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Monitoring Analytics

DATE: **February 10, 2026**
TO: **Reliability Backstop Workshop**
FROM: **IMM**
SUBJECT: **Proposed backstop auction design**

The preferred option for data centers adding load to the PJM system is to bring your own new generation. For those data centers that do not bring their own new generation, PJM would run a backstop auction designed to meet data center load plus the required reserve margin to meet that load. PJM would run the BRAs for each delivery year without the data center load in order to meet the organic load. All forecast data center load included in the 2027/2028 BRA would be excluded from the BRAs. In the backstop auction, the demand for capacity would be equal to specific demand for 15 year capacity from individual data centers, plus the required reserve margin for each data center. The demand bids would include the desired terms and conditions that could include ramp in of increased load. All data centers with demand greater than or equal to 5.0 MW would be included. There would be no connect and manage option.

Sellers in this backstop auction would be new generation only. New generation would not include uprates to existing generation, uncleared capacity, repowered capacity, proposed retirements, demand side resources or relicensing.

The backstop auction would result in matching individual data centers with sellers of new generation and ultimately bilateral contracts. The data centers would be required to coordinate with the EDC/LSE where they are located. The rules governing the coordination would be subject to approval by appropriate state authorities. The EDC/LSEs are not the counterparty to the contracts and are not at risk for any contract related issues. The data center and the capacity seller would be the counterparties to the contracts.

When the bilateral contracts are final, the data center load plus the reserve margin and the corresponding capacity would be included in future BRAs.

Questions that need to be addressed include:

1. Does new capacity need to match data center load location?
   a. Implications for transmission upgrade costs.
2. Does new capacity need to match data center load duration?
3. Does ELCC define capacity for purposes of meeting data center load?