Special Market Update:
PJM Base Residual Auction Results for ’27/’28

Compiled Dec. 17, 2025

PJM published the results of its Base Residual Auction (BRA) on Dec. 17, 2025, which procured capacity resources for the June 1, 2027-May 31, 2028 delivery year. Learn more about the details and what this means for your business.

Installed capacity (ICAP) represents the total amount a generation resource can produce.

Unforced capacity (UCAP) represents the accredited capacity a generation source can offer into the capacity auction.

Snapshot

- Clearing prices were largely unchanged from the July 2025 BRA (2026/27 DY) and settled at the FERC-approved cap of $333.44 across the RTO.* This is about 1.3% higher than the 2026/27 BRA settlements, or an increase of $4.27/MW-day.
- The total capacity that cleared was short of the reliability standard; however, this does not necessarily mean that the PJM system will be unable to serve load reliability in the 2027/28 delivery year.
- PJM continues to hold a reserve margin of 14.8% and expects certain mitigating factors and other actions could reinforce reliability in this and future delivery years.

2027/28 BRA results key points

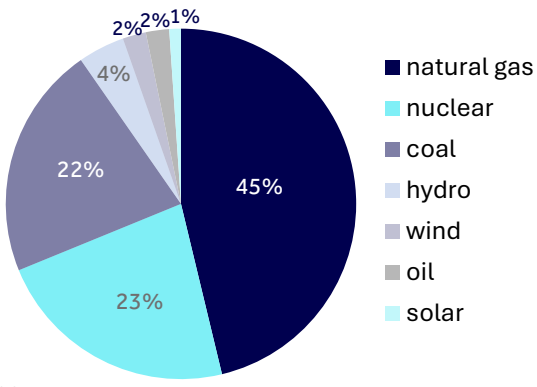
- Total procured unforced capacity (UCAP) in the RTO was 145,777 MW, an increase of 371 MW from the 2026/2027 BRA. However, it is 6,623 MW UCAP below the reliability requirement—the first auction in which the entire RTO fell short.
- The auction cleared 5.2 percentage points below the 20% Installed Reserve Margin (IRM) determined to be necessary to maintain a one-day-in-10-year Loss of Load Expectation (LOLE). *A shortfall of greater than one percentage point triggers an investigation into the cause of the shortage.*
- The auction cleared 774 MW UCAP of new generation and generation uprates.
- Supply offered into the BRA increased from 135,192 MW in the 2026/2027 BRA to 136,148 MW in the 2027/2028 BRA.
- The total amount of supply in the PJM service area increased from 196,650 MW to 200,994 MW—an increase of 4,344 MW installed capacity (ICAP).
- The forecast peak load for the 2027/2028 delivery year is approximately 5,250 MW higher than the forecast used for the 2026/2027 capacity auction. Nearly 5,100 MW of that increase is attributable to forecasted data center demand.
- Reliability in the 2027/28 DY could be improved by: 1) a reduction in the forecasted peak demand, 2) the potential for announced generator retirements to continue operating, and 3) capability of winter-only resources that could not be matched in the auction with summer-only resources and therefore did not receive an annual commitment, to provide energy in the winter when the system is at its greatest risk.

BRA results for Delivery Year 2026/27 vs. 2027/28

Locational Deliverability Area (LDA)	Resource Clearing Price ($/MW-day)*	
	‘26/27	‘27/28
RTO ATSI (Cleveland Electric Illuminating, Toledo Edison, Ohio Edison, Penn Power), Commonwealth Edison, Dayton Power & Light, American Electric Power, Allegheny Power, Duquesne Light, West Penn Power, Dominion, Eastern Kentucky Power, Ohio Valley Electric Corp.	$329.17	$333.44
MAAC Pennsylvania Power & Light, Pennsylvania Electric Co., Metropolitan Edison		
EMAAC Public Service Electric & Gas, Rockland Electric Co., Jersey Central Power & Light, PECO Energy Co., Atlantic Electric Co.		
SWMAAC Potomac Electric Power Co.		
Delmarva Power & Light		
Baltimore Gas & Electric		
Duke Energy		
Dominion		

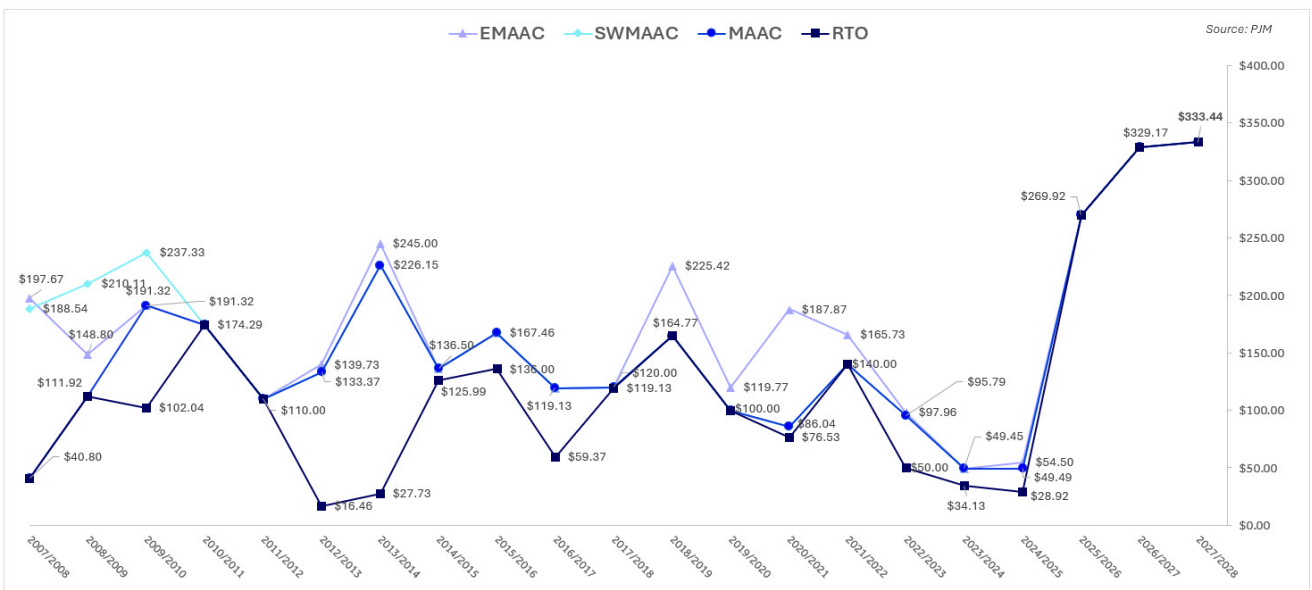
**Includes system marginal price + locational adder.*

PJM BRA Cleared Resource Mix



It’s worth noting that, PJM’s BRA simulation (page 19) that was run without the price cap and floor indicated a resource clearing price of $529.80/MW-day.

Historical BRA Clearing Prices



How do capacity settlement rates impact costs?

The capacity costs that are part of a business’ energy supply service are calculated by multiplying the final capacity rate in their LDA by their specific peak load contribution (PLC). Even though there is no way to control what rates may settle at, there can be opportunities to control your PLC through load management, which is a service NRG offers.

Cost example using ‘27/28 BRA results

Using the 2027/28 settlement rates, a business with a 1 MW capacity tag (i.e. capacity obligation or peak load contribution) located in any of the utility zones/LDAs within PJM would pay:

Monthly
$333.44/MW-day x 1 MW x 31 days in cycle = **$10,337 monthly**
Compared to a monthly rate of $10,204 using the 2026/27 delivery period rate.

Annually
$333.44/MW-day x 1 MW x 365 days = **$121,706 annually**
Compared to an annual rate of $120,147 using the 2026/27 delivery period rate.

About PJM’s RPM capacity market: PJM's capacity market, called the Reliability Pricing Model (RPM), ensures long-term grid reliability by securing the appropriate amount of power supply resources needed to meet predicted energy demand in the future. **Base Residual Auctions (BRAs)**, which are part of this model, are conducted to procure resource commitments that satisfy the PJM region’s unforced capacity (UCAP) obligation for a specific capacity delivery year (June 1- May 31). PJM allocates the cost of those commitments to load serving entities (LSEs) like NRG through a Locational Reliability Charge, which is then paid to power supply resources for performance. LSEs calculate and allocate capacity costs to their customers as shown in the cost example/calculation above. **Incremental Auctions (IAs)** are smaller auctions conducted after each BRA to allow for replacement resource procurement and increases (procurement) and decreases (selling excess) in resource commitments due to reliability requirement adjustments. BRAs and IAs pay a single clearing price based on the offer of the last resource needed to meet the requirements. Final capacity rates for any delivery year typically follow the BRA settlement rates closely, with little impact from the IA results.

Auction schedule: Traditionally PJM began capacity auctions three years prior to the delivery year, with the BRA occurring first, followed by a series of IAs. This schedule was devised to permit new entry and reinvestment, allow informed and timely retirement decisions, and inform PJM’s transmission planning process. Due to a variety of different regulatory and litigation matters, the timeline has been much shorter for the last several auctions. PJM is expected to get back to the classic BRA schedule of three years in advance in May 2027, when they expect to conduct the BRA for the 2030/31 DY.

Next up:

- PJM will conduct an IA for the 2027/28 DY in February 2027.
- The next BRA is scheduled for June 2026 (for the 2028/29 DY).

** For the 2026/2027 and 2027/2028 BRAs, as approved by FERC in Docket ER25-1357, a price cap and price floor have been established to the normal variable resource requirement (VRR) Curve. For the RTO and each LDA, the cap was set at $333.44/MW-day (UCAP) and the floor was $179.55/MW-day (UCAP) for the 2027/2028 BRA. The cap and floor prices for the 2026/2027 BRA were $329.17/MW-day (UCAP) and $177.24/MW-day (UCAP) respectively.*