



# Industry and Energy Perspectives on Data Centers

Center for Rural Pennsylvania

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**April 17, 2026**

# GRID RELIABILITY

A large green gear with a white rounded rectangle in the center containing text.

## Markets

- Energy
- Capacity
- Ancillary services

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## Operations

- Grid operations
- Supply/demand balance
- Transmission monitoring

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## Regional Planning

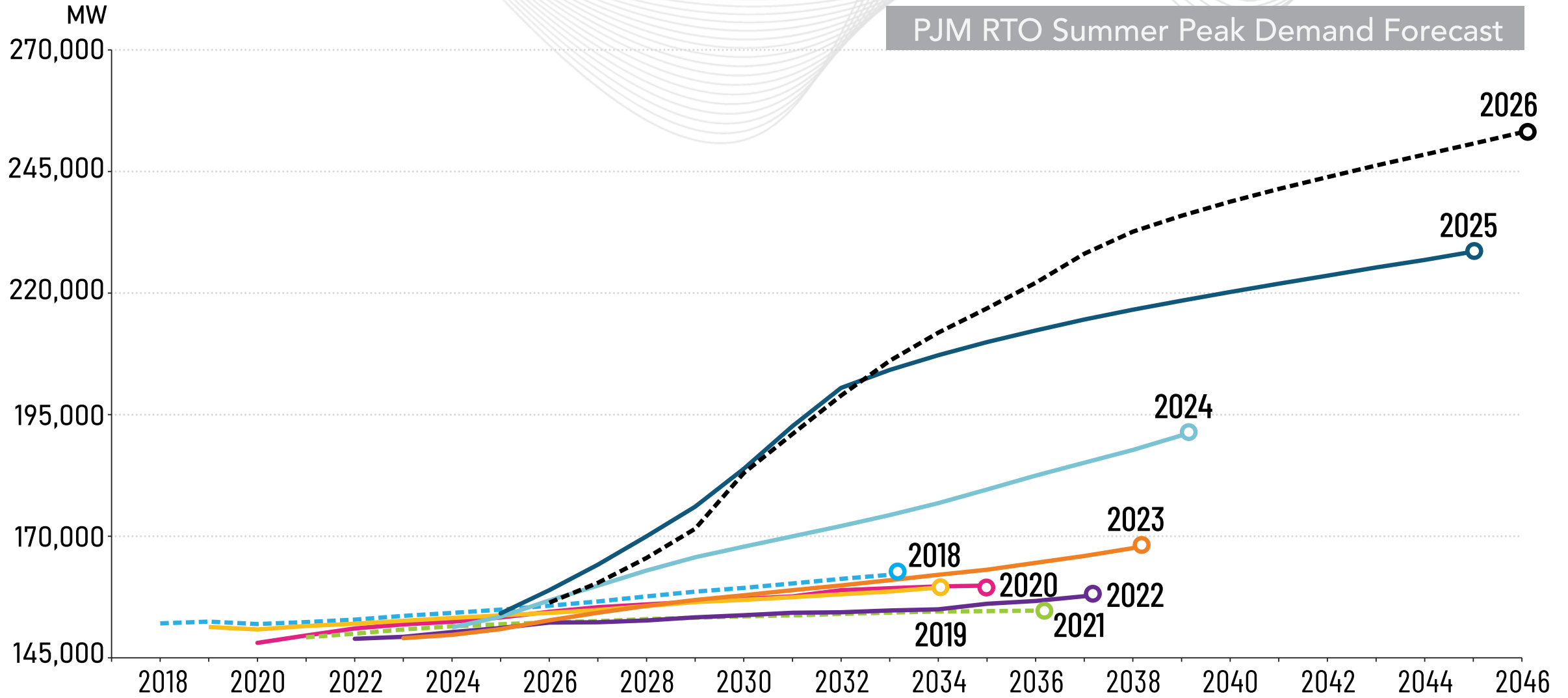
- 15-year outlook



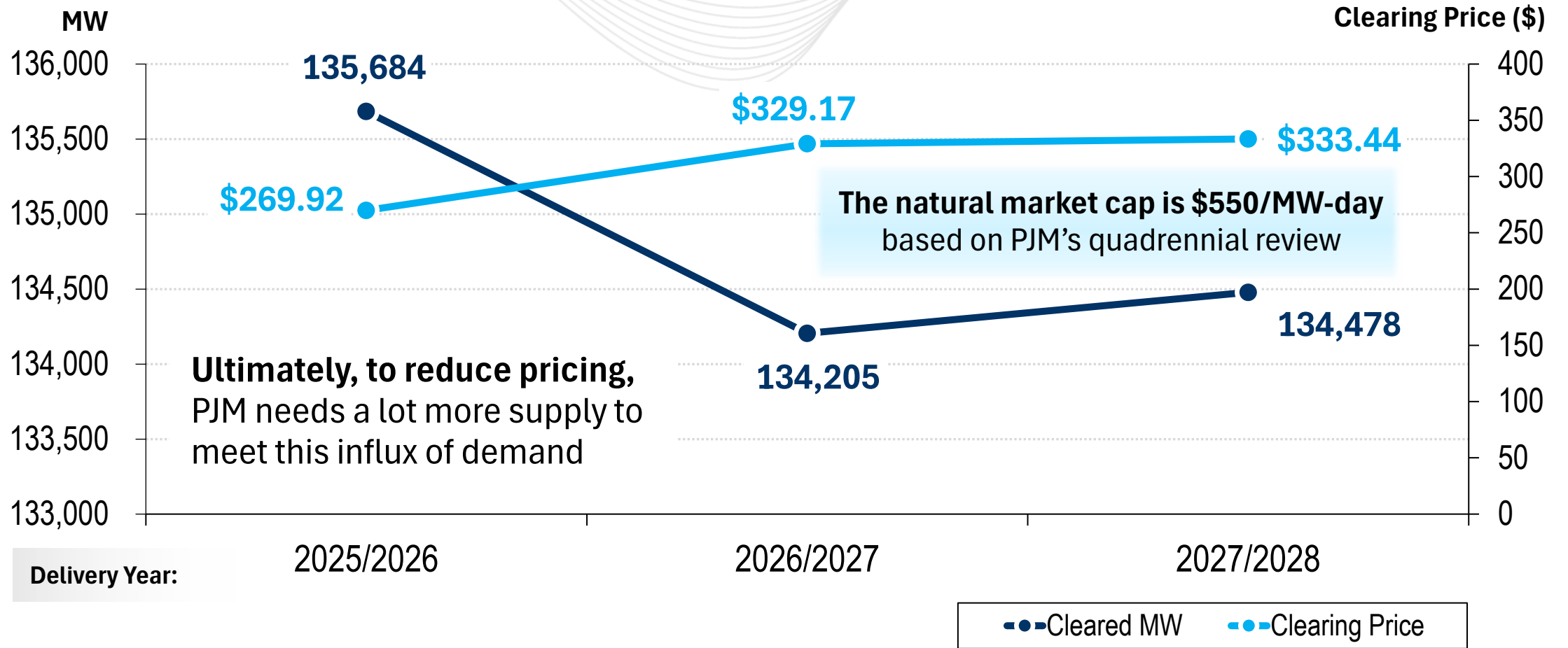


# Electricity Demand Growth

PJM RTO Summer Peak Demand Forecast



# Recent Capacity Market Clearing Prices (UCAP)



Note: Cleared MW values include Annual and matched Seasonal Capacity Performance sell offers within the LDA.



# PJM Board Decision on Large Load (Data Centers) Additions



Bring Your Own New Generation and Expedited Interconnection Track



Curtailment of Data Centers Not Bringing New Generation



Reliability Backstop Procurement



Significant Load Forecasting Improvements



Study on Market Incentives for New Supply



Capacity Market Price Cap and Floor

## PJM Recommendations

### Retail Cost Allocation

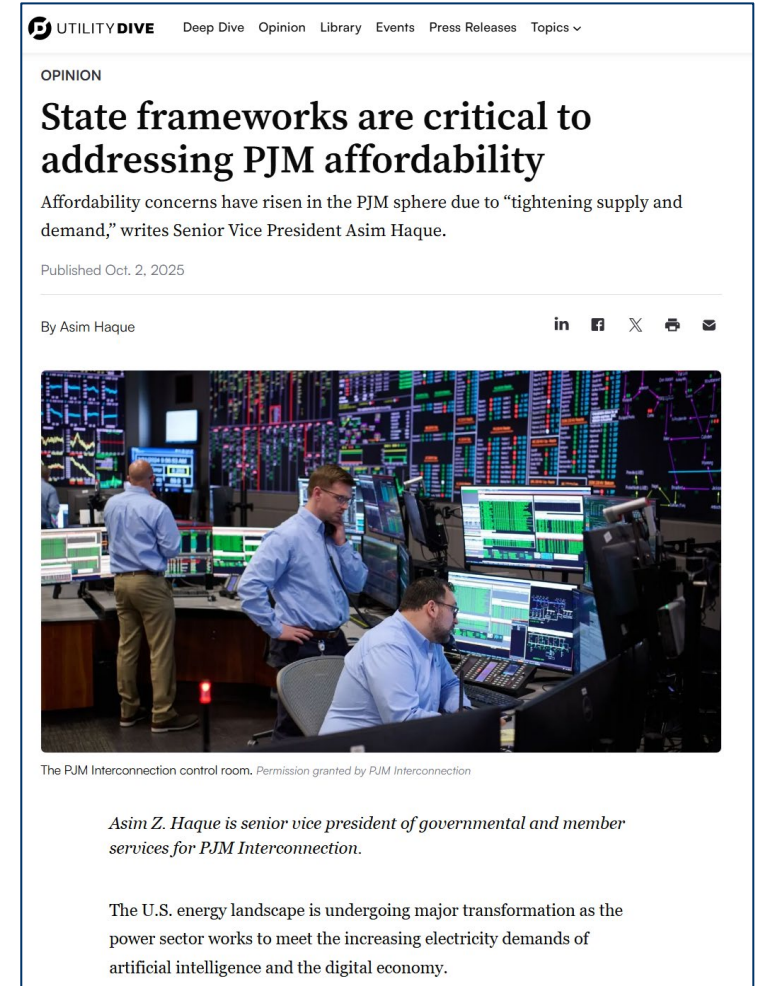
States ultimately have control over how costs are allocated to the various customer classes in utility tariffs. Costs can be allocated away from residential consumers and small businesses and toward other customer classes more directly driving the tightening supply-demand balance, including data centers. State programmatic rebates can be allocated to specific customer classes as well.

### Data Center Entry Commitments

A number of our states are placing financial requirements and stricter entry commitments on data centers trying to connect through regulated utilities as a way to make sure that the data center is actually coming to that utility's service territory. This will, in turn, allow for utilities to submit more accurate data to PJM to better refine our load forecasts used on the wholesale side. Further, PJM is considering a period where states can review and provide feedback on requested large load additions in PJM's load forecast.

### Default Service Procurement

Our restructured states are all utilizing default service procurement mechanisms to procure supply for consumers who are not shopping with a competitive retail supplier. It is worthwhile to analyze whether these procurement mechanisms are designed for a high-priced wholesale environment. In those states with especially low shopping statistics, consumers are deeply exposed to this high-capacity market price if default service procurement mechanisms are not designed to long-term hedge against that price.



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OPINION

### State frameworks are critical to addressing PJM affordability

Affordability concerns have risen in the PJM sphere due to “tightening supply and demand,” writes Senior Vice President Asim Haque.

Published Oct. 2, 2025

By Asim Haque



The PJM Interconnection control room. Permission granted by PJM Interconnection

*Asim Z. Haque is senior vice president of governmental and member services for PJM Interconnection.*

The U.S. energy landscape is undergoing major transformation as the power sector works to meet the increasing electricity demands of artificial intelligence and the digital economy.

## PJM Recommendations

### Retail Shopping

Competitive suppliers may be able to offer better rates than what is being procured in default service auctions. This may be an opportunity for competitive suppliers, residential/small business consumers and state regulators to work collectively to enhance shopping while maintaining traditional consumer-protection oversight.

### State Programs and the Total Bill

Knowing that the wholesale price for power will be higher in future years, the total bill can be analyzed to determine whether existing state programs that were initiated during times of lower wholesale pricing should continue, and again, if rebates should be allocated away from or to certain customer classes.

### Demand Response and Energy Efficiency

Paying customers to reduce usage during system stress is a direct solution to reducing peak electricity demand. States can play a central role in developing and promoting robust demand response and energy efficiency programs.

### Siting/Permitting

We need more energy infrastructure, both generation and transmission. States play a pivotal role in projects ultimately getting built through their siting/permitting processes. If energy infrastructure projects don't receive state permitting approvals, it won't matter how many projects PJM pushes through its generation interconnection queue.


UTILITY DIVE Deep Dive Opinion Library Events Press Releases Topics

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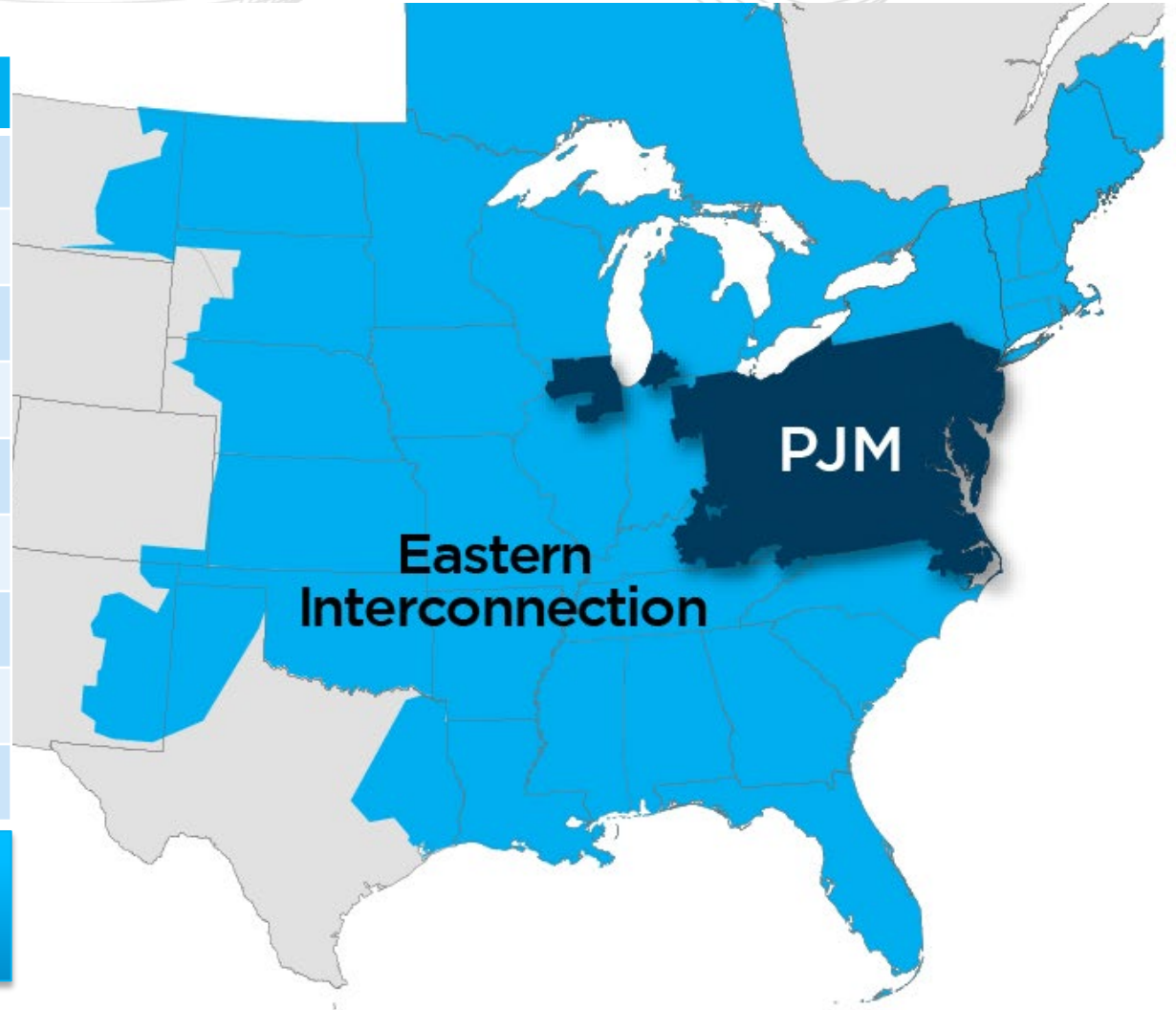
The U.S. energy landscape is undergoing major transformation as the power sector works to meet the increasing electricity demands of artificial intelligence and the digital economy.

# Additional Data and Information

## Key Statistics

Member companies	1,116
Millions of people served	67+
Peak load in megawatts	165,563
Megawatts of generating capacity	185,989
Miles of transmission lines (Bulk Electric System)	88,417
Gigawatt hours of annual energy	828,161
Generation sources	1,673
Square miles of territory	368,906
States served	13 + DC

- 25.6% of generation in Eastern Interconnection
- 25.2% of load in Eastern Interconnection



As of 2/2026

Joined in 1927

Joined in 1956

Joined in 1965

Joined in 1981

Joined in 2002

Joined in 2004

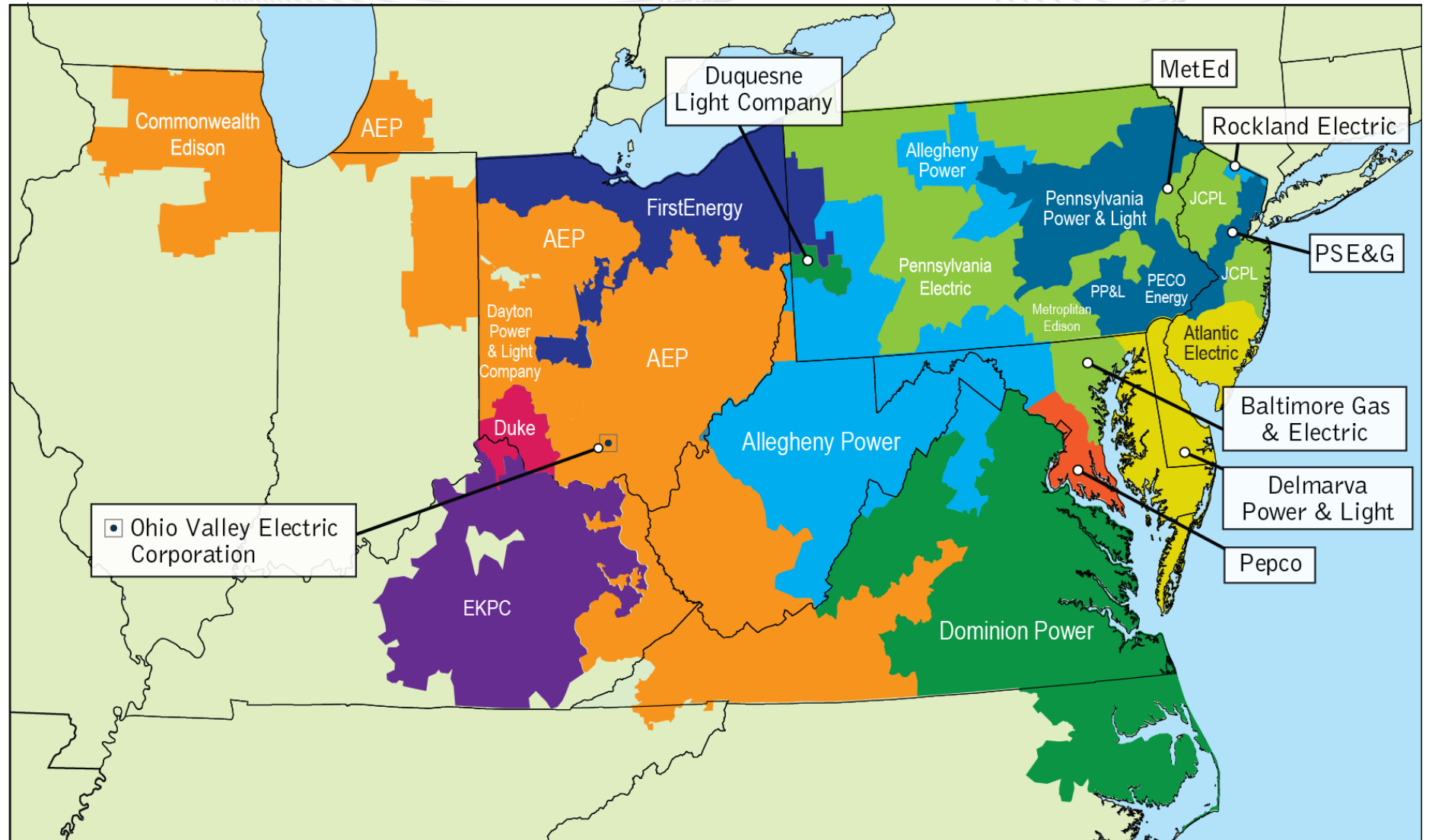
Joined in 2005

Joined in 2011

Joined in 2012

Joined in 2013

Joined in 2018



Operates As A <u>Non-Profit</u>
No Shareholders or Share Price
Federally Regulated (FERC)
Independent Board
Market Monitor
<b>Mission-Driven</b>

**~\$5 billion**  
annual savings  
produced



- \$1.4 billion**  
Reliability
- \$1.25 billion**  
Generation Investment
- \$1.1 billion**  
Integration of More Efficient Resources
- \$990 million**  
Energy Production Costs
- \$265-\$355 million/year**  
Demand Response Value

— All numbers are estimates. —

## CAPACITY

- A commitment of a resource to provide energy, particularly during PJM emergencies
- Capacity revenues paid to committed resource whether or not energy is produced by resource.

Product:

**Daily**

## ENERGY

- Generation of electrical power over a period of time
- Energy revenues paid to resource based on participation in PJM's Day-Ahead & Real-Time Energy markets

**Hourly**



*Think of capacity like a parking lot. A business includes enough parking to accommodate customers at its busiest times, but on a typical day, many spaces remain empty.*

Capacity, energy & ancillary services revenues are expected, in the long term, to provide generation resources with the opportunity to recover fixed and variable costs to ensure that adequate generation is maintained for reliability of the electric grid.

## PJM Region (MW)

**2025 Supply**

**181,533**

**2025 Demand**  
(Peak Summer)

**160,526**

**2041 Demand**  
(Peak Summer)

**~241,000**

## **Expedited Interconnection Track**

- Involve a new generation facility or increased capacity at an existing resource
- Offer of at least 250 MW of accredited unforced capacity
- Be supported by a commitment from its primary siting authority
- Achieve commercial operation within three years
- Limited to 10 projects per calendar year for 2 years



In place by August 2026

## Connect and Manage

- Implement process that identifies pre-emergency demand response requirement in zones where forecasted demand is greater than supply.
- Recommends that data centers that fail to procure adequate supply (bring your own new generation – BYONG) receive curtailment directives before other customers.
- Data centers could use backup generators in response to curtailment directive.



In place by end of 2026

## Reliability Backstop Procurement

- Immediately initiated stakeholder process to obtain input and solicit proposals.
- Backstop procurement must specify price, term and quantity as core award parameters – all, including cost allocation – are TBD.
- States committed to allocating costs to data centers in White House / Governors' Principles statement.
- Backstop process expected to commence this year.



PJM published initial proposal

## Significant Load Forecasting Improvements

- Opportunity for state utility commission review
- Developer identification of duplicative load interconnection project requests
- Additional third-party, industry-specific top-down review of projections
- Require NDAs with utilities to allow for data sharing with PJM
- Near-term large loads only included if they have a demonstrated financial commitment



In place for 2027 Load Forecast

## Holistic Review of Market Incentives

- Undertake a focused review of the capacity market to ensure it is sufficient for signaling investment needs.
- Continue energy market reform efforts and coordinate outcomes with the capacity market review.
- Ensure that energy, capacity and ancillary markets provide sufficient revenues to maintain investments and incent appropriate performance.



Conduct analysis in first half of 2026.

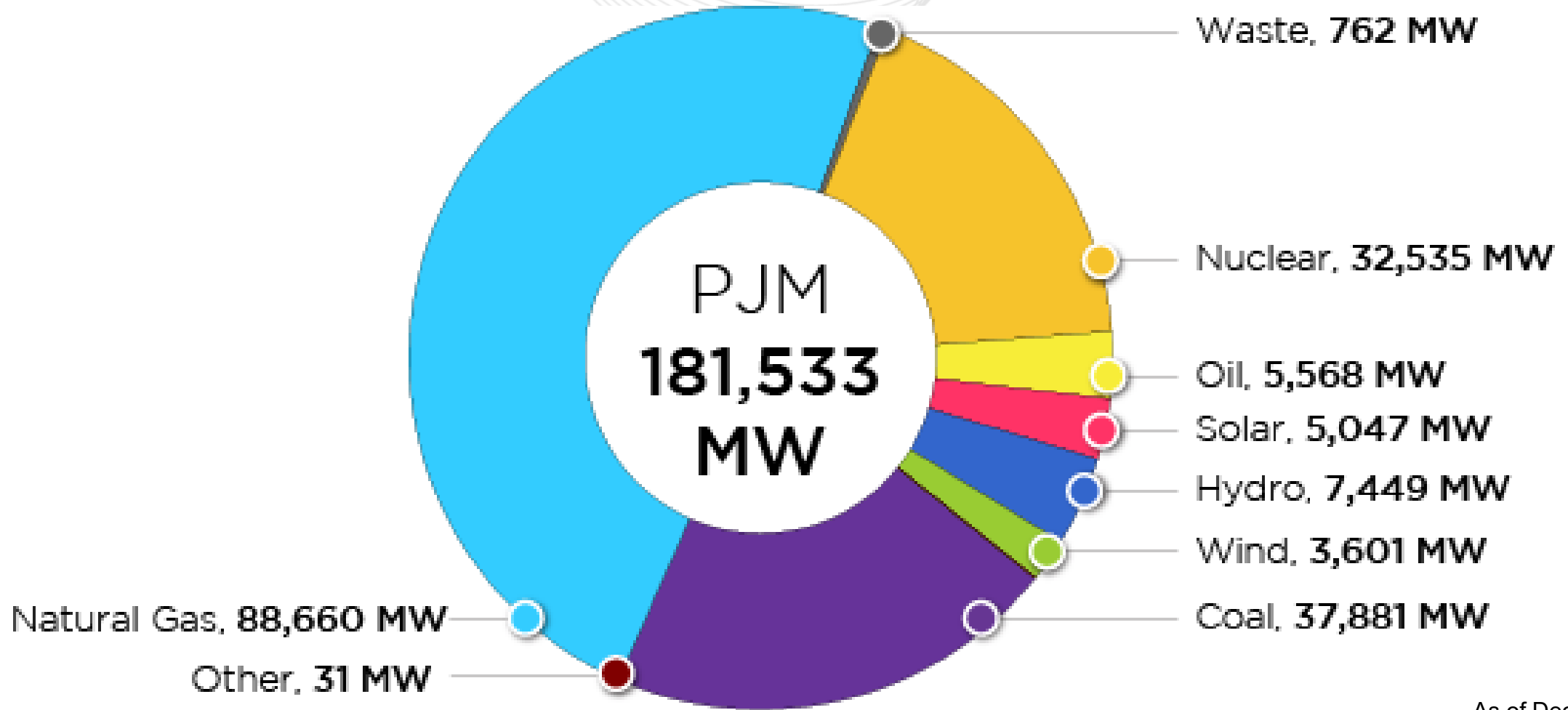
## Extend Existing Price Cap and Floor

- For 2028/2029 and 2029/2030 Base Residual Auctions
- Filed with Federal Energy Regulatory Commission (FERC)



In place through mid-2030 with FERC approval

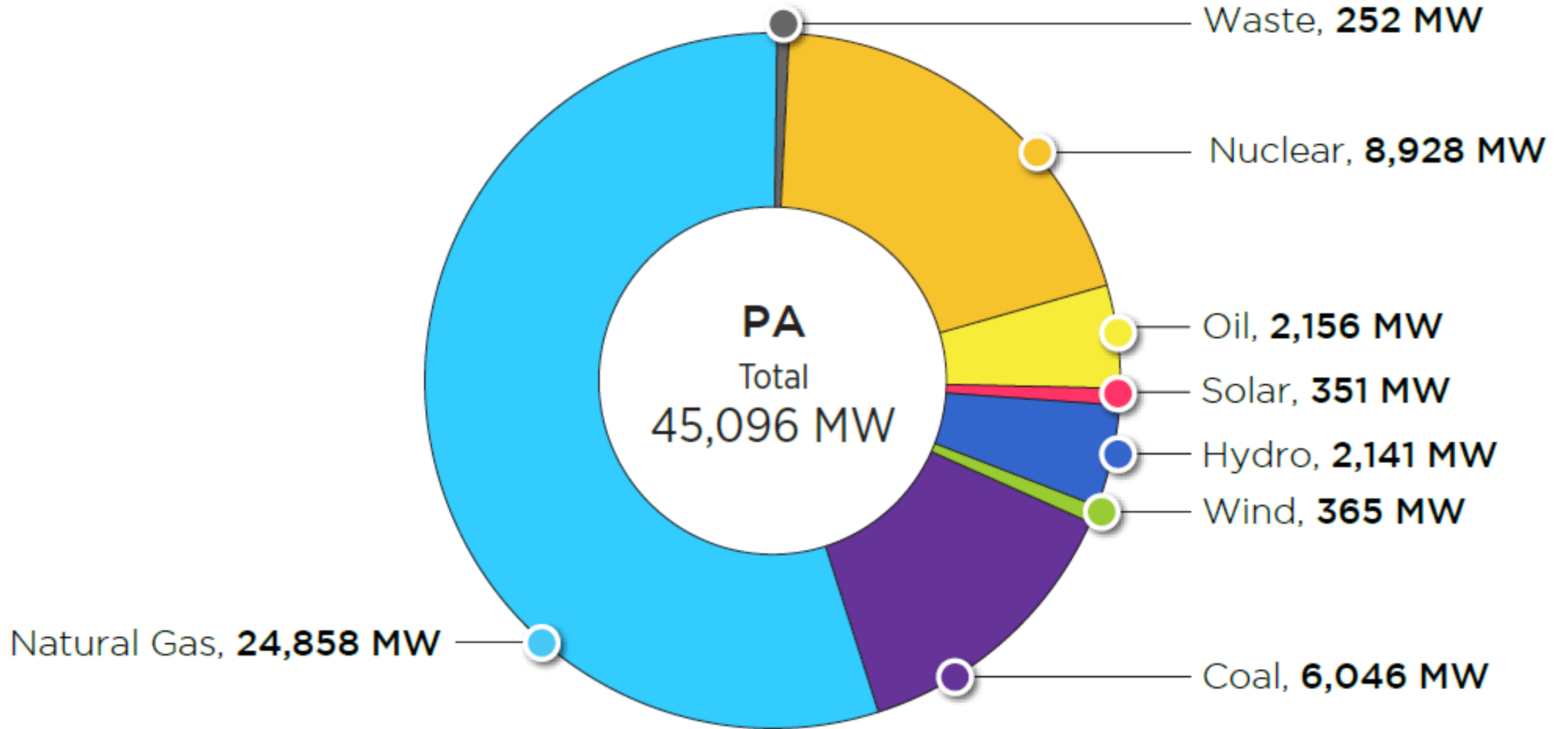
# PJM Existing Installed Capacity Mix (Capacity Interconnection Rights)

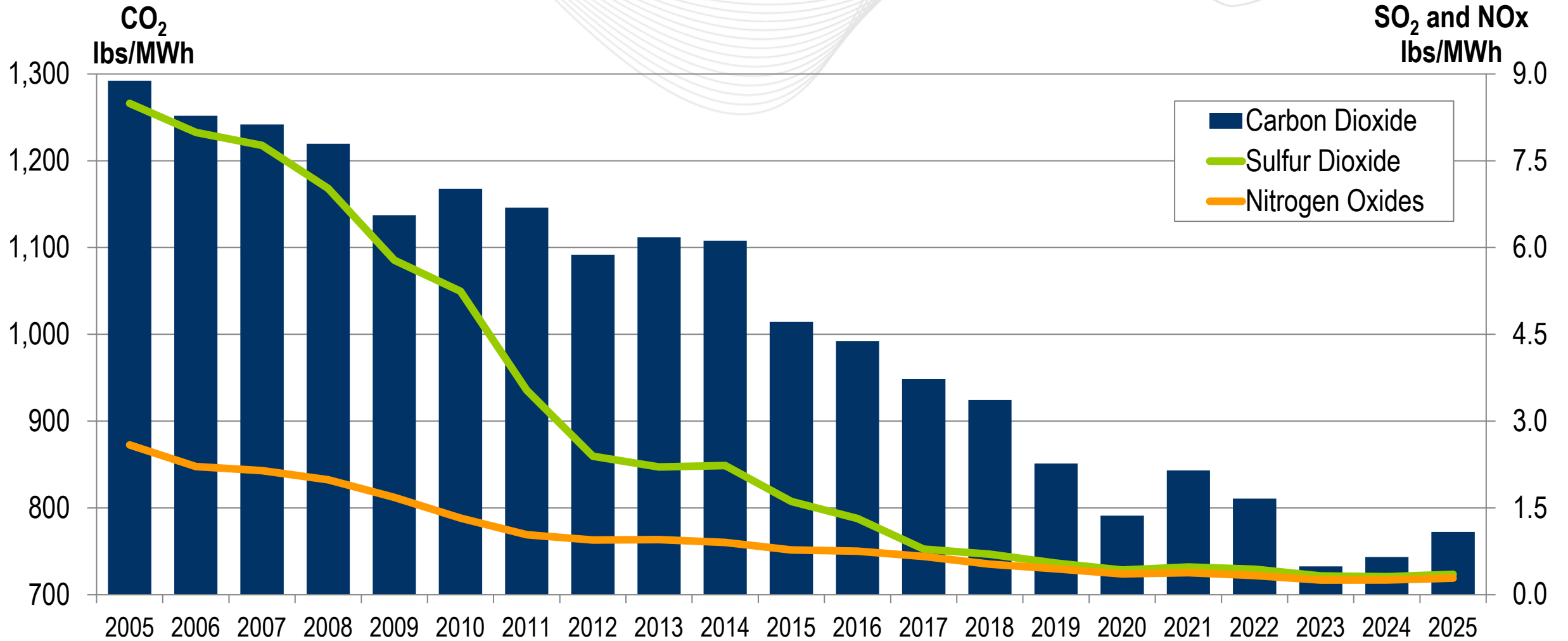


As of Dec 31, 2024

# Pennsylvania – Existing Installed Capacity (MW) by Fuel Type

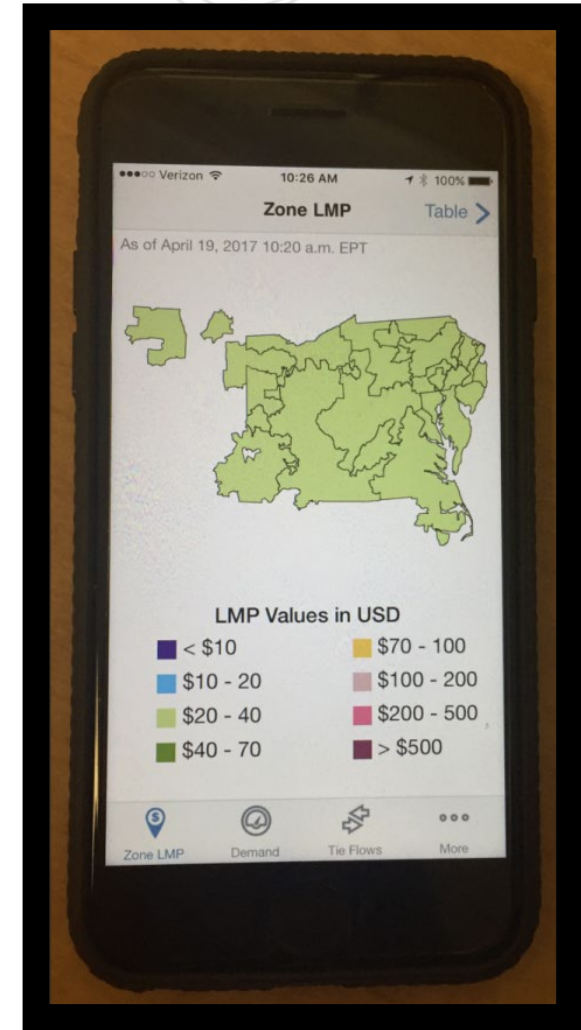
(CIRs- as of Dec. 31, 2024)





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- Track power prices
- Get notifications



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