



Connect & Manage Exemption and Reliability Backstop Process Impacts

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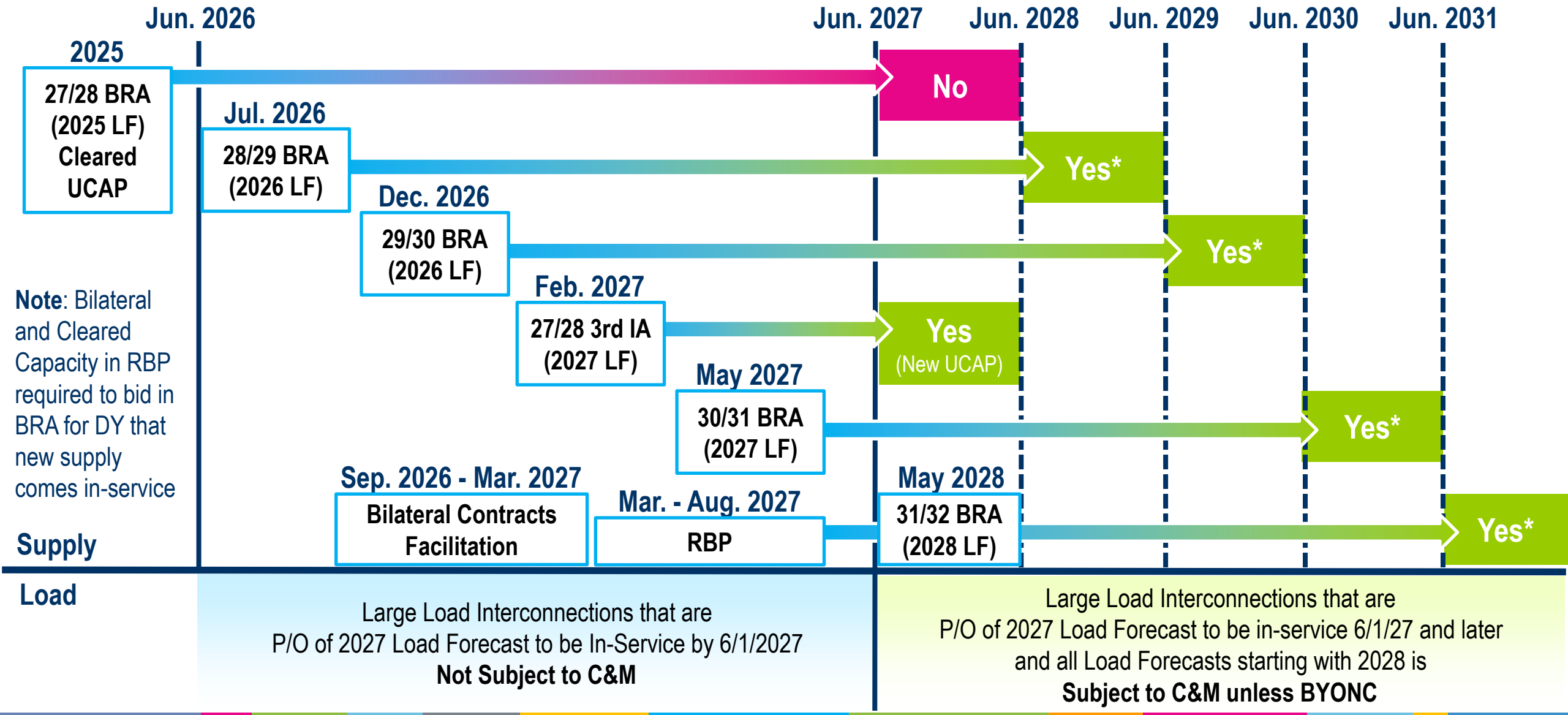
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BYONC and Connect & Manage: Proposed Eligibility Timeline

Eligible for BYONC?



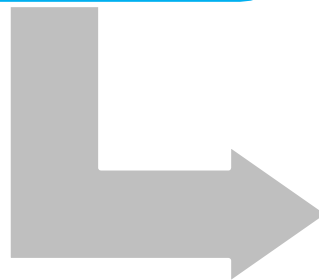
RBP
(Bilateral Contract Facilitation and Central Procurement)

New supply (one path for BYONC) for Large Loads in future delivery years prior to the BRA



BRA/IA

RBP outcomes verified and any additional BYONC included



Connect & Manage

Stop-gap operational action until no capacity deficiencies (BYONC excluded)

Short Answer: The Reliability Backstop Process (Bilateral Contract facilitation and Central Procurement) is a pathway to Bring Your Own New Capacity (BYONC).

Load that participates and contracts through the Bilateral Contract facilitation will be able to use this supply as a showing for BYONC (assuming the supply contracted meets the BYONC criteria).

Supply that is procured through the Central Procurement will be MWs 'credited' to the EDC that can will be considered a BYONC showing – how this is allocated to LL for Connect and Manage will need to be determined by the EDC based on contracts.

Connect and Manage BYONC determinations are made solely on RPM BRAs/IAs using Connect & Manage requirements. The Reliability Backstop Bilateral Contracts and Central Procurement results are inputs into RPM BRA/IAs.

Supply Eligibility requirements for the Reliability Backstop Central Procurement participation are intended to be consistent with (possibly more restrictive) the definition of BYONC for Connect & Manage exemption. (See next slide for comparison)



BYONC vs. RBP Central Procurement Supply Proposed Eligibility

BYONC for Connect & Manage

RBP Eligibility

Supply

- New generating and energy storage resource (UCAP); For a given resource type BYONC UCAP must be \geq Large Load (FPR% of Load) for initial year only.
- Uprate/expand services at existing generating resources to maximize utilization at the Point of Interconnection (to the extent of the uprated or expanded production)
- Enable a generator that did not clear the prior capacity auction
- Retain certain generating resources with (1) an independent audit finding a compelling economic basis for retirement that have submitted a deactivation request to PJM and (2) approval by the state.
- Resources that undergo fuel-switching to another more efficient fuel type that results in a higher UCAP and/or CIR uprate

New ICAP, MFO and CIRS. – Can include new build, uprates or repowering of deactivated generators that have retired as of April 10, 2026, generation in the queue with CIR transfers would be eligible.

Demand Response/DER

New Emergency, Pre-Emergency DR, and DER. (Note: PJM is still considering the rules governing LLs self-supplying DR)
BYONC UCAP must be \geq Large load (FPR%) for initial year and demonstrated all future years.

New Emergency, Pre-Emergency DR, and DER.



BYONC vs. RBP Central Procurement Supply Proposed Eligibility

	BYONC for Connect & Manage	RBP Eligibility
Timing	New UCAP MW of supply included in the 2027/2028 3rd Incremental RPM auction or later DY BRA/IA that has not cleared a prior RPM auction or has not been registered as Load Management.	New UCAP MW of supply that has not cleared a prior RPM auction (before RBP). Must have a commercial operation date (COD) no later than June 1, 2031, inclusive of network upgrades.
Ineligible	Restoration of previous DY capacity deficiencies (ex. failed tests) do not qualify for BYONC.	Restoration of previous DY capacity deficiencies (ex. failed tests) plus, Delayed retirements, re-licensing, fuel switching, CIR only uprates, surplus resources
Verification	Large Load must provide proof of BYONC (contract, etc.) to EDC. The EDC will provide this proof to PJM so that PJM can verify. Example: Executed a Power Purchase Agreement (“PPA) or similar contractual commitment with financial investment	Supply Committed and Owned in RPM for the applicable DY



Additional Details for Connect and Manage Exemption

Design Element	Description
Connect & Manage (C&M) designation	<p>All new LLs (in MWs) that are in Table B9b for 2027 and later years but not for 2026 are included in the C&M quantity determinations and are potentially interruptible under the Connect and Manage (C&M) framework if there is a capacity shortage, unless they bring new supply via BYONC. Individual large loads are determined by the EDC/TO and may include additional large loads not included in table B9b. Final determination based on the 2027 Load Forecast used in the 27/28 3rd Incremental RPM Auction.</p>
Bring Your Own New Generation (BYONC) Eligibility	<ul style="list-style-type: none">• enable a new generating or energy storage resource• uprate/expand services at existing generating resources to maximize utilization at the Point of Interconnection (to the extent of the uprated or expanded production)• enable a generator that did not clear the prior capacity auction• retain certain generating resources with (1) an independent audit finding a compelling economic basis for retirement that have submitted a deactivation request to PJM and (2) approval by the state.• resources that undergo fuel-switching to another more efficient fuel type that results in a higher UCAP and/or CIR uprate• Provide new Demand Response• Restoration of previous DY capacity deficiencies (ex. failed tests) do not qualify for BYONC
Definition of new Demand Response /DER	Emergency, Pre-emergency DR, or DER Aggregations
BYONC Location	No locational requirement, but BYONC must be deliverable to the LL. Considerations for transmission upgrades and LDA constraints must be taken into account before the BYONC can be accredited to the LL.
BYONC Quantity (Initial and Maintaining eligibility)	Generation and Storage: For a given resource type BYONC UCAP must be \geq Large Load (FPR% of Load) for initial year only. Demand Response: BYONC UCAP must be \geq Large load (FPR%) for initial year and demonstrated all future years.



Additional Details for Connect and Manage Exemption

Design Element	Description
BYONC Assignment	<ul style="list-style-type: none"> • BYONC cannot be transferred to a different new Large Load unless the original Large Load no longer exists. • BYONC may be used for a portfolio of Large Loads. • Excess BYONC may be reserved for future Large loads in a portfolio or for ramping (i.e. Large load takes multiple years to ramp to full load)
BYONC Assignment Timing	<p>EDC notify PJM by start of 3rd IA for DY EDC notified of BYONC designation before start of DY.</p>
Failure of BYONC to materialize at assignment phase	<p>Supply: No impact to BYONC; Subject to PJM Capacity deficiency rules if applicable. Large Load: Subject to Connect & Manage</p>
Failure of BYONC to materialize during a C&M event	<p>Supply: No impact to BYONC. Subject to PJM Capacity rules and PAIs. Large Load: Not subject to Connect & Manage if previously identified as exempt.</p>
BYONC Verification	<p>Large Load must provide proof of BYONC (contract, etc.) to EDC. The EDC will provide this proof to PJM so that PJM can verify. Example: Executed a Power Purchase Agreement (“PPA) or similar contractual commitment with financial investment</p>
BYONC Timing with Large Load	<ul style="list-style-type: none"> • New UCAP MW of supply included in the 2027/2028 3rd Incremental RPM auction and later DY BRA/IA that has not cleared a prior RPM auction or has not been registered as Load Management . • Large Load that interconnects prior to BYONC will be Connect and Manage until the BYONC is online. • BYONC that interconnects during a planning period my be eligible only if the resource procures PJM capacity

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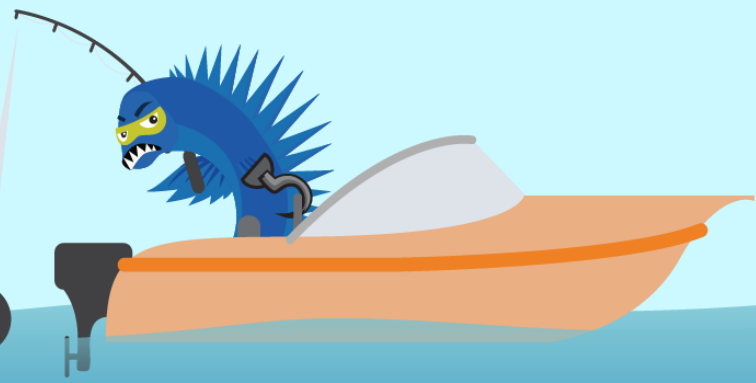
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