



# POWER MARKET UPDATE

August 2025

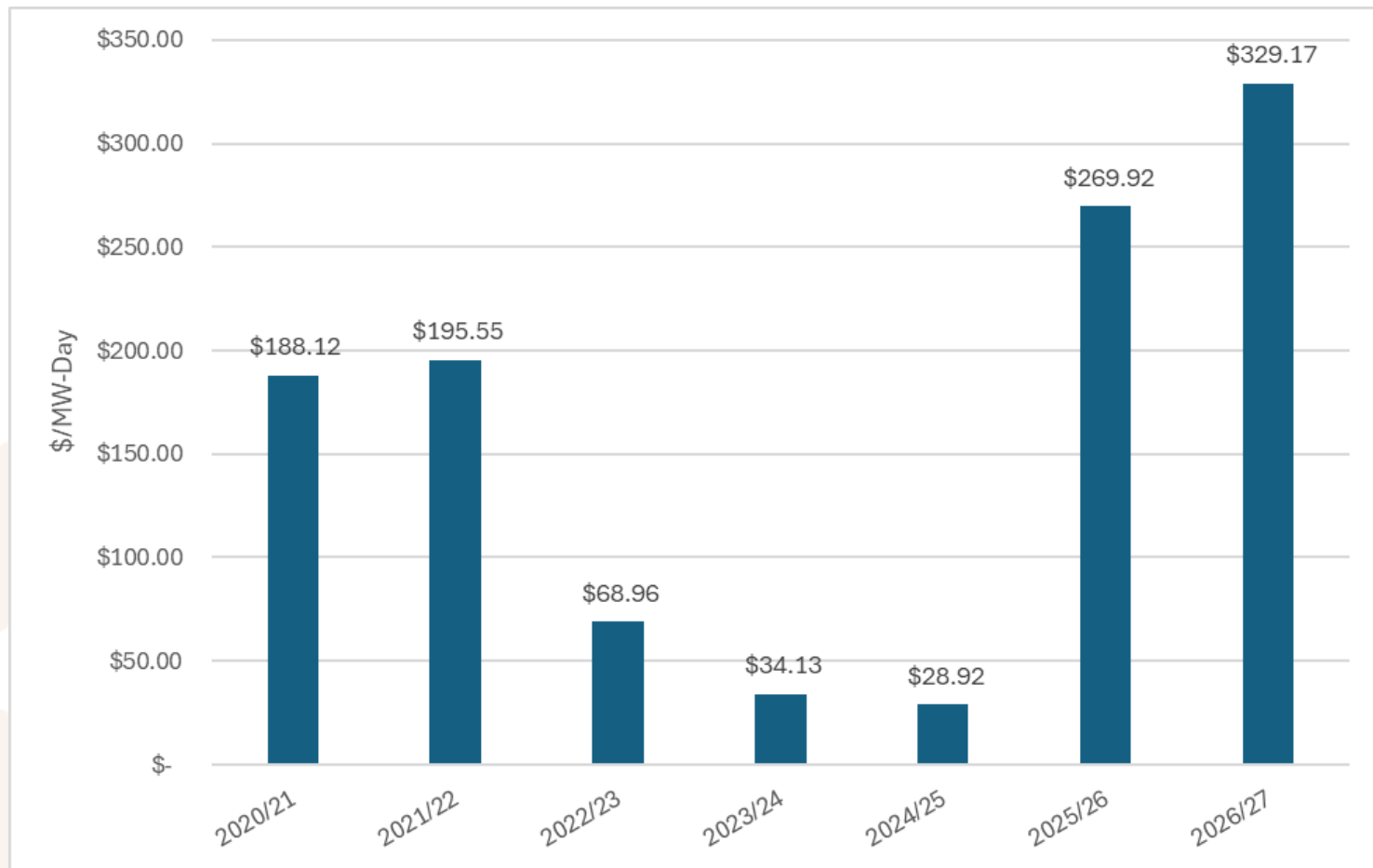


# PJM CAPACITY MARKET

- The Capacity Market ensures there's enough physical generation available to meet PJM's electricity needs.
- Normally held 3 years prior to delivery year but market reforms have caused delays in the process.
- The most recent auctions have cleared with prices being significantly higher than previous years.
- Along with market reforms, this is also an indication that supply is getting tighter in PJM.



# CAPACITY PRICES



# CHANGES IN THE MARKET

- Market reforms driven by extreme winter events – Polar Vortex (Jan '14) and Winter Storm Elliott (Dec '22)
  - Implementation of Capacity Performance Penalty
  - Change in Resource Accreditation (ELCC)
- Load growth across PJM driven by data centers, electrification efforts, and some manufacturing.
- Pause in Generator Interconnection process hampered new resource additions.
- Price Collar in place for two years (26/27 & 27/28)



# RESOURCE ACCREDITATION

- Shift to Effective Load Carrying Capability (ELCC) is driven by poor resource performance during extreme weather events.
- ELCC is a better measure of how resources perform during tight reliability periods.
- Overall resource accreditation was reduced due to the change in methodology.

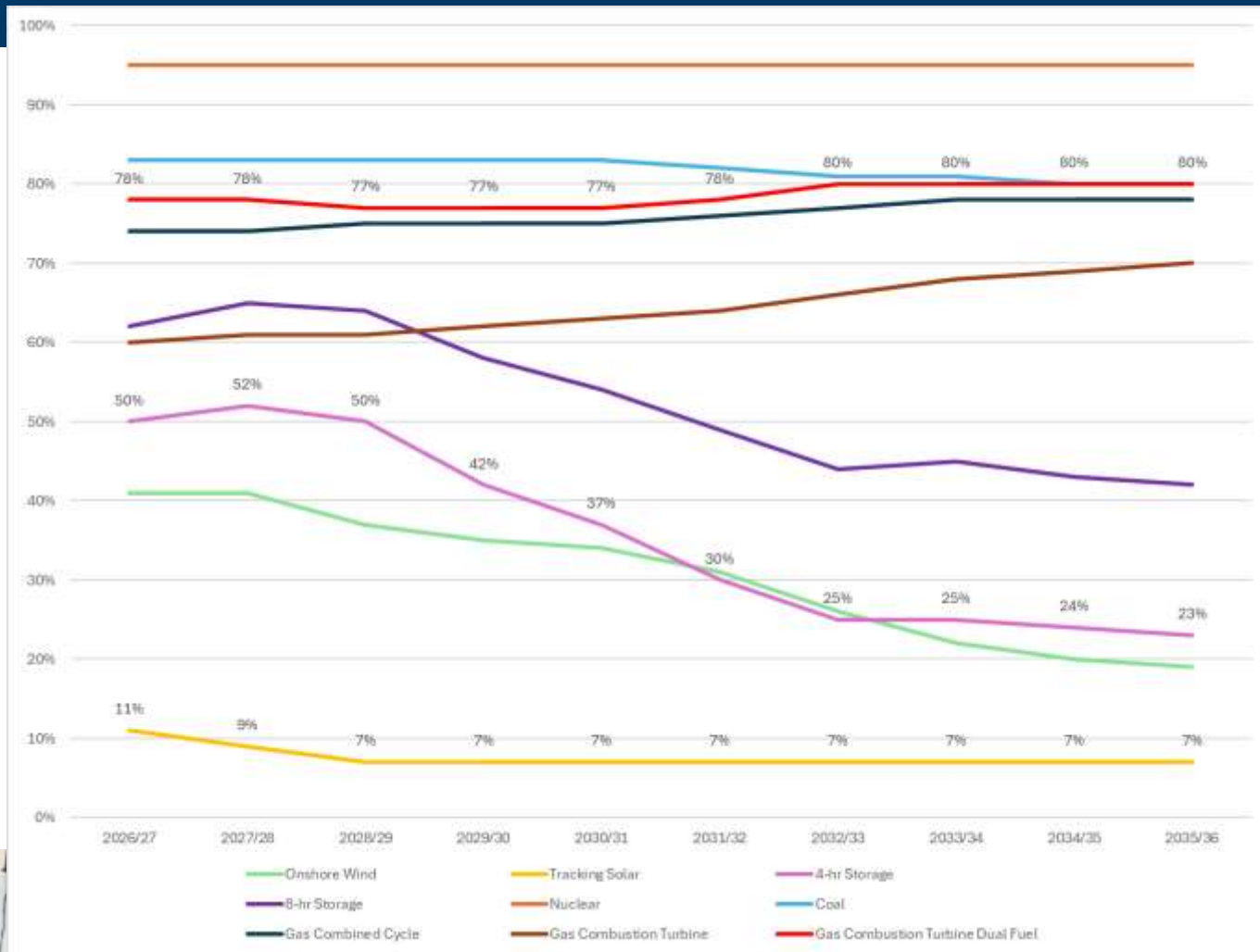
# RESOURCE ACCREDITATION



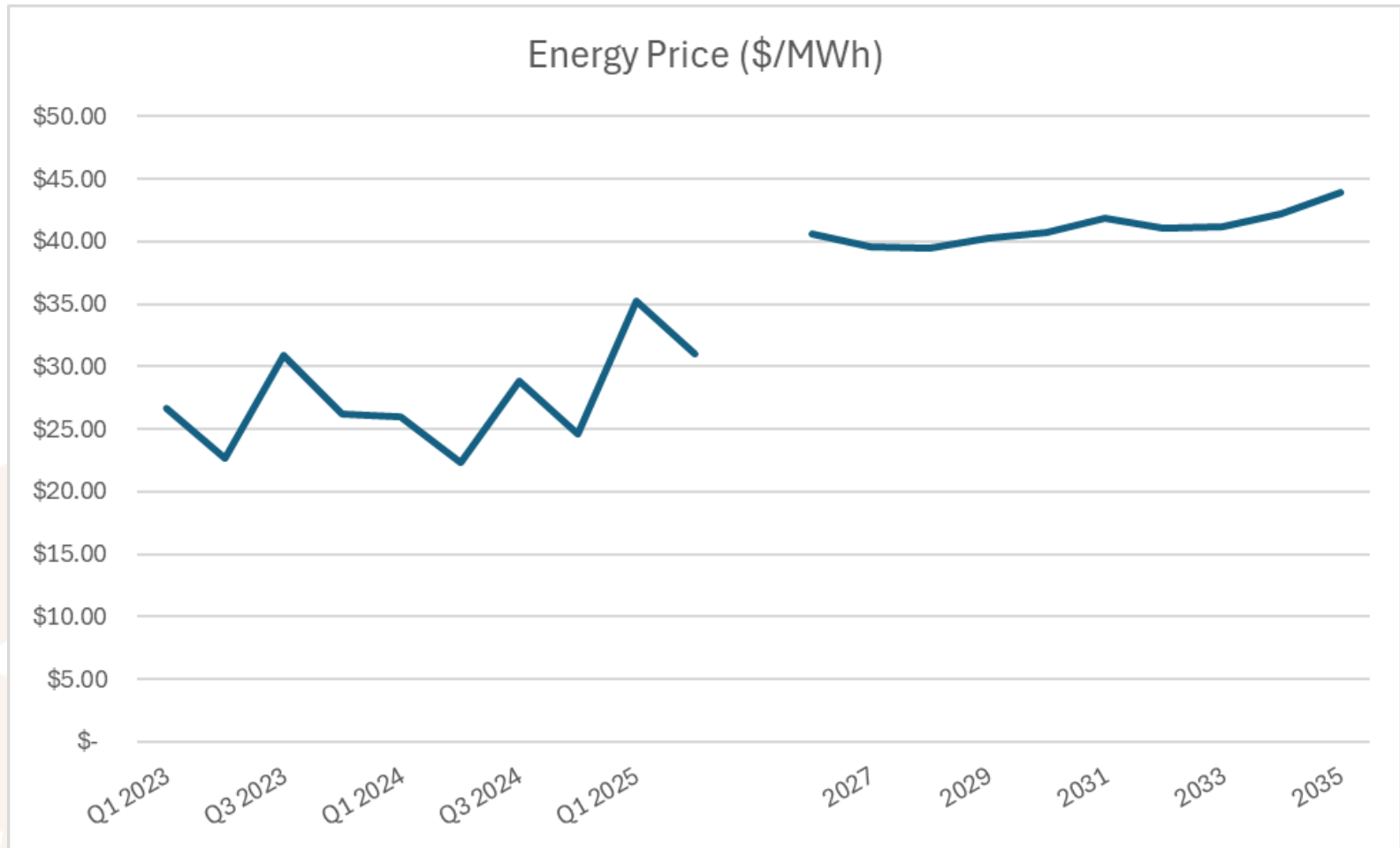
	2026/27 ELCC Class Ratings
Onshore Wind	41%
Offshore Wind	69%
Fixed-Tilt Solar	8%
Tracking Solar	11%
Landfill Intermittent	50%
Hydro Intermittent	38%
4-hr Storage	50%
6-hr Storage	58%
8-hr Storage	62%
10-hr Storage	72%
Demand Resource	69%
Nuclear	95%
Coal	83%
Gas Combined Cycle	74%
Gas Combustion Turbine	60%
Gas Combustion Turbine Dual Fuel	78%
Diesel Utility	91%
Steam	73%

Resource Type	2024/25	2026/27	Difference
Onshore Wind	21%	41%	20%
Offshore Wind	47%	69%	22%
Fixed-Tilt Solar	33%	8%	-25%
Tracking Solar	50%	11%	-39%
4-hr Storage	92%	50%	-42%
6-hr Storage	100%	58%	-42%
8-hr Storage	100%	62%	-38%
10-hr Storage	100%	69%	-31%
Landfill Intermittent	61%	50%	-11%
Hydro Intermittent	36%	38%	2%

# PROJECTED ACCREDITATION

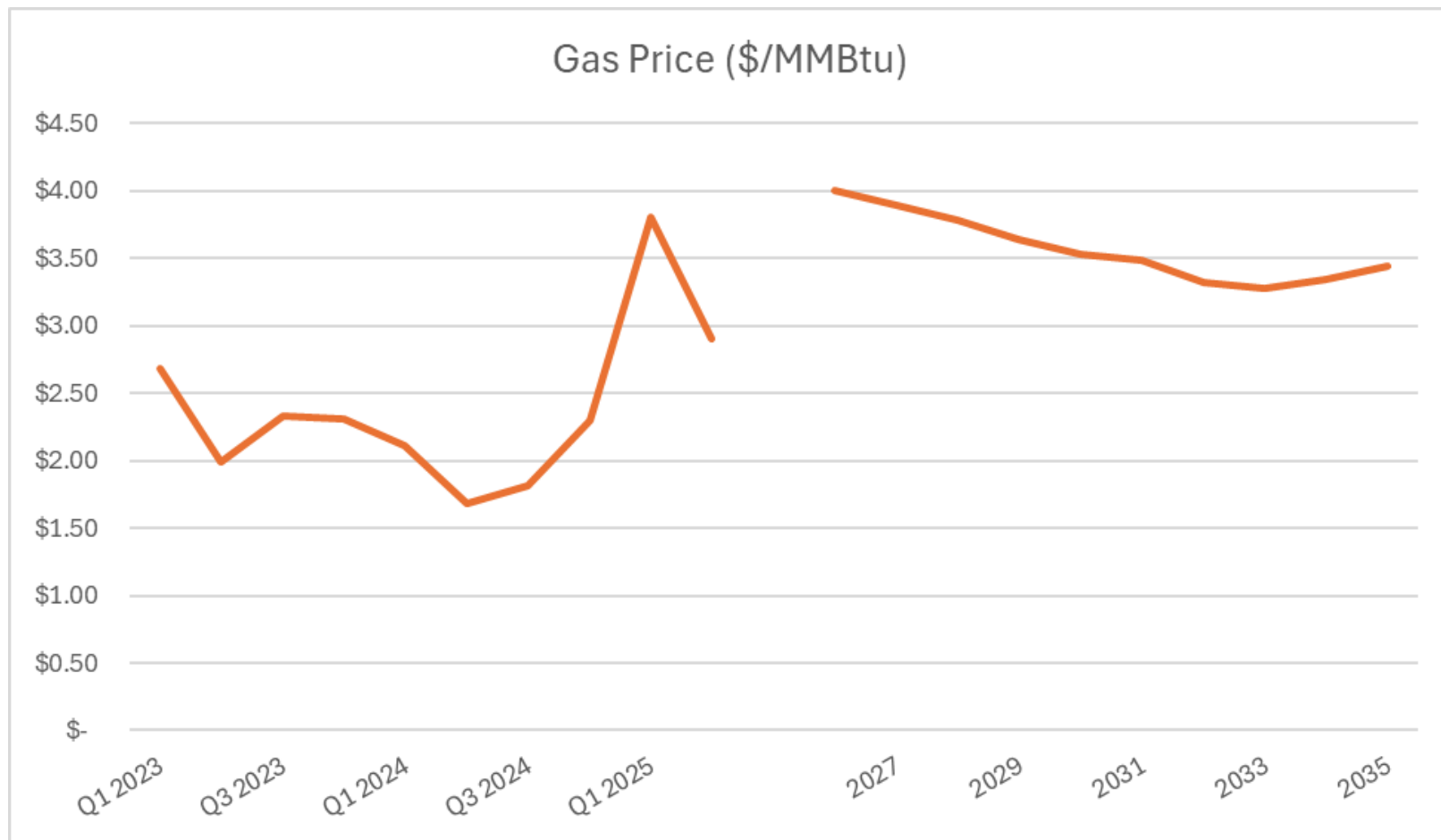


# ENERGY MARKET OUTLOOK





# ENERGY MARKET OUTLOOK



# QUESTIONS?