Stakeholder Feedback on Reliability Backstop Procurement Survey Responses

Question 1	
Company Name	**Please provide your thoughts on using the Critical Issue Fast Path (CIFP) process following the hiatus.**
1. Public Service Electric and Gas Company	N/A- see prior submission

Question 2	
Company Name	**Please provide your thoughts on using the 9.2(b) process, providing notice and consultation, following the hiatus.**
1. Public Service Electric and Gas Company	N/A- see prior submission

Question 3	
Company Name	**Please provide any other thoughts on the stakeholder process following the hiatus.**
1. Public Service Electric and Gas Company	N/A- see prior submission

Question 4	
Company Name	**Provide any feedback on the goals and principles for designing the Reliability Backstop process.**
1. Public Service Electric and Gas Company	The PJM region is facing an unprecedented resource adequacy challenge, leading to an affordability challenge for New Jersey customers that will become a reliability problem if not addressed. The Reliability Backstop Auction (RBA) is one approach to help bring more generation on-line as soon as possible, but there must be careful consideration of how the RBA is implemented to: (i) ensure that the costs of the RBA are assigned to LSEs/zones in a way that reflects cost causation – i.e. those zones with high large load customer penetration - and protects existing ratepayers; (ii) meaningfully address resource adequacy by bringing new resources - including baseload generation, uprates, demand response and distributed energy resources such as battery storage and solar - online; and (iii) prevent impacts to the existing generation fleet participating in PJM's Reliability Pricing Model. Along these lines, PSEG supports the "firm design components" outlined by PJM at the March 5, 2026 PJM Reliability Backstop Procurement Workshop including: 1) Addressing target resource adequacy shortfall procurements for the near-term (possibly 2030): PSEG supports a procurement target for the RBA that is tied to reliability needs and addresses the near-term capacity shortfall. We understand the concerns raised by the States concerning potential over-procurements under the RBA, and we caution against a procurement target that is too far out in the future where the quantity and location of large load growth is relatively less accurate. However, bearing in mind that the resource adequacy crisis is real and is growing, PJM and the States – working together – must have a coordinated approach to get needed capacity built on a timely basis. 2) Executing the RBA auction in September 2026: PSEG supports a single RBA auction that occurs as soon as possible and provides expedited queue treatment for all its participating resources. 3) Procuring RBA resources for up to 15 year terms: As a general principle, PJM should employ an "all of the above" approach in the RBA. As such, PSEG supports the inclusion of all new resources in the RBA to address the resource adequacy crisis in the region. In addition to "traditional" resources and uprates, we believe that RBA should include demand response, solar, and storage, which are typically able to interconnect to the system more quickly. 4) Rationally allocating the costs of the RBA: PSEG supports fairly and rationally allocating the costs of the RBA in a manner that matches cost causation and therefore assigns cost responsibility to zones with high large load penetration.

Question 5	
Company Name	**Are there additional impacts, or feedback on identified impacts of a Reliability Backstop?**
1. Public Service Electric and Gas Company	• PJM should consider the implications of the RBA on the Base Residual Auction, with a critical eye toward not driving a wedge between the two processes and harming long-term investment signals in the BRA that are needed to address resource adequacy. Recognizing that PJM is performing a holistic review of its markets during the second half of 2026, which PSEG strongly supports, it is important that the long-term approach to addressing resource adequacy not rely on out-of-cycle procurements like the RBA but instead look for a stable approach to addressing rapid load growth in the region. • The RBA Auction must be designed in a way that does not discourage large loads from interconnecting as initially planned and accounted for in the PJM load forecast. If large loads do not interconnect as planned, the load forecast will not be accurate. This situation can lead to the procurement of unnecessary capacity resources. Further, an inaccurate load forecast will adversely impact the RTEP; an RTEP derived from an inaccurate load forecast may plan for system needs in the wrong locations or for needs that do not actually exist, which jeopardizes system reliability and increases costs for customers. • PJM should consider aligning the timing of the Connect and Manage stakeholder process – which will determine rules around curtailment of large loads - with the development of PJM's RBA proposal to provide Electric Distribution Companies ("EDCs"), potentially impacted data centers, market participants and other customers with transparency on how this tool will be employed in the future. Additionally, PJM should coordinate with the states and EDCs – who have direct relationships with retail customers - to effectively implement both the RBA and Connect and Manage rules.

Question 6	
Company Name	**How far forward (in delivery years) should the Backstop look to address?**
1. Public Service Electric and Gas Company	PJM should consider a timeframe that allows for a single use of the Reliability Backstop mechanism, minimizing the risk of over-procurement. Stated simply, PJM should procure the capacity it needs to meet its reliability targets and should not procure capacity too far out in the future where large load growth becomes less certain.

Question 7	
Company Name	**How should the procurement targets be calculated and what party should be setting the targets?**
1. Public Service Electric and Gas Company	PJM, as the Reliability Coordinator for the entire PJM region, is responsible for establishing regional reliability targets, including the margin of capacity required to meet reliability targets. Further, PJM is in the best position to understand the needs of the system on a region-wide basis.

Question 8	
Company Name	**Should the backstop procurement be limited to large load or should all load growth be considered?**
1. Public Service Electric and Gas Company	The backstop procurement should be limited to procuring the capacity that PJM calculates as needed for grid reliability to serve all load for a discrete time period, and the associated costs should be allocated to LSEs in a manner that reflects (i) where data centers are interconnecting and (ii) the regional nature of resource adequacy. PSEG supports cost allocation methodologies that appropriately allocate costs where the data centers will connect and therefore align with cost causation principles. Further, because resource adequacy is a region-wide issue, the portion of these costs that is not attributable to new data center loads should be allocated based on total load ratio share.

Question 9	
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. Public Service Electric and Gas Company	PSEG supports PJM's "refined thinking" presented at the March 5, 2026 Reliability Backstop Procurement workshop, which outlines that "PJM acts as the Administrator and Counterparty by securing the forward commitment of supply and allocating costs back to the Zone/TO/EDC where the load is located." Data centers are not PJM members and are not even obligated to participate in the RBA; as a result, PJM does not have the ability to assign data centers as the counterparty. PJM must function as the counterparty to ensure the effective procurement of needed capacity.

Question 10		
Company Name	**What criteria should be used to determine eligible supply for a Reliability Backstop Procurement? (Select all that apply.) - Selected Choice**	**What criteria should be used to determine eligible supply for a Reliability Backstop Procurement? (Select all that apply.) - Other - Text**
1. Public Service Electric and Gas Company	Uprates, Demand Response, Distributed Energy Resources (DER)	

Question 11	
Company Name	**Please explain your position on term of contracts.**
1. Public Service Electric and Gas Company	N/A

Question 12	
Company Name	**Are there willingness-to-pay considerations to resource selection? Please explain.**
1. Public Service Electric and Gas Company	N/A

Question 13	
Company Name	**How should the Reliability Backstop process take into account deliverability and necessary system upgrades?**
1. Public Service Electric and Gas Company	Because transmission system upgrades are critical to bringing new capacity on-line and can take a significant amount of time to permit, build and place in service, PJM should work with the states to reform siting and permitting processes as necessary to expedite the construction of needed transmission. In addition, new capacity resources seeking to participate in the RBA should meet the same deliverability standards as new resources in the Reliability Pricing Model.

Question 14	
Company Name	**Should the backstop procurement be targeting September 2026? Please explain.**
1. Public Service Electric and Gas Company	PSEG supports targeting the conducting of an auction as soon as possible to help address the growing resource adequacy crisis and bring new capacity online. PJM will need to consider how to expedite the interconnection of generation that clears the RBA while preventing delays to the existing interconnection queue.

Question 15	
Company Name	**Are there other considerations to the timing of the backstop? Please explain.**
1. Public Service Electric and Gas Company	N/A