

# 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?

- Early retirement of coal plants.
- Slower renewable growth.
- Transmission project delays.
- Higher peak demand from A.I. data centers.

## 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?

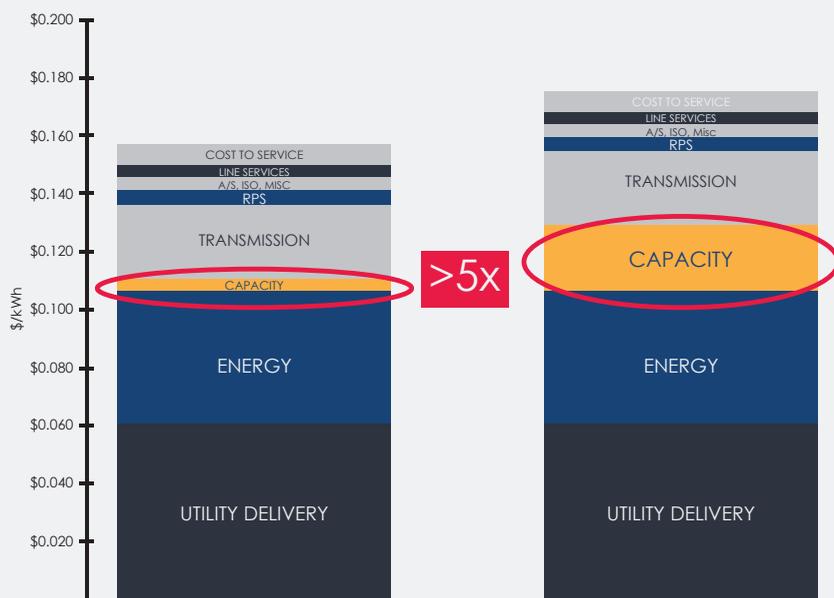
PJM conducts capacity auctions to ensure future electricity generation and prevent blackouts.



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.

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