and firm transportation arrangements, where applicable; and~~
- ~~• Project development risk factors and mitigation plans.~~

Offers are unit resource specific. A respondent offering multiple resources must submit a separate offer for each unit resource; ~~units resources~~ may not be combined into a single blended offer. ~~The offered price (\$/MW-day UCAP) for each Delivery Year is fixed for the duration of the commitment.~~

The maximum UCAP included in an RBP Sell Offer shall be limited to no greater than 120% of the resource type's most recent maximum Preliminary ELCC Class Ratings for 2028/2029 through 2042/2043, or based on the resource's maximum estimated unit-specific ELCC ratings across such period for resources with no ELCC Class Rating, multiplied by the resource's ICAP.

- For Variable and Limited Duration resources, the ICAP shall be the Effective Nameplate Capability for purpose of calculating the maximum UCAP allowed in an RBP Sell Offer.
- For all resources, the UCAP offered must be supported by new CIRs, or CIRs transferred from a deactivated resource or a resource that announced deactivation as of April 10, 2026.

3.4 Credit and Collateral Requirements

Prior to or simultaneously to sell offer submission, respondents must post credit and collateral in accordance with the existing PJM RBP framework, which follows Tariff, Attachment DD, section 18.8. This credit requirement is specific to each offered RBP Resource and is designed to cover three years of RBP shortfall charges for that resource. All credit requirements must be posted prior to or simultaneously to submitting an RBP Sell Offer for such offer to be considered in the selection process.

Each RBP Resource seeking to submit an RBP Sell Offer in the Reliability Backstop Procurement is subject to the below credit requirement:

Required collateral for supply side is calculated as:

$$\text{Credit requirement} = \sum_{n=1}^3 0.2 \times \left(\text{RBP Sell Offer Price in } \frac{\$}{\text{MWDay}} \right)_n \times (\text{UCAP in MW})_n \times 365$$

where n = Delivery Year

The total RBP credit requirement for each RBP Seller shall be the sum of the credit requirements for all RBP Sell Offers submitted by such RBP Seller in the Reliability Backstop Procurement.



The credit requirement provides three years of shortfall-charge coverage as operational financial assurance in the event the project is delayed or does not achieve COD.

Collateral must be posted in the form of **either** cash or letter of credit.

Letters of Credit (LC)

PJM's standard form (template) of letter of credit (LC) must be utilized and both the form of letter of credit and issuing bank must be approved by PJM prior to issuance and in advance of submitting a sell offer.

PJM letter of credit template may be found at pjmbackstop.com.

Standard Form (template)

LCs must be issued using the PJM standard template. Variations are strongly discouraged and must be approved by PJM prior to final execution and the opening of the procurement bid window.

PJM highly recommends that all LCs be sent to PJM in final but **unexecuted form** for review prior to issuance, so that PJM may review both the LC and the bank for acceptability.

Email RBP_Collateral@pjm.com for approval of the LC form, with the subject line: *RBP - Letter of Credit Modification Approval*.

Acceptable Financial Institutions (LC Issuing Bank)

The letter of credit **will only be accepted** from:

- U.S.-based financial institutions or U.S. branches of foreign financial institutions
- Bank must have a minimum corporate debt rating of "A" by Standard & Poor's or Fitch Ratings, or "A2" from Moody's Investors Service. PJM will consider the lowest applicable rating to be the rating of the financial institution. Any questions regarding whether a financial institution is acceptable or not should be addressed to RBP_Collateral@pjm.com.

A list of issuing banks may be found at pjmbackstop.com.

Approval of an issuing bank is required prior to execution of an LC. Any new issuing bank should be sent to PJM along with the form of LC prior to issuance, so that PJM may review the bank and form for acceptability. Email RBP_Collateral@pjm.com for the review LC, with the subject line: *RBP – Financial Institution Approval*.

If an approval is needed of both the financial institution and modifications to the LC, please use the subject line: *RBP – LC Modification and Financial Institution Approval*.

Cash

Cash collateral may also be posted. For bank instructions, contact PJM's Treasury department at: cashmanagement@pjm.com with the subject line: *RBP – Cash Collateral Transfer Details*

Transfer details:

ACH/Fed Wire transfers must include:

- Name of the resource for in the Originator to Beneficiary (OBI) area of a Fed Wire, or
- the Addenda Record of an ACH

for PJM to appropriately match the collateral received with the resource for which it pertains.



If this information cannot be included with the electronic fund transfer, email cashmanagement@pjm.com, with the subject line - RBP – Cash Collateral

Transfer Details include:

- the resource name
- amount of ~~the~~ cash remitted
- resource name should align with the resource name submitted for the sell offer.
- **send electronic fund transfers individually by resource.**

Collateral Return

Following the release of the selection results, RBP Resources that do not receive a commitment through the Reliability Backstop Procurement collateral will be returned upon request and within 5 business days. Requests may be submitted to RBP_Collateral@pjm.com with the subject line: *RBP – Collateral Return Request*. In the body of the email include the amount of collateral posted for the procurement and the resource name. Those collateral returns will be facilitated by PJM Credit.

Where an RBP Seller's RBP Sell Offer is committed through the Reliability Backstop Procurement and the RBP Resource subsequently achieves commercial operation, the Office of the Interconnection may return the Reliability Backstop Procurement Credit Requirement after a one-year look-back from the achievement of commercial operation.

3.5 Interconnection Review

There will be no restriction on participation in the RBP imposed by the interconnection process. If an offer is selected for a generation project, the project must proceed through the standard cycle process to obtain the appropriate interconnection service agreement. RBP Sellers will be responsible for all actual Network Upgrade costs as determined through the interconnection process, without subsequent adjustments to RBP Sell Offers.

3.6 Deficiency Review and Cure Process

As RBP Sell Offers are received, the Evaluation Team will conduct a deficiency review of each submission for completeness against the mandatory fields and documentation specified in Section 3 and the gating criteria in Section 4.1.

Where deficiencies are identified, the respondent will be notified in writing at the primary contact e-mail address provided. Respondents will have a 5-calendar-day cure period to correct the deficiency and resubmit the affected materials. The cure period begins on the date PJM notifies the respondent of the deficiency. The opportunity to cure a deficiency shall not extend past the close of the bid submission window. Under no circumstances will there be a deficiency cure period beyond five calendar days. Participants are encouraged to submit their RBP Sell Offers as early in the window as practicable.

Deficiencies not cured within the earlier of the 5-calendar-day period, or by the end of the bid submission window, will result in the affected submission not passing through to Stage 2 selection. The cure period permits correction of missing or incomplete required documentation only; it does not permit material changes to substantive offer terms (including COD, offer price, or credit posting).



Following the cure period, PJM will review any supplemental materials submitted and determine whether the identified deficiencies have been satisfactorily addressed. Offers with unresolved material deficiencies may be deemed incomplete and removed from further consideration.

4. Evaluation and Selection

Offers will be evaluated in a two-stage approach:

- (i) A gating criteria evaluation that offers will pass or fail, and
- (ii) For offers that pass gating, a selection process for commitment.

Selection will be conducted at the RTO level, subject to the finalized procurement target.

4.1 Gating Criteria

Stage 1 gating consists of general threshold criteria that apply to all offers, plus resource-type-specific documentation requirements. Failure to satisfy either category will result in the offer not passing through to Stage 2 selection.

General threshold criteria (all offers):

- Meet the "new" resource eligibility criteria described in Section 3.1;
- Include a COD no later than June 1, 2032;
- Provide information sufficient to assess the credibility of the proposed COD, including site control, permitting status, financing plans, major equipment procurement strategy, and fuel or infrastructure arrangements, where applicable, and satisfactorily address any material deficiencies identified through the deficiency review and cure process;
- Include complete mandatory fields as specified in Section 3; and
- Demonstrate posting of credit requirement per Section 3.4.

Confidential and commercially sensitive information. Documentation submitted under this Section may be redacted to protect confidential and commercially sensitive terms — including but not limited to pricing, cost of capital, financial covenants, customer identities, landowner identities, vendor identities, and other commercial economics — provided that the redactions do not materially impair the Evaluation Team's ability to assess the credibility of the required evidence. Respondents should mark redacted materials as "Confidential" and submit any redaction rationale as a covering explanation where useful.

Resource type specific documentation. In support of the credibility assessment above, offers must additionally provide the following documentation tailored by resource type:

All generation and energy storage resources:

#	Criterion	Required evidence / minimum standard
1	Critical path construction schedule with attestation	<i>Required evidence:</i> • For projects in TC2 and earlier: most current PJM interconnection study report. • For projects in Cycle 1, EIT, or not under study: independent consultant report from a qualified engineering firm.

		<i>Minimum standard:</i> Schedule must demonstrate COD achievable by June 1, 2032, with milestones internally consistent across permitting, procurement, and financing timelines.
2	Evidence of 100% Site Control for each of the Generating Facility (including the location of the main step-up transformer), the Interconnection Facilities, and the Interconnection Switchyard (as defined in Manual 14H, Section 16 the PJM Manuals) for a term of at least three years from the date of submission of the Application. Evidence of site control shall be consistent with Tariff, Part VIII, Subpart A, section 402 and the acreage requirement for the Project, as set forth in the PJM Manuals	<i>Required evidence:</i> • A certification, executed by an officer or authorized representative of the Generation Project Developer, verifying that the Site Control requirements have been met. • Executed lease, purchase agreement, option, or easement covering the full project footprint (signature and execution pages required; commercial terms may be redacted). • Site control matrix identifying parcel, instrument type, execution date, term, and any conditions precedent. • At PJM's request, copies of landowner attestations or county recordings <i>Not acceptable:</i> Letters of intent or non-binding term sheets.
3	Financing plan	<i>Required evidence:</i> • Financing plan identifying: (i) financing sources by type (commercial debt, institutional equity, tax equity, sponsor equity); (ii) expected capital structure; (iii) timeline to financial close consistent with COD. • Supporting engagement documentation: mandate letters, non-binding proposals, commitment letters, or executed term sheets (pricing and commercially sensitive covenants may be redacted). <i>Minimum standard:</i> Evidence of active engagement beyond preliminary discussions; credible plan for financial close ahead of COD.
4	Permitting plan covering, at minimum: • Air permits (PSD, Title V, or state equivalent);	<i>Required evidence:</i> • Permitting matrix identifying each applicable permit, current status (not filed / filed / under review

	• Water permits (NPDES, water withdrawal, or state equivalent); • State siting approval or CPCN; • Local zoning and land use approvals; • Federal approvals (FERC, USACE §404, endangered species), if required	/ issued / N/A), expected filing and issuance dates, and critical path items. • For permits filed, under review, or issued: filed application, agency correspondence, and any approvals or denials. • For permits not yet filed: narrative describing filing strategy, prerequisites, and timeline. <i>Minimum standard:</i> No gating on issuance itself, but the plan and supporting documentation must be complete across applicable categories and demonstrate a credible path to issuance ahead of COD.
5	Major equipment procurement	<i>Required evidence:</i> • Procurement schedule identifying long-lead items (turbines, transformers, HRSGs, battery modules, inverters, as applicable), expected order dates, and delivery windows consistent with COD. • For items already under procurement: signed purchase orders/memorandums, executed reservation agreements, or invoices reflecting deposits paid (pricing and vendor-specific terms may be redacted). <i>Not acceptable:</i> Letters of intent with equipment vendors.
6	EPC experience with similar-size and technology project	<i>Required evidence:</i> • Demonstrated experience by respondent, its affiliate, or a contracted EPC partner in constructing at least one commercially operational project of comparable technology and scale, with COD within the last 10 years (5 years for storage). • Documentation should include project name, location, nameplate capacity, technology, in-service date, and role played (owner, EPC contractor, etc.). <i>Minimum evidentiary standard:</i> PJM will assess comparability qualitatively, considering technology similarity, project size, recency, and complexity.

Natural gas resources — additional:



#	Criterion	Required evidence / minimum standard
1	Pipeline capacity to support the project	<i>Required evidence:</i> • At minimum, a notice of intent or attestation of pipeline capacity expansion sufficient to support the project's fuel requirement. • Executed precedent agreements, firm transportation service agreements, or equivalent firm arrangements are also acceptable and provide stronger evidence. <i>Not acceptable:</i> Non-binding capacity reservations without an underlying attestation from the pipeline operator.

Out-of-PJM and pseudo-tie resourcesResources located outside the PJM Region — additional:

#	Criterion	Required evidence / minimum standard
1	Completed facilities study (or equivalent) from host RTO/utility, plus pseudo-tie process status (for pseudo-tie resources)	<i>Required evidence:</i> • Facilities study report or equivalent from the host RTO or utility, identifying required network upgrades and estimated costs. • For pseudo-tie resources: documentation of pseudo-tie request status, including submission date, host RTO/utility acknowledgment, PJM acceptance letter (if issued), and expected pseudo-tie effective date consistent with COD. <i>Minimum Standard:</i> Study should be of recent vintage; for studies older than 24 months, respondent should provide an update, restudy, or attestation confirming that study assumptions remain materially unchanged.
2	Long-term firm point-to-point transmission service, or confirmed transmission service request with completed system impact study, sufficient to deliver capacity to the PJM border, <u>consistent with the requirements of Tariff, Attachment DD, section 5.5A(b);</u> and Network	<i>Required evidence:</i> Executed transmission service agreement with the host transmission provider, or confirmed transmission service request submitted through the applicable host RTO/utility process (-in neighboring balancing authority OASIS) with a completed system impact study demonstrating deliverability to the PJM border. In addition, a confirmed transmission service reservation for NEDTS in PJM OASIS.

	External Designated Transmission Service (NEDTS) within PJM	
3	External resource capacity commitment attestation	<i>Required evidence:</i> Attestation from an officer of the respondent that the resource will not be committed as a capacity resource in any other RTO/ISO capacity market for Delivery Years covered by the RBP commitment, and that any external capacity revenue arrangements will be subordinate to the RBP commitment.

Annual Demand Response Resources and DER Capacity Aggregation Resources:

#	Criterion	Required evidence / minimum standard
1	Locations by Zone/Sub-Zonal LDA and aggregate capacity, electrically within PJM	<i>Required evidence:</i> - Site-by-site table identifying each participating site by PJM zone/sub-zone, EDC territory, customer type/sector, and expected curtailment/injection capability per site. <u>EDC account number and electric service address for each participating site.</u> - Aggregate offered MW summarized by zone and, if applicable, sub-zonal LDA. - ELCC class of each <u>sub</u>-component (<u>technology type</u>).
2	EDC coordination: — - DER: interconnection/distribution impact study requirements and initiation plan. - DR: metering, telemetry, and baseline measurement <u>infrastructure</u>.	<i>Required evidence:</i> - For DER <u>Capacity Aggregation Resources</u>: <u>EDC Electric Distributor</u> interconnection application submitted (or evidence of pre-application coordination), plus initiation plan for any required distribution impact study. - For <u>Annual Demand Resources</u>: <u>Evidence of executed EDC coordination agreement or evidence of prior EDC coordination on Electric Distributor requirements</u> for the affected sites, covering metering, telemetry, and baseline measurement <u>infrastructure</u>.
4	Executed customer agreements or binding site-level commitments covering the proposed RBP UCAP	<i>Required evidence:</i> Documentation binding the respondent (or its counterparties) to make the identified MW available at the

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	MW commitment for the full 15-year term	specified sites for the full 15-year term. Acceptable forms include: • Executed customer agreements (for third-party CSPs, DERAs, aggregators); • Executed operating agreements with EDCs or PJM (for self-providing respondents); or • Equivalent executed commercial arrangements committing the sites and MW. <i>Minimum standard:</i> A substantial majority of the offered MW must be supported by executed customer agreements at the time of offer submission. <i>Not acceptable:</i> Letters of intent, internal memoranda, or non-binding commitments.
5	Equipment procurement plan or evidence of deployed infrastructure	<i>Required evidence:</i> • Procurement schedule identifying long-lead items (metering equipment, telemetry, load control devices, SCADA, and DER major equipment as applicable), expected order dates, and delivery windows consistent with COD. • For items already under procurement: signed purchase orders, executed reservation agreements, or invoices reflecting deposits paid. <i>Not acceptable:</i> Letter of intent with equipment vendors.

4.2 Selection Methodology

RBP Sell Offers that pass gating will be selected in rank order from:

1. Earliest to latest based on the first Delivery Year offered; and then
2. Least-cost order based on levelized cost (\$/MW-day) of UCAP MW over the fixed 15-year term

until the Final RBP Target is satisfied for any Delivery Year up through the 2032/2033 Delivery Year, while ensuring the MW-weighted average of the levelized procurement cost of all selected RBP Sell Offers shall not exceed the maximum willingness to pay of \$555/MW-day UCAP levelized cost.

The levelized cost of each offer is calculated as:

Levelized Cost (\$/MW-day) = Net Present Value (RBP Sell Offer price x UCAP offered)/Net Present Value (UCAP offered)

using a discount rate of 9.5% after-tax weighted average cost of capital (ATWACC), consistent with the value used in the 2025 Periodic Review of Variable Resource Requirement Curve Shape and Key Parameters.

The maximum willingness to pay is a constraint applied across RBP Sell Offers during the selection to ensure the MW-weighted average of the levelized cost of all selected offers does not exceed \$555/MW-day UCAP. This results in the cost to load being allocated RBP Charges not exceeding \$555/MW-day levelized cost, on average, over the 15-year term. This is not a price cap on individual offers. Some offers that are ultimately selected may have levelized costs higher or lower than \$555/MW-day.

PJM will not partially clear resources; RBP commitments are for the full offered UCAP.

In selecting the least-cost solution that satisfies the Final RBP Target and the cost of procurement constraint, PJM may commit an RBP Sell Offer with an offered quantity that exceeds the remaining Final RBP Target to the extent such solution provides greater economic efficiency than an alternative solution that satisfies the requirements and constraints.

If PJM cannot meet the target MW with available offers, PJM will clear short of the target.

In the event that two or more RBP Sell Offers with the same initial offered Delivery Year and levelized cost, and fewer than all of such offers are needed to satisfy the Final RBP Target, the RBP Sell Offer(s) proposing resources based on the earliest timestamp of such RBP Sell Offer(s) will be selected.

4.3 Product Definition and Term

The RBP procures long-term commitments for capacity-only UCAP for a fixed 15-year term. The default term runs from the 2028/2029 Delivery Year through the 2042/2043 Delivery Year. Resources with a commercial operation date later than 2028/2029 will result in a shorter commitment; RBP commitments will not extend past the 2042/2043 Delivery Year.

5. RBP Window Submission Instructions

RBP Sell Offers, submissions for Qualifying RBP Offset UCAP MW, and Electric Distributor opt-outs must be submitted via the corresponding online form provided by the Evaluation Team. Instructions will be available on pjmbackstop.com. For questions regarding submissions, please contact pjm_cra_rbph hotline@pjm.com.

Respondents with submissions larger than 10 MB, should contact pjm_cra_rbph hotline@pjm.com for instructions on the secure large file sharing option.

Offers must be received no later than October 21, 2026, 12:00pm EPT. Late submissions will not be accepted.

6. RBP Resource Obligations

An RBP Resource committed through the Reliability Backstop Procurement is subject to the obligations set forth in **Attachment DD, Section 18.6 of the PJM Open Access Transmission Tariff**.

In order to participate in RPM Auctions as a Capacity Resource, as required by Attachment DD, Section 18.6 of the PJM Open Access Transmission Tariff, the owner or entity responsible for offering the RBP Resource into the RPM Auction must meet the requirements of being a Capacity Market Seller (which

includes being a PJM Member) prior to the start date of the applicable RPM Auction, as described in Manual 18, Section 1.2.

Pursuant to Section 11.6(c) of the Operating Agreement, the determination whether an application for membership is approved shall be made within ninety (90) days after receipt of all documentation and information required by the Operating Agreement and/or requested by PJM and/or PJM Settlement in the consideration of the application for membership. This ninety-day period does not start until after the membership team has triaged the application to all ensure required information has been submitted.

RBP Resources, including eligible uprates that are committed in the RBP, will be modeled as separate resources in Capacity Exchange to facilitate the tracking of RBP resource obligations and settlements. The capacity of such resources may only be transferred bilaterally in accordance with Tariff, Attachment DD, section 4.6 to facilitate an ownership transfer of the entire resource. RBP Resources may not be the subject of bilateral transfers under Tariff, Attachment DD, section 4.6 for any other purpose.

7. Settlement Structure

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8. Cost Allocation of RBP Charges, Credits, and Shortfall Charges

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9. Exiting Transmission Owner RBP Obligations

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10. Credit Requirements for LSEs Allocated RBP Charges

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11. Credit Responsibility for Traded RBP Resource Commitments

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11.12. RBP Default Allocation

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