

Comments on Inclusion of Behind-the-Meter Capacity in RBP

Voltus
March 2026

*The RBP Is Designed
to Secure Large
Volumes of New
Capacity*



RBP Should Be for New Capacity, Resource-Class Agnostic

- Policymakers, PJM, and stakeholders are aligned that the RBP should add system capacity that would not otherwise be investable based on Base Residual Auction (1- to 3-yr forward) price signals.
- Effectively identifying such “additional” capacity is an exercise applicable to front-of-the-meter as well as BTM capabilities, installations, and aggregations.
- An effective RBP will identify and incent *new, additional-to-BRA* behind-the-meter capacity (**BTMC**)—including distributed storage—equivalent to new, additional-to-BRA generation.

*BTMC Is Operationally
Capable of Providing
Much-Needed Capacity to
Bridge Reliability Gaps*



PJM Recognizes DR's Capacity Value with an ELCC Class Rating of 91%



2028/29 BRA ELCC Class Ratings

ELCC Class	Final Rating	ELCC Class	Final Rating
Onshore Wind	34%	DR	91%
Offshore Wind	60%	Nuclear	96%
Solar Fixed Panel	7%	Coal	85%
Solar Tracking Panel	10%	Gas CC	78%
Landfill Gas Intermittent	50%	Gas CT	67%
Hydro Intermittent	35%	Gas CT Dual Fuel	79%
4-hr Storage	59%	Diesel	93%
6-hr Storage	68%	Steam	75%
8-hr Storage	71%	Waste to Energy Steam	84%
10-hr Storage	78%	Oil-Fired CT	83%



www.pjm.com | Public

8

PJM © 2025

5

*Broad Limitations on
BTMC Participation
Are Contrary to FERC
and Court Precedent*



FERC Orders 719 and 745 Require Treatment of BTM Resources Equivalently to Generation

- Order 719 requires market operators to accept customers' and aggregators' demand response bids into organized wholesale markets.
- Order 745, upheld by *FERC v. EPSA* (2016), directs RTOs "to compensate [demand response and generation] equivalently—that is, to pay the same price to demand response providers for conserving energy as to generators for making more of it" (*FERC v. EPSA*, p. 2).
- Orders 841 and 2222 offer equivalent determinations for other distributed resources and aggregations thereof.
 - Order 2222 includes DR within aggregations with other DERs.

- FERC and Supreme Court precedent thus strongly support the inclusion of BTM capacity in the RBP.
- The inclusion is subject to *the same constraints* that the PJM Governors, the White House, PJM staff, and other stakeholders have identified for all resource types:
 - The capacity must be *new*, which includes . . .
 - Additional or incremental UCAP tied to existing, interconnected sites.
 - This should be true for both behind-the-meter and front-of-meter assets.

Domestic Energy Users Able to Provide New BTM Capacity Should Be Enabled to Compete with Foreign Investment for Capacity Revenue

PJM's *initial proposal* for the backstop auction would not allow load management to participate. But Wellinghoff said it is not clear that the governors and the White House intended to exclude demand response resources.

“From a regulatory standpoint, FERC in orders 719 and 745 clearly said that demand response and load flexibility should be comparable to generation [and] should be included in the auctions,” he said.

Referencing a recently announced *deal* between the U.S. and Japan over a 9.2-GW gas facility in Ohio, he said the auction should not prioritize foreign-owned generation plants over demand response capabilities that can be provided by American businesses.

Source: <https://www.rtoinsider.com/126892-empower-26-speakers-talk-data-center-demand-growth/>

Referenced deal:

<https://www.theguardian.com/business/2026/feb/18/us-japan-critical-minerals-agreement-oil-gas-projects-deal>.

*Stakeholders Broadly
Support the Inclusion
of BTMC*

Back to CFP . . . Joint Stakeholders Include DR

- Joint Stakeholders' Proposal during Large Load Addition CFP process introduced the concept of a Reliability Backstop Alternative:

Reliability Backstop Alternative (cont.)

- Eligible resources can (at their option) offer a minimum term supply commitment at the top of the Variable Resource Requirement (VRR) curve.
- Bidders may offer up to 7 years but shorter-term offers will clear first.
- Eligible resources include: new/reactivated generation, existing generation with an offer cap above top of the VRR curve, traditional demand response.
- Eligible resources must be reasonably likely to perform in the delivery years cleared.

PJM Board CIFP Decisional Letter Is Consistent with BTMC's Inclusion

- The Board Decisional Letter highlights the Joint Stakeholders' Proposal and requests a procurement design "consistent with the Board's direction to procure for the full reliability requirement for the footprint."
- The goal of meeting the full reliability shortfall in a rapid load growth environment, given several-year development timelines for new power plants, strongly favors the inclusion of dispatchable BTM resources.

Governors' and Energy Dominance Council Statement of Principles Also Supports BTMC's Inclusion and Highlights "Newness" As Relevant Differentiator

- **Provide Revenue Certainty to New Generation:**
 - Provide 15-year price certainty for **new capacity resources**. This can be accomplished by holding a Reliability Backstop Auction to procure **new capacity resources** commencing no later than September 2026. The PJM Board should file tariff revisions at FERC expeditiously, as PJM has already received stakeholder input through the 2025 Critical Issues Fast Path (CIFP) process and no further CIFP processes are necessary.
- DR (Load Management) is a capacity resource, as is the DER Model which is eligible to bid into the next BRA.

Constellation, Vistra, AlphaGen, and Earthrise Support DR's Eligibility and Emphasize Consistency with BRA

- ▶ Eligible resources: New (including uprates) and reactivated generation, existing generation with an offer cap above the top of the VRR curve, traditional demand response committing for more than a year.
 - ▶ Eligible resources seeking to participate in the RBA for 2028/29 delivery year must meet **same requirements as those resources participating in the BRA** for 2028/29 delivery year.
- The first bullet follows the language in the CIFP Joint Stakeholders' Proposal (to which Constellation was a party) that was picked up the Board Decisional Letter.

MA, PA, DE Consumer Advocates Include RPM Eligible Resources that Are *New*; Google Comments Support BTMC's Inclusion

- Consumer Advocates:
 - New: RPM eligible but cannot have cleared in previous RPM auction
 - Only new portion of facilities subject to uprates or expansion
 - Retiring resources are not new. Some allowance for reactivation
 - Fuel-switching resources are not new
- Google:
 - Resource Eligibility & Selection Criteria
 - Looking at procurement target, is there even sufficient potential supply deliverable by June 1, 2028?
 - Any / all new supply should be eligible (tech & fuel agnostic, includes uprates).
 - Term should be sufficient to support new entry; reasonable to allow suppliers to compete on term.
 - RBA price paid only to new capacity secured in RBA; resources act as price takers in subsequent BRAs.
 - RBA offer price should reflect the cost of any network upgrades required to deliver new generation to load.

Stack Energy Consulting Presentation Emphasizes Consistent Treatment of Identical Technologies

- Excluding assets based solely on their placement behind-the-meter creates inconsistencies and limits business/technology solutions.
- **Customer-sited resources have been an accepted product in all PJM markets for years, with capacity market price signals incentivizing BTM technology providers to develop new dispatchable capacity.**

An identical technology (e.g. energy storage, gas) that is based in front-of-the-customer-meter would be eligible for participation, but could be banned if it is behind-the-customer-meter

*Voltus Endorses
NRDC's Proposal For
Identifying New
Capacity*



Appendix: New Supply

The following resources qualify as new:

New construction generation or storage that has completed Phase III of a cycle or begun the SIS process but has not yet taken on an RPM must-offer requirement.

Increased capacity from uprates. Open question if uprates need to have completed Phase III.

Imports that have qualified to offer but have never cleared an RPM auction

For C&I demand response, sites that do not register for any of the 2025/26 through 2027/28 delivery years, or any increase in capacity of sites that have registered.

For mass market demand response programs, an increase in UCAP

- Here, per PJM terminology, “mass market demand response” should include residential aggregations.
- NRDC’s delineation promotes consistent treatment of BTM and FTM resources: uprates are analogous to UCAP increases for existing distributed resources.

*BTMC Is The Most
Readily-Deployable
Asset Class for RBP
Stage 1*



- PJM has suggested that Stage 1 of the RBP be eligible to resources with a COD no later than DY 30/31. It is likely that only BTM resources can hit this target.
- >> The industry stands ready to deploy GWs of dispatchable BTMC given sufficient investment signals. This capacity can be stood up years before gas generators and other utility-scale storage comes online.
- >> Including BTMC in the RBP will support an effective procurement and is aligned with FERC precedent.

Thank you.

Contact:

Kimaya Abreu – kabreu@voltus.co

The Voltus logo features the word "voltus" in a lowercase, sans-serif font. The letter "o" is replaced by a stylized circular icon consisting of three concentric rings. A small "TM" trademark symbol is positioned to the upper right of the "s".