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FOR IMMEDIATE RELEASE

2026 Quarterly State of the Market Report for PJM: January through March

MARKET MONITOR FINDS PJM WHOLESALE ELECTRICITY MARKETS COMPETITIVE

(Eagleville, PA, May 14, 2026) PJM Interconnection's wholesale electric energy market produced competitive results during the first three months of 2026, according to the *2026 Quarterly State of the Market Report for PJM: January through March* released today by Monitoring Analytics, LLC, the Independent Market Monitor for PJM.

The Independent Market Monitor, Joseph Bowring, announced findings of the report today. The report is the Independent Market Monitor's assessment of the competitiveness of the wholesale electricity markets managed by PJM in 13 states and the District of Columbia. The report includes analysis of market structure, participant behavior and market performance for each of the PJM markets.

"Our analysis concludes that the results of the PJM Energy Market were competitive in the first three months of 2026," Bowring said. "Our analysis concludes that the results of the capacity market auctions for the 2025/2026, 2026/2027, and 2027/2028 Delivery Years were not competitive, primarily as a result of forecast demand for data centers."

Energy prices increased in the first three months of 2026 from the first three months of 2025. The real-time load-weighted average LMP in the first three months of 2026 increased $35.37 per MWh, or 67.8 percent, from the first three months of 2025, from $52.20 per MWh to $87.57 per MWh.

Of the $35.37 per MWh increase, $14.92 per MWh (42.2 percent) was the fuel and consumables cost components of LMP, $9.73 per MWh (27.5 percent) was the transmission constraint penalty factor component of LMP, $3.56 per MWh (10.1 percent) was the market power components of LMP, $1.26 per MWh (3.6 percent) was the emissions cost components of LMP, and $0.85 per MWh (2.4 percent) was the scarcity component of LMP. The strike prices of pre-emergency demand response called on by PJM during Winter Storm Fern increased the LMP by $0.18 per MWh, 0.5 percent of the increase in LMP. The LMP increase would have been higher but for the $3,700.00 per MWh administrative cap. The administrative cap reduced the LMP by $0.03 per MWh, a 0.1 percent decrease.

The total cost of wholesale power increased in the first three months of 2026 compared to the first three months of 2025. Energy (71.5 percent), capacity (13.0 percent) and transmission (13.8 percent) are the three largest components of the total cost of wholesale power, comprising 98.3 percent of the total cost per MWh in the first three months of 2026. The total cost of wholesale power increased by $58.75 per MWh, or 75.5 percent, from $77.78 per MWh in the first three months of 2025 to $136.53 per MWh in the first three months of 2026. Of the $58.75 increase, the

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total cost of energy increased by $42.90 per MWh, 78.5 percent, the total cost of capacity increased by $14.21 per MWh, 398.1 percent, and the total cost of transmission increased by $0.94 per MWh, 5.3 percent.

Energy prices in PJM in the first three months of 2026 were set, on average, by units operating at, or close to, their short run marginal costs, although this was not always the case. This is evidence of generally competitive behavior and competitive market outcomes, although high markups for some marginal units did affect prices.

The real-time hourly average load in the first three months of 2026 increased by 3.1 percent from the first three months of 2025, from 95,801 MWh to 98,749 MWh.

In the first three months of 2026, generation from coal units decreased 1.7 percent, generation from natural gas units increased 4.2 percent, generation from oil units increased 43.2 percent, generation from wind units decreased 4.7 percent, and generation from solar units increased 15.0 percent compared to the first three months of 2025.

Energy market net revenue is a key measure of overall market performance as well as a measure of the incentive to invest in generation to serve PJM markets. Theoretical energy market net revenues increased by 213 percent for a new combustion turbine (CT), increased by 144 percent for a new combined cycle (CC), increased by 199 percent for a new coal plant (CP), increased by 64 percent for a new nuclear plant, increased by 1,326 percent for a new diesel (DS), increased by 29 percent for a new onshore wind installation, increased by 65 percent for a new offshore wind installation and increased by 10 percent for a new solar installation.

Total energy uplift charges increased by $509.0 million, or 108.1 percent, during the first three months of 2026 compared to the first three months of 2025, from $470.7 million to $979.8 million.

When there are binding transmission constraints and locational energy price differences, customers pay more for energy than generation is paid to produce that energy. The difference is congestion revenue. Congestion revenue belongs to customers and should be returned to customers. Total congestion increased by $1,511.9 million or 300.4 percent, from $503.3 million in the first three months of 2025 to $2,015.2 million in the first three months of 2026.

Only 55.3 percent of total congestion paid by customers for the first ten months of the 2025/2026 planning period was returned to customers through the ARR and self-scheduled FTR revenues offset. The goal of the FTR market design should be to ensure that customers have the rights to 100 percent of the congestion that customers pay. Customers have received $6.8 billion less in congestion revenues than customers should have received, from the 2011/2012 planning period through the first ten months of the 2025/2026 planning period, as a result of flaws in the PJM FTR market design.

The Independent Market Monitor (also known as the IMM, the Market Monitoring Unit or the MMU) evaluates the operation of PJM's wholesale markets to identify ineffective market rules and tariff provisions, proposes improvements to market rules and tariff provisions when

needed, monitors compliance with and implementation of the market rules, identifies potential anticompetitive behavior by market participants and provides comprehensive market analysis critical for informed policy and decision making. Joseph Bowring, the Market Monitor, ensures the independence and objectivity of the monitoring program.

For a copy of the State of the Market Report, visit Monitoring Analytics at: https://www.monitoringanalytics.com/reports/PJM_State_of_the_Market/2026.shtml