

## Stakeholder Feedback on Reliability Backstop Procurement Survey Responses

Question 1	
Company Name	Provide any feedback on the goals and principles for designing the Reliability Backstop process.
1. Distributed Sun 2. trucurrent	The primary goal should be the rapid procurement of "shovel-ready" resources, specifically 4-hour BESS, that can be deployed faster than traditional thermal units to close the 5.6% reserve gap.
Zenobe Americas	No further feedback
New Jersey Board of Public Utilities	N/A

Question 2	
Company Name	Are there additional impacts, or feedback on identified impacts of a Reliability Backstop?
1. Distributed Sun 2. trcurrent	Eligibility must be technology-neutral and prioritize resources that provide Grid-Forming (GFM) capabilities, such as virtual inertia and blackstart, to replace the stability services of retiring baseload plants.
Zenobe Americas	No further feedback
New Jersey Board of Public Utilities	N/A

Question 3	
Company Name	How far forward (in delivery years) should the Backstop look to address?
1. Distributed Sun 2. trcurrent	PJM should look 3 to 5 years forward to align the procurement with the 2029/2030 and 2030/2031 delivery years, providing enough lead time for "ready-to-build" storage projects to bypass the standard queue while still addressing the immediate shortfall.
Zenobe Americas	No further feedback
New Jersey Board of Public Utilities	N/A

Question 4	
Company Name	How should the procurement targets be calculated and what party should be setting the targets?
1. Distributed Sun 2. trcurrent	Procurement targets should be calculated as the difference between the most recent 50/50 peak load forecast, multiplied by the Forecast Pool Requirement (FPR), and the existing UCAP supply mix, with PJM setting these targets based on transparently reported large-load additions.
Zenobe Americas	No further feedback
New Jersey Board of Public Utilities	N/A

Question 5	
Company Name	Should the backstop procurement be limited to large load or should all load growth be considered?
1. Distributed Sun 2. trcurrent	The Backstop Procurement should be specifically limited to the shortfall created by Large Load Additions (>50 MW) to ensure that cost allocation remains with the beneficiaries of this growth while preventing the procurement from interfering with standard utility planning for native load.
Zenobe Americas	No further feedback
New Jersey Board of Public Utilities	N/A

Question 6	
Company Name	Please list any considerations for determining the Counterparty to the long-term contracts through the Reliability Backstop Procurement. (example: should this be the buyer (LSE) or PJM?)
1. Distributed Sun 2. trcurrent	PJM should act as the central counterparty to the long-term contracts to ensure standardized credit requirements and provide the revenue certainty needed for developers to secure financing for new storage and solar assets.
Zenobe Americas	No further feedback
New Jersey Board of Public Utilities	N/A

Question 7		
Company Name	What criteria should be used to determine eligible supply for a Reliability Backstop Procurement? (Select all that apply.)	What criteria should be used to determine eligible supply for a Reliability Backstop Procurement? (Select all that apply.) - Other Detail
Distributed Sun 2. trcurrent	Uprates, Surplus, Demand Response, Distributed Energy Resources (DER), Other	We prioritize Uprates, Surplus Interconnection, DR, and DER because these categories leverage existing grid infrastructure to deliver fast-acting, high-reliability capacity—specifically 4-hour BESS and microgrids—months or years faster than traditional Greenfield projects.
Zenobe Americas	Other	No further feedback
New Jersey Board of Public Utilities	Other	N/A

Question 8	
Company Name	Please explain your position on term of contracts.
Distributed Sun 2. trcurrent	We strongly support 15-year contract terms for new resources to provide the long-term revenue certainty necessary to secure project financing and incentivize the rapid deployment of the 365 MW of storage and microgrids needed to address the current reliability gap.
Zenobe Americas	No further feedback
New Jersey Board of Public Utilities	N/A

Question 9	
Company Name	Are there willingness-to-pay considerations to resource selection? Please explain.
1. Distributed Sun 2. trcurrent	Willingness-to-pay should be determined by a 'Value-of-Reliability' framework that prioritizes the lowest-cost path to meeting the 5.6% reserve margin, while allowing for price adders for 'ready-to-build' resources that can achieve commercial operation before the 2029/2030 delivery year.
Zenobe Americas	No further feedback
New Jersey Board of Public Utilities	N/A

Question 10	
Company Name	How should the Reliability Backstop process take into account deliverability and necessary system upgrades?
1. Distributed Sun 2. trcurrent	Deliverability should be assessed through a dedicated, accelerated 'Fast-Track' study that runs in parallel with the procurement, utilizing the same priority modeling used for the EIT to identify projects that can utilize existing interconnection head-room with minimal system upgrades.
Zenobe Americas	No further feedback
New Jersey Board of Public Utilities	N/A

Question 11	
Company Name	Should the backstop procurement be targeting September 2026? Please explain.
1. Distributed Sun 2. trcurrent	September 2026 is an appropriate and necessary target to address the immediate reliability shortfall, provided that PJM implements a parallel 'Priority Interconnection Lane' for backstop resources to ensure that shovel-ready 4-hour BESS and microgrids can achieve commercial operation by the mandated deadline.
Zenobe Americas	No further feedback
New Jersey Board of Public Utilities	N/A

Question 12	
Company Name	Are there other considerations to the timing of the backstop? Please explain.
1. Distributed Sun 2. trcurrent	Timing considerations must include a "safe harbor" provision for projects that experience third-party delays in equipment delivery or utility-driven interconnection studies, ensuring that these high-reliability assets are not penalized for global supply chain volatility or PJM administrative backlogs.
Zenobe Americas	No further feedback
New Jersey Board of Public Utilities	N/A

Question 13	
Company Name	Please provide feedback on the Joint Stakeholder (Constellation, Vistra, AlphaGen, and Earthrise) Proposal.
1. Distributed Sun 2. trcurrent	N/A
Zenobe Americas	No further feedback
New Jersey Board of Public Utilities	Staff has concerns about the administratively set demand in this proposal and is generally concerned with making long-term commitments based on LLA forecasts. This proposal tries to minimize risk by setting the procurement target based on the shortfall from the last auction. Such an approach is unlikely to attract the scale of new generation that LLAs will need in the coming years, ensuring an unsustainable period of high prices in the BRA unless comprehensive changes are made to the market. Staff prefers an RBP in which demand is set by buy-bids from data centers to ensure we do not over- or under- procure generation for uncertain load. Staff also has concerns about the lack of a cost allocation mechanism outlined in this proposal. The Statement of Principles states that allocating costs to data centers is a priority.

Question 14	
Company Name	Please provide feedback on the Cross-Sector Reliability Coalition (Talen, Amazon Web Services, and Competitive Power Ventures) Proposal.
1. Distributed Sun2. trcurrent	N/A
Zenobe Americas	No further feedback
New Jersey Board of Public Utilities	<p>If costs are not directly assigned to data centers, Staff believes RBA costs must be allocated to EDCs/LSEs based on their load growth. Staff has concerns about the implementation of this proposal, and specifically the evaluation of bids that weigh both price and deliverability timing. Staff has concerns about how PJM would take into account these different characteristics, particularly given the lack of clarity about quantifying C.O.D. in this proposal.</p> <p>While Staff understands the need for bringing new generation online as fast as possible, we are concerned that giving too much weight to deliverability timelines in the evaluation process will result in unnecessarily high payments to certain resources which were already likely to be built regardless.</p>

Question 15	
Company Name	Please provide feedback on the IMM Proposal.
1. Distributed Sun 2. trucurrent	N/A
Zenobe Americas	No further feedback
New Jersey Board of Public Utilities	<p>Staff generally supports the idea of bilateral contracts in an RBP, particularly because they fully isolate data center and generation risk from existing ratepayers and native load growth. Data Centers are best positioned to determine how much power they need and their willingness to pay. The IMM's proposal prevents high costs and risks from the RBP being socialized amongst existing ratepayers and organic load growth.</p> <p>However, Staff has concerns that this RBP structure will not go far enough to incentivize new generation at the scale that the region needs because the opportunity for data centers to seek bilateral contracts with generation already exists.</p> <p>Staff also thinks the "new" generation definition defined in this proposal excludes too many resources. Since we need new generation online at a fast pace, Staff thinks that uprates, uncleared capacity, and DR (if it can show long-term delivery commitments) should be included in the RBP.</p> <p>Lastly, Staff thinks that data centers should have different options outside of participating in the RBP and thinks that Connect and Manage should be the fallback alternative for data centers that do not bilaterally contract or participate in the RBP. Connect and Manage load should not be included in the RPM demand stack, as doing so forces existing ratepayers to pay for generation that the large loads were unwilling to pay for themselves. In the long run, an alternative to the BRA may be necessary to procure new generation for large loads – such is an issue for the holistic review of the markets PJM will conduct.</p>

Question 16	
Company Name	Please provide feedback on the Maryland Office of People's Counsel, Pennsylvania Office of Consumer Advocate, and Delaware Division of the Public Advocate Proposal.
1. Distributed Sun 2. trucurrent	N/A
Zenobe Americas	No further feedback
New Jersey Board of Public Utilities	<p>Staff agrees that costs and stranded asset/default risks should be allocated and borne by data centers. Staff is also open to the idea of an auction with buy-bids, or PJM as a dating service (or running a bulletin board matching system first, with an auction following), so long as these concerns are addressed. Staff agrees that, in an auction structure, demand should be based on buy-bids in order to avoid using PJM's load forecasts, which are continuously updated closer to the delivery year. Staff also agrees that a data center should not be added to the system unless it either procures capacity from the RBP, is enrolled in a bilateral contract sufficient for BYOG requirements, or is subject to curtailment before pre-emergency DR.</p> <p>However, Staff prefers commitments of 7-12 years over the 10–20-year timeframe in this proposal. While some resources may need longer, Staff does not see a reason to set the minimum commitment length at 10 years.</p>

Question 17	
Company Name	Please provide feedback on the PJM Reliability Backstop Design Working Paper.
1. Distributed Sun 2. trcurrent	N/A
Zenobe Americas	No further feedback
New Jersey Board of Public Utilities	<p>Staff supports PJM's thinking that the target procurement should be based on buy-bids from data centers, as they are best suited to determine the quantity to purchase. Staff agrees that costs should be directly allocated to data centers or that cost allocation amounts should align with data center load growth in LSEs. Staff expects that a two-stage process, whether that is to provide additional bilateral contracting opportunities or to separate target delivery years, is appropriate.</p> <p>Staff is concerned that PJM is underestimating the complexity of running an RFP-based procurement for new generation. Staff recommends that PJM not pursue such an approach. An auction format with PJM as the counterparty can work, but the risks must be managed, and existing ratepayers must be safeguarded. PJM should explore mechanisms to incentivize data centers to become their own LSEs so they can participate in an auction directly.</p>

Question 18	
Company Name	Please provide feedback on the NRDC Proposal.
1. Distributed Sun 2. trcurrent	N/A
Zenobe Americas	<p>This proposal contains useful thinking on how a shared risk pool could mitigate the risk of data centers failing to materialize and the wider costs this could impose on load, as well as the "blind date" issue.</p> <p>Zenobe does not support the data centers being direct counterparties to generators, as this introduces considerable counterparty credit risk. The market for bilateral contracts between data centers and generation is already functioning, and any load covered by a bilateral contract should be considered as served and removed from the RBA.</p> <p>Therefore, Zenobe recommends PJM to incorporate the shared risk pool ideas into the Working Design Paper, with PJM remaining the counterparty.</p>
New Jersey Board of Public Utilities	<p>Staff appreciates the NRDC's focus on prioritizing solutions to central issues related to getting new MW of generation online.</p> <p>Furthermore, Staff agrees that buy-bids into the RBP should be a pathway out of Connect and Manage for data centers, as this will incentivize participation. Staff agrees that the RBP must protect ratepayers from direct costs associated with new supply to serve data centers, as well as the risk of stranded assets or private defaults. Staff also recognizes the importance of bringing BRA prices down from the price cap and sees this as a potential solution to bring on new supply to serve other users, not just data centers.</p> <p>Staff supports the idea of risk remaining within this market, in which buyers and sellers participating in the RBP assume these costs and risks, while others are protected. While Staff thinks an auction that only includes buy-bids from LLAs is preferred, Staff is open to an auction that includes native load shortfalls if the costs and risks can be segregated – state laws may also need time to update if entities such as EDCs/LSEs are expected to directly participate as buyers in the auction (which may be the best way to insulate risk).</p>

Question 19	
Company Name	Please provide feedback on the ODEC Proposal.
1. Distributed Sun 2. trcurrent	N/A
Zenobe Americas	No feedback
New Jersey Board of Public Utilities	Staff agrees that large loads subscribing to the RBP should financially commit to the full capacity amount, rather than relying on RPM-style cost socialization, particularly given the long commitment periods.

Question 20	
Company Name	Please provide feedback on the EKPC Proposal.
1. Distributed Sun 2. trcurrent	N/A
Zenobe Americas	Zenobe does not support the data centers being direct counterparties to generators, as this introduces considerable counterparty credit risk. The market for bilateral contracts between data centers and generation is already functioning, and any load covered by a bilateral contract should be considered as served and removed from the RBA.
New Jersey Board of Public Utilities	Staff has concerns with using load forecasts instead of buy-bids from data centers to procure capacity in the RBP. Staff also has concerns about LSE risk exposure in this proposal, as final load forecasts are made at the PJM level rather than the LSE level.

Question 21	
Company Name	Please provide feedback on the Stack Energy Consulting (on Behalf of Calibrant Energy, Mainspring Energy, Verrus, and Voltus) Proposal.
1. Distributed Sun 2. trucurrent	N/A
Zenobe Americas	While Demand Response has an important role, Zenobe doesn't support DR being included in the RBA, which should focus on procuring genuinely new generation, and DR should be enabled/incentivized via other PJM market mechanisms.
New Jersey Board of Public Utilities	Staff agrees that, under the region's constrained timeline to improve resource adequacy, more mechanisms for load flexibility should be explored. Staff agrees that it's particularly important in the next few years—before many new, larger-scale generation sources can come online—to include load flexibility resources, including demand-side participation. Staff further agrees that large loads should have the option to procure new capacity ahead of the RBP or agree to be curtailable, and that any net short MWs should be subject to Connect and Manage.

**Question 22**

Company Name	Please provide feedback on the SMECO Proposal.
1. Distributed Sun 2. trucurrent	N/A
Zenobe Americas	SMECO's quantification of load forecasting uncertainty risk highlights the risk of load failing the materialize. Zenobe supports credit requirements and capacity performance penalties but believes PJM needs to consider whether proportionally scaling these up by ~15x to account for the contract length is too high and while lead to even higher clearing prices. Zenobe recommends credit requirements and penalties to be scaled up but to a lower level that is workable for all parties.
New Jersey Board of Public Utilities	Staff agrees that there are significant market risks that should be taken into account in the design of the RBP, and that cost allocation should be at the forefront of these discussions. Staff agrees that the RBP must not socialize risk to non-participating load.

Question 23	
Company Name	Please provide feedback on the Google Presentation.
1. Distributed Sun 2. trcurrent	N/A
Zenobe Americas	Zenobe supports this proposal's point on the need and efficiency of PJM being the "buyer" and running a centralized auction. Google is correct to raise points on Resource Eligibility (sufficient supply deliverable by June 1 2028) and Growth Projections (verified by financial commitment, reflect operational realities) While Demand Response has an important role, Zenobe doesn't support DR being included in the RBA, which should focus on procuring genuinely new generation, and DR should be enabled/incentivized via other PJM market mechanisms.
New Jersey Board of Public Utilities	Staff has concerns about the amount and price of the RBP being administratively set if PJM were to run a centralized auction for the full shortfall amount. Further, Staff has concerns about the cost allocation principles outlined in this presentation, specifically, that costs incurred from the RBP should be allocated the same way BRA costs are. Staff believes that data centers (and other voluntary participants, should PJM choose to adopt an RBP like the NRDC's) should assume these costs and risks.

Question 24	
Company Name	Please provide feedback on the MN8 Energy Presentation.
1. Distributed Sun 2. trucurrent	N/A
Zenobe Americas	Zenobe disagrees with MN8's position against creating a new RBP fast track for interconnection. There should a fast track interconnection process for projects that secure a RBP contract to enable meeting ambitious CODs.
New Jersey Board of Public Utilities	Staff agrees that bilateral contracts provide an efficient way to allocate risk. However, Staff is concerned about using PJM's load forecasts to procure the remainder of MW in an RBP. Staff also has concerns about the proposed 20-year commitment, and thinks that a shorter timeframe would be sufficient to reduce risk and attract new generation.

Question 25	
Company Name	Please provide feedback on the IMM Updated Proposal (posted on 2/24 but not yet presented).
1. Distributed Sun 2. trcurrent	N/A
Zenobe Americas	<p>Zenobe continues to support the following elements of the IMM proposal:</p> <ul style="list-style-type: none"> <li>- Locational price signals</li> <li>- Strict definition of new generation, which will ensure the auction incentivizes genuinely new generation</li> <li>- Explicit separation of data center load from the BRA</li> </ul> <p>Zenobe does not support the data centers being direct counterparties to generators, as this introduces considerable counterparty credit risk. The market for bilateral contracts between data centers and generation is already functioning, and any load covered by a bilateral contract should be considered as served and removed from the RBA.</p> <p>Zenobe does not support expanding the contract to cover energy and ancillary services, as well as capacity. There are large differences between technologies in the level of these services that can be provided, presenting a challenge to PJM's assessment of different technologies.</p>
New Jersey Board of Public Utilities	<p>Staff generally supports the RBP structure in this proposal, including a mandatory RBA designated for data centers that elect not to BYOG. However, Staff thinks data centers should have a third option, to Connect and Manage, should they choose not to BYOG or participate in the RBP. Staff supports the overall design of this RBA and its emphasis on minimizing PJM's role as a central planner. Staff finds the IMM's RBA structure clear and straightforward, as this RBA design for data center load generally emulates the current BRA structure, while applying it specifically to data center load. Staff also generally supports including all data centers with load greater than or equal to 5.0 MW, given that data centers present similar risks regardless of size.</p>