

# UNDERSTANDING PJM CAPACITY COST SURGE

## WHAT IS PJM?

PJM (Pennsylvania–New Jersey–Maryland Interconnection) is the largest power grid operator in the United States. As a Regional Transmission Organization (RTO), it oversees the electricity grid across 13 states and the District of Columbia, ensuring system reliability and supporting future power generation.

## WHY THE SURGE?



## ENERGY PRICES UP – WHAT'S BEING DONE?

Extended Coal Operations ordered by President.

Set Price Ceilings/Floors mandate by Governor.

Expedited Transmission Upgrades by PJM.



## WHAT HAPPENED TO CAPACITY COSTS?

PJM conducts capacity auctions to ensure future electricity generation and prevent blackouts.



July 2024 auction for 2025/2026

## CAPACITY PRICE INCREASED 5X

FROM \$28.92 TO \$269.92/MW-DAY.  
IMPACT STARTS JUNE 2025.



Capacity Cost in PPL for Planning  
Year 2024/2025 vs 2025/2026

## “FUN” FACT

MOST OF US MEASURE  
ELECTRICITY USAGE BY kWh



WORLDWIDE BY 2026 A.I. DATA  
CENTERS ARE LOOKING TO CONSUME



1 TWh = 1 BILLION kWh

# 90 TWh

## STAY INFORMED. REVIEW CONTRACTS. BE FLEXIBLE.

We'll keep watching the market—and advocating for smart, cost-effective strategies.

CONTACT JUDY ROSATTI FOR MORE INFORMATION: [JROSATTI@MBAUSA.ORG](mailto:JROSATTI@MBAUSA.ORG)