

I. ANSWER

In prior reports, referenced in its Comments,⁴ the Market Monitor established the cost to customers of adding data center load forecasts to the capacity market in the 2025/2026 BRA, the 2026/2027 BRA, and the 2027/2028 BRA.⁵ In its Comments, the Market Monitor established the impact of the maximum price on limiting the distorting impacts of adding

⁴ See the “Comments of the Independent Market Monitor for PJM,” Docket No. ER26-1556 (March 20, 2026) (“Market Monitor Comments or Comments”)

⁵ See Monitoring Analytics, LLC, “Analysis of the 2025/2026 RPM Base Residual Auction—Part A,” (September 20, 2024) <https://www.monitoringanalytics.com/reports/Reports/2024/IMM_Analysis_of_the_20252026_RPM_BaseResidual_Auction_Part_A_20240920.pdf>; See “Analysis of the 2025/2026 RPM Base Residual Auction—Part B,” (October 15, 2024); <https://www.monitoringanalytics.com/reports/Reports/2024/IMM_Analysis_of_the_20252026_RPM_Base_Residual_Auction_Part_B_20241015.pdf>; “Analysis of the 2025/2026 RPM Base Residual Auction—Part C,” (October 15, 2024); <https://www.monitoringanalytics.com/reports/Reports/2024/IMM_Analysis_of_the_20252026_RPM_Base_Residual_Auction_Part_C_20241106.pdf>; “Analysis of the 2025/2026 RPM Base Residual Auction—Part D,” (December 6, 2024); <https://www.monitoringanalytics.com/reports/Reports/2024/IMM_Analysis_of_the_20252026_RPM_Base_Residual_Auction_Part_D_20241206.pdf>; “Analysis of the 2025/2026 RPM Base Residual Auction—Part E,” (January 31, 2025); <https://www.monitoringanalytics.com/reports/Reports/2025/IMM_Analysis_of_the_20252026_RPM_Base_Residual_Auction_Part_E_20250131.pdf>; “Analysis of the 2025/2026 RPM Base Residual Auction—Part F,” (February 4, 2025); <https://www.monitoringanalytics.com/reports/Reports/2025/IMM_Analysis_of_the_20252026_RPM_Base_Residual_Auction_Part_F_20250204.pdf>; “Analysis of the 2025/2026 RPM Base Residual Auction—Part G Revised,” (June 3, 2025); <https://www.monitoringanalytics.com/reports/Reports/2025/IMM_Analysis_of_the_20252026_RPM_Base_Residual_Auction_Part_G_20250603_Revised.pdf>; “Analysis of the 2025/2026 RPM Base Residual Auction—Part H,” (July 31, 2025); <https://www.monitoringanalytics.com/reports/Reports/2025/IMM_Analysis_of_the_20252026_RPM_Base_Residual_Auction_Part_H_20250731.pdf>; “Analysis of the 2026/2027 RPM Base Residual Auction—Part A,” (October 1, 2025); <https://www.monitoringanalytics.com/reports/Reports/2025/IMM_Analysis_of_the_20262027_RPM_Base_Residual_Auction_Part_A_20251001.pdf>; “Analysis of the 2026/2027 RPM Base Residual Auction—Part B,” (March 3, 2026); <https://www.monitoringanalytics.com/reports/Reports/2026/IMM_Analysis_of_the_20262027_RPM_Base_Residual_Auction_Part_B_20260303.pdf>.

data center load forecasts to the capacity market in the 2026/2027 BRA and the 2027/2028 BRA.⁶

Based on the principles defined by The White House Ratepayer Protection Pledge and the Principles issued by the National Energy Dominance Council and the PJM Governors, the impact of data centers on costs should be borne by the data centers and not by other customers.⁷ The application of naïve economic logic would simply include the imperfect forecasts of data center load in the capacity market and let supply and demand determine the price. The application of naïve economic logic is clearly not consistent with the Principles or with the Pledge.⁸

While there is significant uncertainty, PJM’s plan, at present, appears to be to run the BRA for 2028/2029 including the imperfect forecast for data centers, in June 2026. Unless the 2028/2029 BRA is delayed, the current schedule for PJM’s proposals will mean that the forecast data center load will be included in the 2028/2029 BRA and any backstop auction would be only for the shortfall in the 2028/2029 BRA rather than for data center load. If that is the plan, it is essential that the proposed maximum price remain in place as an imperfect offset to the distorting impacts of including forecast data center load. As demonstrated in the Market Monitor Comments, the offset is very imperfect.

Table 1 in the Market Monitor Comments demonstrates that the actual impact of data center load on the 2026/2027 BRA and the 2027/2028 BRA capacity auctions was \$13,768,851,483 (column E). The last two capacity auctions included the maximum price

⁶ See Comments of the Independent Market Monitor for PJM, Docket No. ER26-1556-000 (March 20, 2026) at 2 (Table 1).

⁷ See White House, “Ratepayer Protection Pledge Proclamation” (March 4, 2026), <<https://www.whitehouse.gov/presidential-actions/2026/03/ratepayer-protection-pledge-proclamation/>> accessed March 20, 2026 (“Pledge”); See National Energy Dominance Council, Statement of Principles Regarding PJM (January 16, 2026), <<https://www.energy.gov/documents/statement-principles-regarding-pjm>> (“Principles”).

⁸ See *id.*

based on the Agreement. In other words, the inclusion of data center load in the last two auctions increased customers' bills by \$13,768,851,483, even with the maximum price from the Agreement in place. If PJM's VRR curve had been place, without the maximum price from the Agreement, the impact of data center load on the last two capacity auctions would have been \$26,852,039,314 (column F).

The market distorting effect of data center load would have been \$26,852,039,314 (column F) but for the Agreement. The result of the Agreement was to reduce that impact by \$13,083,187,831 (column C). Extension of the Agreement will continue to limit the distortionary effect of data center load while the regulatory process proceeds to a decision on a more permanent approach to data center loads.

The effective impact of the maximum price on the distortionary effect of data center load is quite limited. The limit still permitted the \$13,768,851,483 impact for just two auctions, even with the maximum price from the Agreement in place.

The preferred alternative would be to remove the forecast data center load from the 2028/2029 BRA and then to run a backstop auction for data center load shortly after that. For example, see the Market Monitor's proposal for a backstop auction design.^{9 10} This approach would require that data center loads that do not bring their own new generation directly pay for the capacity they need. This approach would also permit the maximum price in the BRA to increase to a level based on current Net CONE.¹¹ This would allow the normal market price

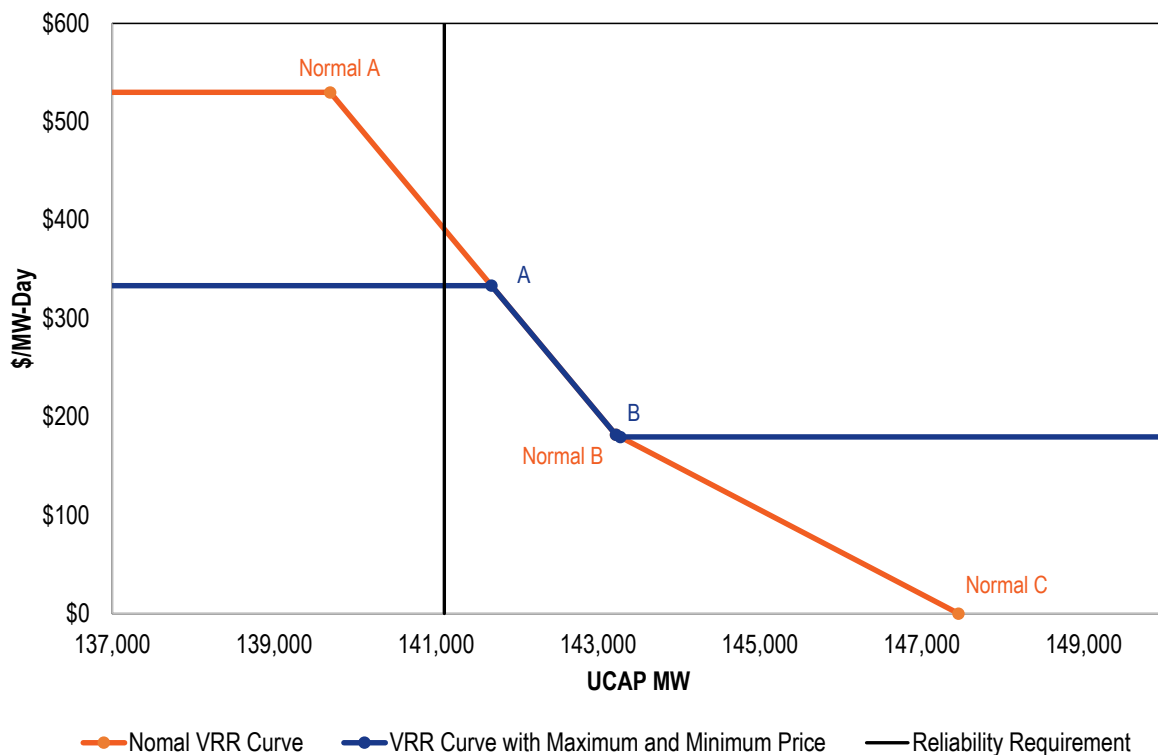
⁹ See the "Reliability Backstop Auction Design Proposal -V2," presented to the Reliability Backstop Procurement Workshop (February 25, 2026). <https://www.monitoringanalytics.com/reports/Presentations/2026/IMM_Reliability_Backstop_WS_%20Backstop_Auction_Design_Proposal-V2_20260224.pdf>

¹⁰ See Limited Protest of Constellation Energy Generation, LLC and Earthrise Energy, PBLLC, Docket No. ER26-1556-000 (March 20, 2026);The CEG/Earthrise filing emphasizes the current uncertainty about how the auctions and any backstop auction will be designed and implemented.

¹¹ See Comments of the Independent Market Monitor for PJM, Docket No. ER26-455-000 (December 8, 2025); Answer and Motion for Leave to Answer of the Independent Market Monitor for PJM, Docket No. ER26-455-000 (January 20, 2026).

dynamics to play out, based on organic load. Under the normal VRR curve, the maximum price on the VRR curve sets the auction price only if the supply falls short of the reliability requirement by one percent. Under the current VRR curve with a maximum and a minimum price, the maximum price sets the auction clearing price when supply is less than the MW point where the horizontal line set at the maximum price intersects the normal VRR curve. Figure 1 shows the normal VRR curve and VRR curve with a maximum and minimum price used for the 2027/2028 RPM Base Residual Auction.

Figure 1 Normal VRR curve and VRR curve with maximum and minimum price used for 2027/2028 RPM Base Residual Auction



II. MOTION FOR LEAVE TO ANSWER

The Commission’s Rules of Practice and Procedure, 18 CFR § 385.213(a)(2), do not permit answers to answers or protests unless otherwise ordered by the decisional authority. The Commission has made exceptions, however, where an answer clarifies the issues or

assists in creating a complete record.¹² In this answer, the Market Monitor provides the Commission with information useful to the Commission’s decision making process and which provides a more complete record. Accordingly, the Market Monitor respectfully requests that this answer be permitted.

III. CONCLUSION

The Market Monitor respectfully requests that the Commission afford due consideration to this answer as the Commission resolves the issues raised in this proceeding.

Respectfully submitted,



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¹² See, e.g., *PJM Interconnection, L.L.C.*, 119 FERC ¶61,318 at P 36 (2007) (accepted answer to answer that “provided information that assisted ... decision-making process”); *California Independent System Operator Corporation*, 110 FERC ¶ 61,007 (2005) (answer to answer permitted to assist Commission in decision-making process); *New Power Company v. PJM Interconnection, L.L.C.*, 98 FERC ¶ 61,208 (2002) (answer accepted to provide new factual and legal material to assist the Commission in decision-making process); *N.Y. Independent System Operator, Inc.*, 121 FERC ¶61,112 at P 4 (2007) (answer to protest accepted because it provided information that assisted the Commission in its decision-making process).

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Dated: April 6, 2026

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Eagleville, Pennsylvania,
this 6th day of April, 2026.



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