

Results and Likely Impacts of PJM's 2026/27 Base Residual Auction

Prepared For:

AMERICA'S POWER

Reliable • Secure • Resilient • Affordable

Prepared by:



ENERGY VENTURES ANALYSIS

Executive Summary

The PJM 2026/27 Base Residual Auction (BRA), released in July 2025, extended the market turbulence seen in the previous auction, with capacity prices reaching the FERC-imposed cap of \$329.17 per megawatt-day (MW-day) for the Regional Transmission Organization (RTO) footprint. This marks another record-high auction, emphasizing the tightening supply-demand balance in PJM. The price would have cleared even higher at \$388.57/MW-day—had it not been for the regulatory cap. The principal drivers behind this outcome were continued increases in forecasted peak load, a further rise in the Installed Reserve Margin (IRM), and additional downward adjustments to resource capacity accreditation through PJM's Effective Load Carrying Capability (ELCC) methodology.

Main Drivers of the Record-Setting Auction Results:

1. **Increased Forecasted Peak Load:** PJM raised its forecasted peak load by 3.5% (an increase of 5,446.1 MW) compared to the previous year, reaching 159.3 GW¹, reflecting ongoing electrification and rapid demand growth from data centers, particularly in Northern Virginia and the Chicago area. In addition, elevated demand levels observed during recent extreme weather events^{2,3} may have contributed to the increase in the forecast.
2. **Higher Installed Reserve Margin (IRM) Target:** The IRM target increased to 19.1%, up from 17.8% in the prior auction, as PJM continues to address reliability risks highlighted by recent extreme weather events and evolving system needs.
3. **Changes in Capacity Accreditation:** PJM's extension of ELCC accreditation to all resource types, paired with updated ELCC values, resulted in a further reduction in accredited unforced capacity (UCAP) for natural gas, storage, and solar resources and ultimately tightened overall supply.

The results of the 2026/27 BRA are expected to have profound implications for the PJM market and electricity ratepayers:

1. **Pressure to Maintain and Expand Resource Adequacy:** The persistently high capacity prices underline the importance of retaining existing dispatchable resources and accelerating the entry of new, reliable generating resources. Despite a modest year-over-year increase in cleared coal, wind, and oil resources, partly due to reliability-must-run contracts and incremental growth in renewables, the PJM fleet continues to face significant upcoming retirements. More than 7,500 MW of coal, gas, and oil capacity is currently slated for deactivation by 2029, with only a fraction of replacement resources in advanced development.
2. **Impact on Electricity Ratepayers:** The total cost of capacity for the 2026/27 delivery year is projected at over \$16.1 billion. While the impact will vary, ratepayers in territories served by demand-only utilities are likely to see the most significant increases in their electric bills. In contrast, customers of vertically integrated utilities that utilize the Fixed Resource Requirement (FRR) Alternative (i.e., self-supply) will see a minimal impact on their capacity.
3. **Uniform Pricing Across PJM:** Unlike prior years, where certain zones such as BGE and Dominion experienced significantly higher local prices, the 2026/27 auction cleared at a single, system-wide capacity price for all Locational Deliverability Areas (LDAs), reflecting the absence of binding transmission constraints or localized supply shortages.
4. **Ongoing Challenges for Future Auctions:** The combination of increasing demand, tightening reliability requirements, and slow new resource entry suggests these capacity market challenges are likely to persist. Absent

¹ Peak hourly demand in PJM during June'25 heatwave was higher (160.6 GW).

² [EVA's analysis of June 2024 Heatwave](#)

³ [EVA's analysis of January 2025 Polar Vortex Event](#)

significant investment in transmission and generation, PJM will continue to face capacity constraints and elevated costs in the near term.

Table of Contents

Executive Summary.....	2
Introduction	5
Overview of PJM’s Capacity Market and Auction Process.....	5
Changes to PJM’s Capacity Market Prior to the 2025/26 Base Residual Auction	6
PJM’s Increase in Forecast Peak Load and Target Installed Reserve Margin	6
PJM’s Capacity Accreditation Changes for the 2026/27 Base Residual Auction	7
Results & Impacts of PJM’s 2026/27 Base Residual Auction	9
Auction Results	9
Auction Impacts on Existing and New PJM Generating Resources.....	12
Impact on PJM Electricity Ratepayers.....	14
Conclusion.....	15
Glossary of Terms.....	16

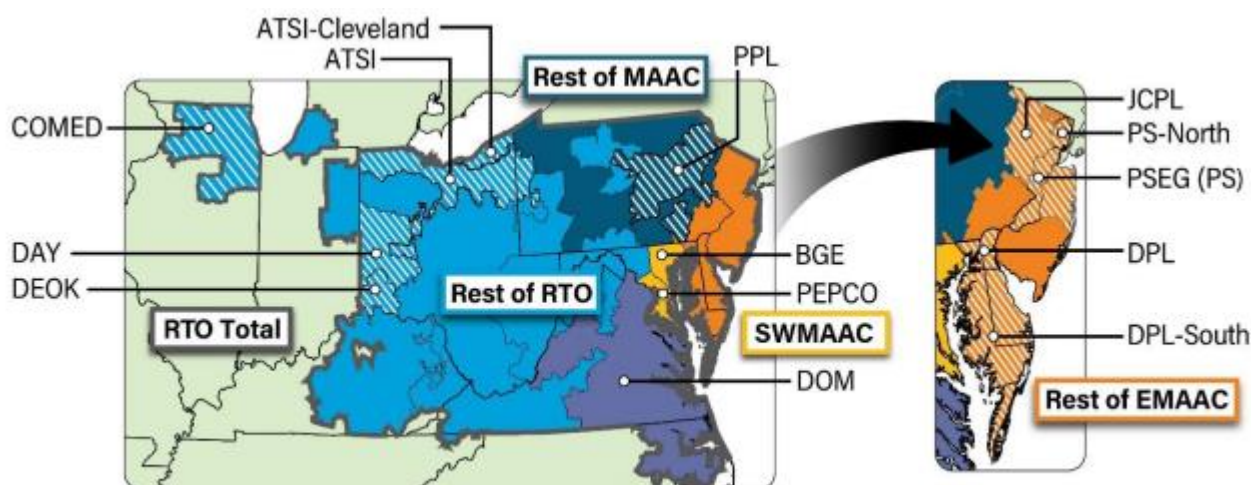
Table of Figures

EXHIBIT 1: MAP OF PJM LOCATIONAL DELIVERABILITY AREAS	5
EXHIBIT 2: PJM FORECAST PEAK LOAD FOR THE LAST 10 CAPACITY AUCTIONS	7
EXHIBIT 3: ELCC CLASS RATINGS BY BRA YEAR.....	8
EXHIBIT 4: IMPACT OF PJM'S CAPACITY ACCREDITATION CHANGES	9
EXHIBIT 5: IMPACT OF CHANGES TO PJM CAPACITY MARKET PRE-2026/27 BRA	10
EXHIBIT 6: OFFERED VERSUS CLEARED CAPACITY IN THE LAST 10 PJM CAPACITY AUCTIONS	10
EXHIBIT 7: PJM BRA CLEARING PRICES, RPM RESERVE MARGINS & RESERVE MARGIN TARGETS	11
EXHIBIT 8: INSTALLED PJM GENERATING CAPACITY (ICAP)	11
EXHIBIT 9: PJM 2025/26 V/S 2026/27 BRA AUCTION CLEARED MWs BY TYPE.....	12
EXHIBIT 10: CLEARED MW (UCAP) BY NEW GENERATION/UPRATES/IMPORTS BY DELIVERY YEAR	12
EXHIBIT 11: CURRENT PJM DEACTIVATION NOTICES BY YEAR	13
EXHIBIT 12: PJM COAL PLANTS SCHEDULED FOR RETIREMENT BY 2029	13
EXHIBIT 13: ACTIVE & CLEARED PJM INTERCONNECTION REQUESTS	14

Introduction

On July 22, 2025, PJM released the results of its 2026/27 Base Residual Auction (BRA), which established capacity prices for the June 1, 2026 – May 31, 2027, delivery period. In contrast to the previous year, the 2026/27 BRA cleared at the FERC-approved cap price of \$329.17 per megawatt-day (\$/MW-d) for the entire Regional Transmission Organization (RTO) footprint. Notably, no Locational Deliverability Areas (LDAs), including key zones such as Baltimore Gas & Electric (BGE) and Dominion Energy (DOM), experienced price separation or constraints; all zones cleared at the same system-wide price.

EXHIBIT 1: MAP OF PJM LOCATIONAL DELIVERABILITY AREAS



This auction cleared 134.2 GW of Unforced Capacity (UCAP) out of a total of 135.2 GW UCAP offered. The total cost of capacity to PJM members rose to \$16.1 billion for the 2026/27 delivery year, representing a 9.5% increase over the prior auction. This report highlights the reasons for the significant increase and the possible implications for the future of the RTO and its stakeholders.

Overview of PJM's Capacity Market and Auction Process

Unlike the Electric Reliability Council of Texas (ERCOT), which operates an energy-only electricity market, PJM operates a combination of energy and capacity markets to ensure the reliable operation of electricity service for all members within its footprint while ideally providing financial savings to its utility load-serving entity (LSE) members. While the energy market is generally operated in a day-ahead and real-time operation mode, where electric generators bid into daily energy auctions to meet the forecasted PJM system load, PJM's capacity market generally operates on a multi-year forward basis. Essentially, PJM's energy market ensures the day-to-day reliability of the RTO electricity service, given actual load and generation constraints. In contrast, the capacity market ensures that sufficient electric generating units (EGU) are available during the day-to-day operation of the RTO.

The traditional multi-year lead time of PJM's capacity market auctions would allow new EGUs to enter the market should an auction indicate a likely shortfall in capacity during the delivery year in question. However, due to changes in the overall capacity market structure and auction process, while also awaiting confirmation from the U.S. Federal Energy Regulatory

Commission (FERC) on these proposed changes, the latest auction for the 2026/27 delivery year was not held until June 2025, less than 12 months before the commencement of the delivery year⁴ in question.

Before the auction begins, PJM releases information on the BRA planning period parameters that must be fulfilled during the auction. These parameters include the forecasted peak load, the installed reserve margin target, and the forecast pool requirement (FPR). All play vital roles in determining the amount of capacity PJM will require to meet its forecasted capacity requirements, ensuring reliable electricity service during the 2026/27 delivery year and satisfying the PJM reliability criterion of a Loss of Load Expectation (LOLE) not exceeding one occurrence in 10 years. Also, before the auction, PJM LSE members notify PJM of their intention to participate in the BRA or to meet their capacity requirements using their own EGUs. This process is also referred to as Fixed Resource Requirement (FRR). During the auction, all PJM generators participating in the BRA offer their electric generating capacity (or load-reducing capability, i.e., demand response (DR) resources) at various price points (in \$/MW-day). The offered capacity price of the last EGU needed to meet PJM's planning period parameters, defined before the auction, sets the clearing price of the auction. The cleared auction price is then paid to each EGU that cleared the auction during the planning period. Additionally, every resource that cleared the auction now also has a delivery obligation to the market during the planning period, and non-performance triggers substantial financial penalties, as experienced by numerous generators in the fallout of December 2022 Winter Storm Elliott.

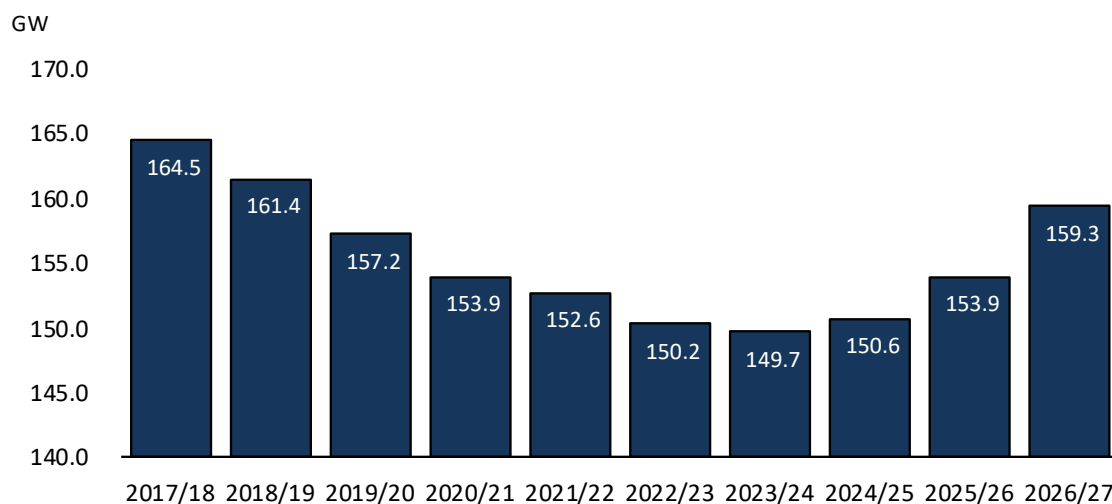
Changes to PJM's Capacity Market Prior to the 2026/27 Base Residual Auction

As previously mentioned, PJM's 2026/27 Base Residual Auction (BRA) cleared at a capacity price of \$329.17/MW-day, representing a further increase over the already elevated prices observed in the previous auction. Several key factors contributed to the higher clearing price for the 2026/27 delivery year: (1) a continued increase in forecasted peak load, (2) a higher target Installed Reserve Margin (IRM), which rose from 17.8% to 19.1%, and (3) a reduction in ELCC values across various resource classes, resulting in lower accreditation for existing and new resources, which ultimately lowered available supply. These planning parameter changes, combined with market rule modifications, resulted in uniform clearing at the system-wide cap price in the latest auction cycle.

PJM's Increase in Forecast Peak Load and Target Installed Reserve Margin

Prior to the 2026/27 BRA, PJM released the updated Planning Period Parameters that would govern the auction requirements. The revised parameters included a further increase in forecasted peak load, rising from 153,883 MW for the 2025/26 delivery year to 159,329 MW for the 2026/27 delivery year—an increase of approximately 5,446 MW, or 3.5%. **EXHIBIT 2** shows the forecast peak load for the last ten PJM capacity auctions.

⁴ PJM's capacity market years operate from June 1 to May 31 of the following year.

EXHIBIT 2: PJM FORECAST PEAK LOAD FOR THE LAST 10 CAPACITY AUCTIONS

After years of relatively flat or declining forecast peak load, PJM's demand outlook continues to show significant upward momentum. The 2026/27 forecast peak load of 159,329 MW represents a 3.5% increase over the 2025/26 forecast and reflects a compound annual growth rate (CAGR) of approximately 2.1% from 2023/24 to 2026/27, marking an acceleration in load growth. Notably, PJM's actual peak hourly demand during the June 2025 heatwave reached 160.6 GW, surpassing even the updated forecast peak established for the 2026/27 delivery year.

Besides the forecast peak load, other notable changes to the Planning Period Parameters for the 2026/27 auction include the Installed Reserve Margin (IRM) and the corresponding Forecast Pool Requirement (FPR). In response to continued reliability concerns, including lessons learned from Winter Storm Elliott, PJM further increased its IRM target from 17.8% to 19.1% for the 2026/27 delivery year, reflecting a heightened focus on system resilience. As a result of the increase in forecasted peak load and a higher installed reserve margin target, the PJM RTO Reliability Requirement (inclusive of all possible FRR resources) for the 2026/27 BRA increased to 146,105 MW. Applying the higher IRM of 19.1%, up from 17.8% the previous year, resulted in an increase of 2,008 MW to the RTO Reliability Requirement.

PJM's Capacity Accreditation Changes for the 2026/27 Base Residual Auction

Beginning with the 2025/26 BRA and continuing through the 2026/27 BRA, PJM, with FERC approval, implemented a significant change by extending ELCC accreditation to all Generation Capacity Resources, not just variable resources. This revision was motivated by recent operational experiences, most notably Winter Storm Elliott, which highlighted that methods focused solely on peak load conditions and average generator performance do not fully capture the range of risks affecting resource adequacy and performance. PJM argued that, without enhancements to accreditation, the capacity market would lack sufficient incentives to retain and attract the capacity necessary for reliability. As a result, ELCC accreditation now applies broadly across all resource types, fundamentally affecting capacity values and auction outcomes. **EXHIBIT 3** shows the resulting changes in capacity accreditation by resource type.

EXHIBIT 3: ELCC CLASS RATINGS BY BRA YEAR

	2025/26 ELCC Rating	2026/27 ELCC Rating	Change (%)
Onshore Wind	38%	41%	3%
Offshore Wind	62%	69%	7%
Fixed-Tilt Solar	10%	8%	-2%
Tracking Solar	14%	11%	-3%
Intermittent Landfill Gas	51%	50%	-1%
Intermittent Hydropower	37%	38%	1%
4-Hour Storage	55%	50%	-5%
6-Hour Storage	65%	58%	-7%
8-Hour Storage	68%	62%	-6%
10-Hour Storage	77%	72%	-5%
Demand Resource	77%	69%	-8%
Nuclear	95%	95%	0%
Coal	83%	83%	0%
Gas Combined Cycle	78%	74%	-4%
Gas Combustion Turbine	63%	60%	-3%
Gas Combustion Turbine Dual Fuel	79%	78%	-1%
Diesel Utility	92%	91%	-1%
Steam	74%	73%	-1%

As shown in **EXHIBIT 3**, single-fuel natural gas combustion turbines continued to experience a reduction in ELCC or capacity accreditation for the 2026/27 BRA, with their class rating declining from 63% in 2025/26 to 60% in 2026/27. Similar downward adjustments were observed for gas combined cycle units, which fell from 78% to 74%, and for demand resources, which decreased from 77% to 69%. In contrast, nuclear and coal resources saw no change in their capacity accreditation, each maintaining their prior-year ratings of 95% and 83%, respectively. Diesel utility and steam units experienced only minor reductions of one percentage point each. Among variable resources, tracking solar and battery storage resources saw further reductions in their ELCC ratings, reflecting a continued focus in the ELCC analysis on performance during recent winter peak demand periods. Notably, onshore and offshore wind resources saw increases in their ELCC ratings, rising by 3 and 7 percentage points, respectively, while hydro resources increased marginally by one percentage point. When ELCC values are reduced for various resource classes such as gas, solar, and storage, the average pool-wide accredited UCAP factor decreases. As a result, even with a higher IRM, the FPR can decline if the accreditation factors applied to installed capacity are lower.

In its 2026/27 BRA Results Report, PJM provides a detailed overview of the amount of UCAP offered and cleared by resource type⁵, adjusted for ELCC values shown in **EXHIBIT 3**. Below, **EXHIBIT 4** combines the UCAP values shown in PJM's report with the ELCC values shown in **EXHIBIT 3** to highlight the impact of PJM's change in ELCC accreditation for variable and unlimited generating resources.

⁵ <https://learn.pjm.com/-/media/DotCom/markets-ops/rpm/rpm-auction-info/2026-2027/2026-2027-bra-report.pdf> Table 6

EXHIBIT 4: IMPACT OF PJM'S CAPACITY ACCREDITATION CHANGES

	UCAP Cleared in 2026/27 BRA+FRR	2026/2027 BRA ELCC Class Ratings	2025/26 ELCC Class Ratings	Cleared UCAP using 2025/26 ELCC	Difference (UCAP - MW)
Onshore Wind	3,717	41%	38%	3,445	272
Offshore Wind	-	69%	62%	-	-
Fixed-Tilt Solar	-	8%	10%	-	-
Tracking Solar	1,567	11%	14%	1,994	(427)
Landfill Intermittent	948	50%	51%	967	(19)
Hydro Intermittent	5,597	38%	37%	5,450	147
4-hr Storage	35	50%	55%	39	(4)
6-hr Storage	-	58%	65%	-	-
8-hr Storage	-	62%	68%	-	-
10-hr Storage	-	72%	77%	-	-
Demand Resource	5,795	69%	77%	6,467	(672)
Nuclear	30,562	95%	95%	30,562	-
Coal	30,948	83%	83%	30,948	-
Gas Combined Cycle*	40,864	74%	78%	43,073	(2,209)
Gas Combustion Turbine*	17,124	60%	63%	17,980	(856)
Gas Combustion Turbine Dual Fuel	-	78%	79%	-	-
Diesel Utility	3,763	91%	92%	3,804	(41)
Steam*	5,389	73%	74%	5,462	(74)
Total	146,309			150,192	(3,883)

*uses EIA 860 data to split natural gas by technology type

EFORD based on NERC GADS '22 data

As shown in **EXHIBIT 4**, the changes in capacity accreditation for each resource type in the 2026/27 BRA had a measurable effect on the total amount of accredited unforced capacity. When recalculating the 2026/27 BRA cleared resources using the previous year's (2025/26) ELCC class ratings, the total cleared UCAP would have been 150,192 MW. However, under the 2026/27 ELCC values, the actual cleared UCAP amounted to 146,309 MW, representing a net reduction of 3,883 MW of available supply, adding to the upward pressure on auction clearing prices.

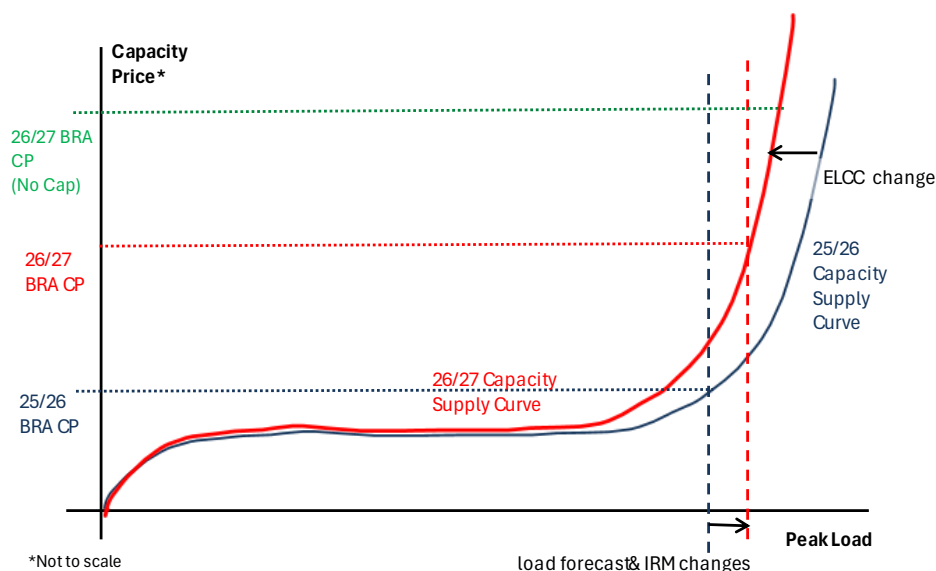
Results & Impacts of PJM's 2026/27 Base Residual Auction

Auction Results

As previously mentioned, PJM's 2026/27 BRA cleared at a capacity price of \$329.17/MW-day, reflecting continued upward pressure on prices after the significant increase in the prior auction. This elevated clearing price was primarily the result of a higher forecast peak load, an increased installed reserve margin, and additional downward adjustments to resource capacity accreditation under PJM's ELCC methodology, which tightened the supply-demand balance. Notably, the clearing price was capped at \$329.17/MW-day, as established by FERC; absent this price cap, PJM's simulation indicates that the clearing price would have reached \$388.57/MW-day.

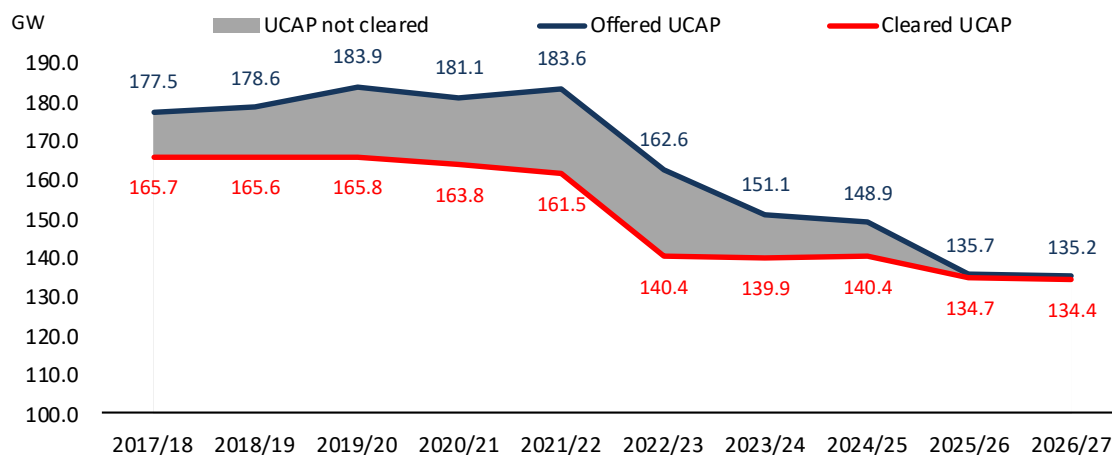
In contrast to recent auctions, the 2026/27 BRA did not see any breakout of zones in pricing; all Locational Deliverability Areas (LDAs) cleared at the uniform system-wide price. This consistent pricing across the PJM footprint indicates that no local transmission constraints or supply limitations were binding in this auction, eliminating any need for zonal price separation. By comparison, the 2025/26 BRA featured pronounced zonal price separation, with the BGE zone clearing at \$466.35/MW-day and the Dominion zone at \$444.26/MW-day—both significantly higher than the RTO price, due to localized supply constraints and transmission limits. The absence of such constraints in the 2026/27 BRA resulted in a single clearing price for all PJM zones.

EXHIBIT 5: IMPACT OF CHANGES TO PJM CAPACITY MARKET PRE-2026/27 BRA



Besides the high auction clearing price, it is also worth noting that virtually all offered unforced capacity in the RPM cleared the auction. **EXHIBIT 6** shows the offered and cleared RPM unforced capacity for the last ten BRAs.

EXHIBIT 6: OFFERED VERSUS CLEARED CAPACITY IN THE LAST 10 PJM CAPACITY AUCTIONS

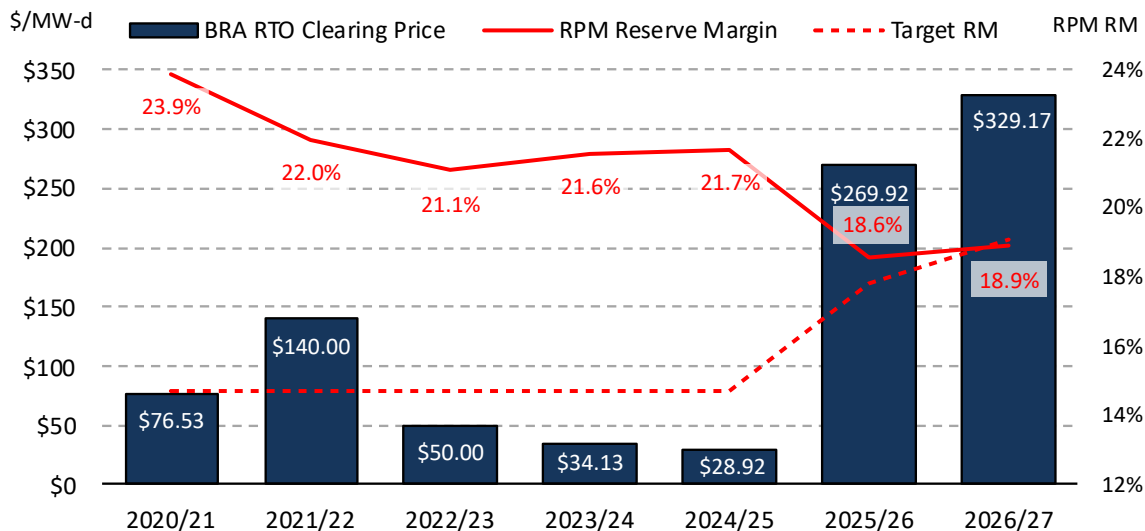


Source: PJM BRA Results

Historically, before the 2025/26 BRA, approximately 9% of the offered UCAP did not clear the auction. In both 2025/26 and 2026/27 BRAs, this percentage dropped to less than 1%, with nearly all offered capacity clearing. For the 2026/27 BRA, only 17 MW of solar, approximately 800 MW of wind, and 9 MW of aggregated resources did not clear, reflecting a very tight supply-demand balance. As shown in **EXHIBIT 6**, the gap between the offered and cleared UCAP has remained minimal, highlighting the need for nearly all available supply to meet the updated Planning Period Parameters. As a result, the estimated reserve margin for the 2026/27 delivery year has been reduced to 18.9%, which is slightly below the IRM target of 19.1%.

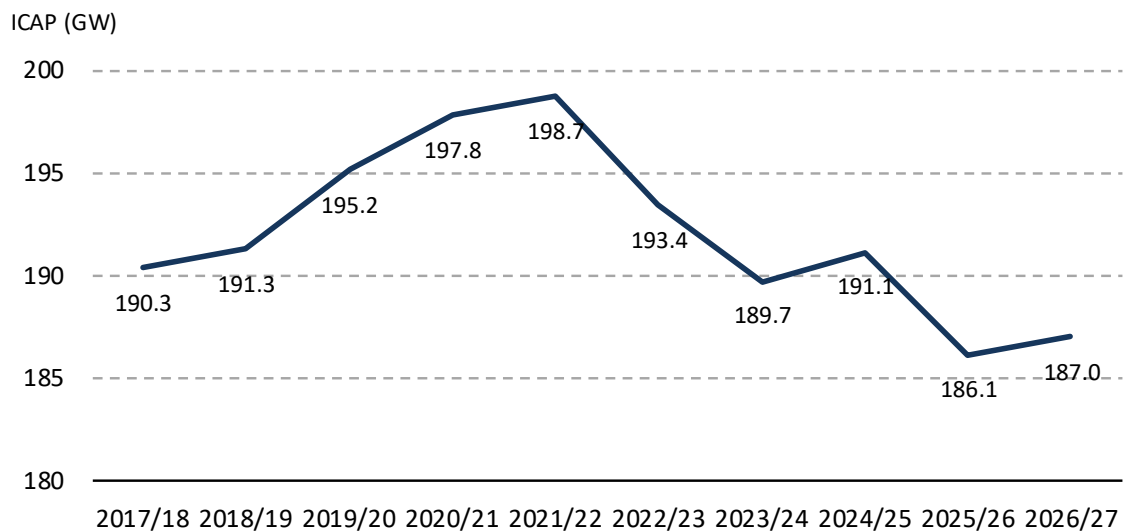
The BRA clearing prices, actual RPM reserve margins, and the IRM targets for the last seven auctions are shown in **EXHIBIT 7**.

EXHIBIT 7: PJM BRA CLEARING PRICES, RPM RESERVE MARGINS & RESERVE MARGIN TARGETS



One of the prevailing causes of the decline in actual reserve margin is the continued decline in installed PJM generating capacity, primarily due to plant retirements, particularly of coal plants.

EXHIBIT 8: INSTALLED PJM GENERATING CAPACITY (ICAP)

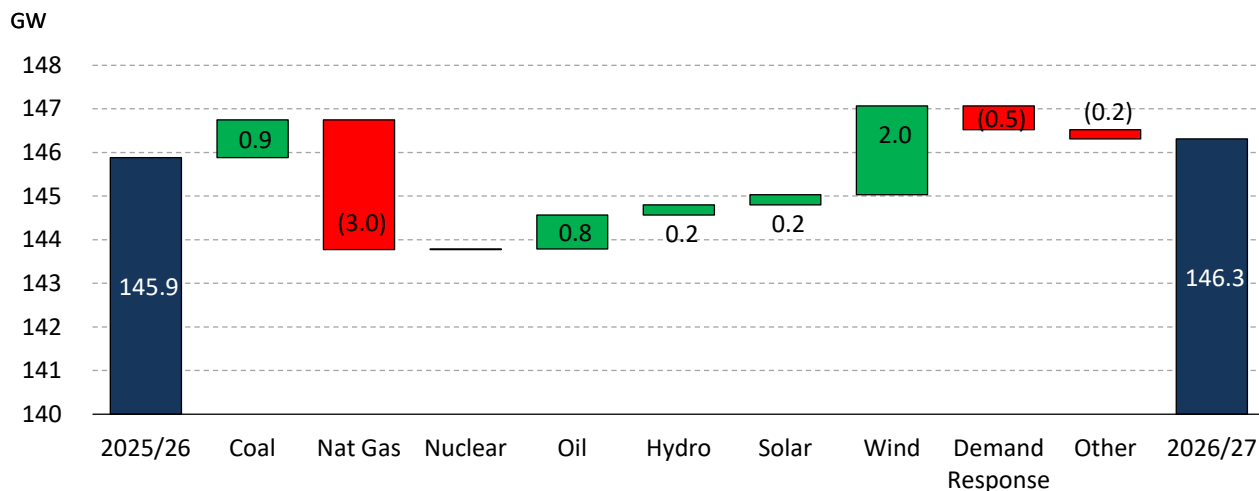


As shown in **EXHIBIT 8**, PJM's installed generating capacity (ICAP) has declined steadily from a high of 198.7 GW in the 2021/22 Delivery Year, primarily due to ongoing coal unit retirements driven by increasingly stringent federal and state environmental regulations, such as the EPA's Coal Combustion Residuals (CCR) Rule, Effluent Limitation Guidelines (ELG), and the Regional Greenhouse Gas Initiative (RGGI). For the 2026/27 Delivery Year, PJM's installed capacity increased slightly to 187.0 GW from 186.1 GW in the previous year. This modest uptick is largely attributable to incremental additions of renewable resources, even as overall capacity remains well below recent historical levels.

Between the 2025/26 and 2026/27 BRAs, coal and natural gas exhibited contrasting trends in PJM's cleared capacity mix. Cleared coal capacity increased by 0.9 GW, primarily due to the inclusion of Reliability Must-Run (RMR) resources, which were retained for system reliability. In contrast, cleared natural gas capacity decreased by 3.0 GW, driven by a combination of recent retirements, reduced performance during critical reliability periods, and lower ELCC accreditation factors assigned to gas resources.

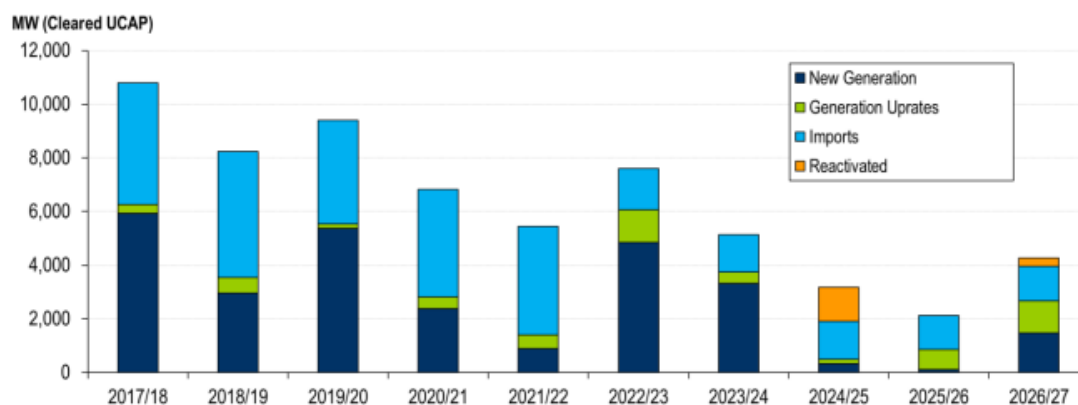
Similarly, among renewable and demand-side resources, wind and solar each saw increases in cleared capacity—wind by 2.0 GW and solar by 0.2 GW, reflecting both new project development and expanded participation requirements. Demand response, on the other hand, declined by 0.5 GW, a change attributed to updated accreditation methodologies and possibly shifting market participation incentives.

EXHIBIT 9: PJM 2025/26 V/S 2026/27 BRA AUCTION CLEARED MWs BY TYPE



Source: PJM BRA Result

EXHIBIT 10: CLEARED MW (UCAP) BY NEW GENERATION/UPDATES/IMPORTS BY DELIVERY YEAR

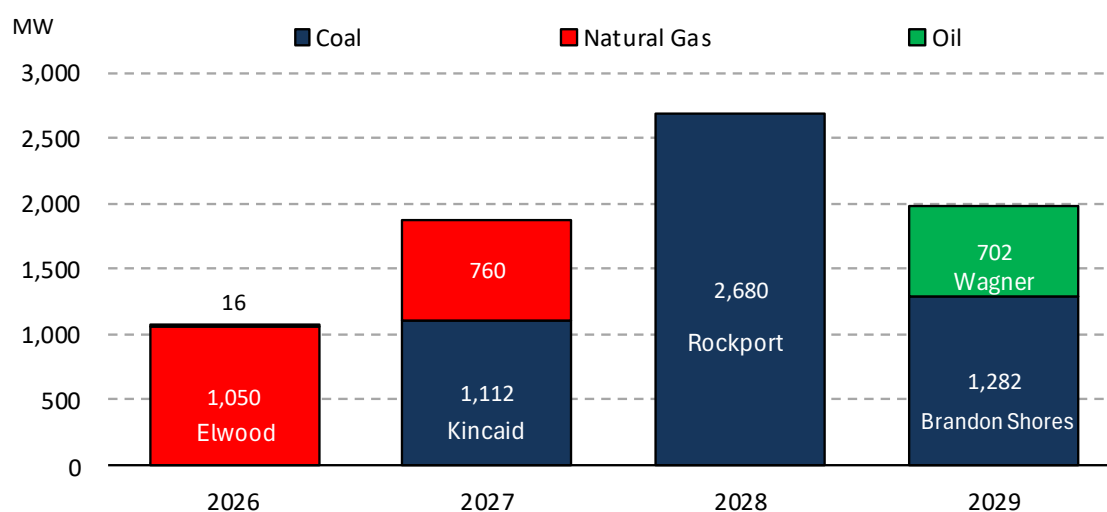


The 2026/27 BRA procured almost 1,500 MW UCAP of capacity from new generation, marking a notable rebound after minimal new generation additions in the previous two auctions. Additionally, approximately 1,200 MW of UCAP was secured through uprates to existing or planned generation, while the capacity procured from external resources (i.e., imports) remained comparable to that in the prior auction at 1,281 MW. This resurgence in new generation contributed to a notable year-over-year increase in incremental capacity additions, although total volumes remain well below those seen earlier in the decade.

Auction Impacts on Existing and New PJM Generating Resources

As outlined above, one of the prevailing issues is the continued decline in generating capacity across the PJM footprint. However, when examining upcoming scheduled PJM power plant deactivations in relation to the amount of capacity that has cleared the PJM interconnection queue, it is unlikely that PJM's capacity woes will subside in the near future. **EXHIBIT 11** summarizes the current PJM Deactivation List by fuel type over the next four years.

EXHIBIT 11: CURRENT PJM DEACTIVATION NOTICES BY YEAR



Based on the latest PJM deactivation list, approximately 7,600 MW of installed capacity is scheduled for retirement between 2026 and 2029. Coal retirements account for the largest share, with 2,680 MW expected to be retired in 2028. Additionally, significant coal units are also expected to retire in 2027 (1,112 MW) and 2029 (1,282 MW). Natural gas retirements are concentrated in 2026 (1,050 MW) and 2027 (760 MW), while oil retirements are more limited, with 16 MW in 2026 and 702 MW in 2029.

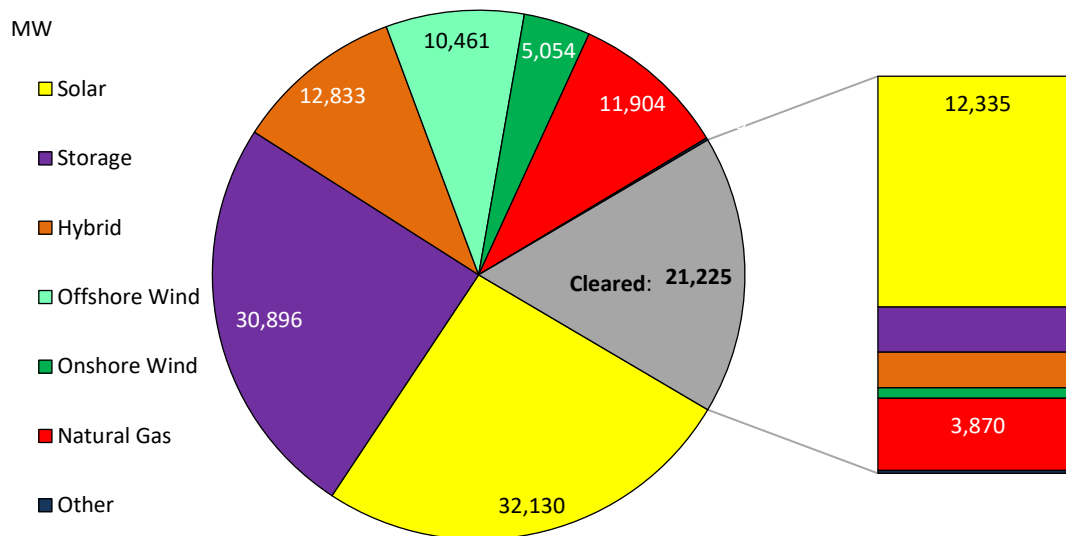
However, according to EVA's Power Plant Tracking System, nine more coal-fired EGUs are scheduled for closure by the end of 2029, totaling almost 6,600 MW of installed capacity. This, coupled with the Brunner Island conversion, will result in another 140 MW reduction, as shown in **EXHIBIT 12**.

EXHIBIT 12: PJM COAL PLANTS SCHEDULED FOR RETIREMENT BY 2029

Plant Name	Owner	State	ICAP (MW)	Year-End Retirement
Cardinal	Buckeye Power, Inc.	OH	620.0	2028
Miami Fort	Vistra	OH	510.0	2027
Miami Fort	Vistra	OH	510.0	2027
Conemaugh	ArcLight Capital	PA	850.0	2028
Conemaugh	ArcLight Capital	PA	850.0	2028
Keystone	ArcLight Capital	PA	850.0	2028
Keystone	ArcLight Capital	PA	850.0	2028
Powerton	NRG	IL	769.0	2028
Powerton	NRG	IL	769.0	2028
Total (MW) =			6,578.0	

Note: Brunner Island excluded due to planned 2027 gas conversion, resulting in additional 141 MW ELCC loss.

Preventing any additional near-term power plant retirements across the PJM footprint will be paramount to meeting the capacity requirements of future PJM capacity auctions, especially given the status of PJM's current interconnection queue, which is shown in **EXHIBIT 13**.

EXHIBIT 13: ACTIVE & CLEARED PJM INTERCONNECTION REQUESTS

Source: PJM Interconnection Queue (as of 7/23/25)

As of July 23, 2025, there are approximately 125 GW of PJM interconnection requests, of which about 21 GW have been cleared by PJM and are currently in various stages of advanced development. Of the approximately 103 GW of uncleared capacity in PJM's interconnection queue, only 12 GW are conventional dispatchable thermal resources, such as natural gas units. The remaining 88% are variable energy resources, including onshore and offshore wind, solar, and short-term battery storage projects.

Of the approximately 8,800 MW of natural gas-fired capacity currently in the PJM interconnection queue as greenfield requests, only a few projects have publicly available information confirming their development status. These include the CPV Shay Energy Center (2,075 MW), Dominion's Chesterfield Energy Reliability Center (569 MW), and East Kentucky Power Cooperative's planned addition at the Cooper Station (745 MW). In contrast, most of the remaining greenfield proposals are in early phases, with limited public information available and uncertain timelines due to permitting and regulatory hurdles. While greenfield development faces longer lead times, a small number of new plants are scheduled for near-term operation—most notably, the 850 MW Trumbull Energy Center in Lordstown, Ohio, which is expected to be online by 2026, and the 530 MW Harrison County Combined Cycle Project, targeting an early 2029 completion. Meanwhile, over 50 other projects in the interconnection queue, representing approximately 2,500 MW, are brownfield uprates or expansions at existing facilities, which typically face fewer development risks due to established infrastructure and established permitting pathways.

Variable resources, particularly solar, continue to dominate the cleared interconnection queue, but the total cleared natural gas-fired capacity may still fall short of system needs. As of now, 7.6 GW of fossil plants are scheduled for retirement according to PJM's deactivation list. Although newly cleared plants may appear adequate on a nameplate basis, ELCC adjustments indicate that the accredited capacity may not be sufficient to offset these retirements.

Impact on PJM Electricity Ratepayers

The record-high capacity clearing price of \$329.17/MW-day in the 2026/27 BRA will result in a total capacity cost of over \$16.1 billion to PJM members, an expense that ratepayers across the PJM footprint will ultimately bear. However, the impact on future electricity bills will not be uniform across all PJM jurisdictions. Ratepayers in territories served by vertically integrated, regulated utilities, particularly in states such as Kentucky, West Virginia, and Virginia, are expected to experience minimal or no direct impact. This is because these utilities either did not participate in the 2026/27 BRA by utilizing the Fixed Resource Requirement (FRR) Alternative (such as Indiana-Michigan Power or Appalachian Power) or have self-supplied sufficient generating capacity to meet their load (such as Monongahela Power or Virginia Electric

Power), allowing capacity costs to be offset by capacity revenues, with both amounts typically passed through to their customers.

Exelon, which owns utilities serving more than 10 million customers in Delaware, Illinois, Maryland, New Jersey, Pennsylvania, and the District of Columbia, previously projected double-digit rate increases for some subsidiaries following the last auction, especially in zones like Baltimore Gas and Electric, where capacity prices soared due to local constraints. For the 2026/27 BRA, however, all zones, including BGE, were cleared at the uniform system-wide cap price of \$329.17/MW-day, reflecting the lack of local price separation this year. The timing and magnitude of bill impacts will ultimately depend on each state's public utilities commission and its respective regulatory mechanisms for adjusting retail rates in response to changes in capacity costs.

Conclusion

The final capacity clearing price in PJM's 2026/27 Base Residual Auction drew significant attention, but the result was widely expected by market participants tracking PJM's evolving fundamentals. After years of surplus capacity, driven by natural gas development and high reserve margins, PJM is now facing a much tighter supply-demand environment. The accelerated retirement of coal and other thermal power plants, combined with stricter environmental regulations, has outpaced the addition of new generation capacity. Simultaneously, rising demand from data centers and electrification has significantly increased peak load forecasts.

Recent extreme weather events have further exposed system vulnerabilities, particularly as PJM becomes increasingly reliant on natural gas-fired generation, which is susceptible to disruptions in fuel supply. Notably, the January 2025 winter storm resulted in a peak hourly demand of approximately 144.5 GW, while the June 2025 heatwave pushed demand even higher, reaching a record 160.6 GW. Alongside earlier events such as the 2014 Polar Vortex and Winter Storm Elliott in 2022, these occurrences have highlighted the need for greater system resilience.

In response, PJM has tightened accreditation standards and raised the Installed Reserve Margin, both to better value reliable performance during system stress. These changes, however, have also contributed to higher capacity prices and a tighter market. Load growth remains unprecedented, especially in Northern Virginia and the Chicago area, where data center-driven demand is projected to increase by several gigawatts over the next few years.

Despite recent reforms, newly cleared capacity remains insufficient to offset expected retirements and meet rapidly growing demand. As a result, resource retirements are under increased scrutiny, and continued investment in transmission and interconnection process reforms will be critical to reliably integrating new resources, particularly solar, wind, and storage.

Glossary of Terms

Term	Definition
Effective Load-Carrying Capability (ELCC)	ELCC measures a resource's contribution to reliability based on the incremental quantity of load that can be satisfied by adding the resource to the grid. ELCC is expressed as a percentage and helps determine how much capacity from a particular resource can be relied upon to meet peak demand.
Equivalent Forced Outage Rate (EFORd)	The percentage of scheduled operating time that a unit is out of service due to unexpected problems or failures AND cannot reach full capability due to forced component or equipment failures.
Fixed Resource Requirement (FRR)	FRR is an alternative method for an eligible load-serving entity to meet a fixed resource requirement with its own capacity resources as opposed to having PJM procure capacity resources on the load-serving entity's behalf in capacity auctions.
Forecast Pool Requirement (FPR)	Starting with the 2025/2026 Delivery Year and for all subsequent Delivery Years, the Forecast Pool Requirement (FPR) for the Delivery Year is equal to (1 + Installed Reserve Margin) times (Pool-wide average Accredited UCAP Factor).
Installed Capacity (ICAP)	Also known as nameplate capacity in PJM, ICAP is the intended full-load sustained output of an electric generator.
Installed Reserve Margin (IRM)	IRM is the amount of the generating capacity in excess of the expected load, calculated to satisfy the loss of load expectation, typically 1 day in 10 years.
Pool-wide Average Accredited UCAP Factor	The Pool-wide Average Accredited UCAP Factor for the Delivery Year is the ratio of the total Accredited UCAP to total installed capacity of all resources.