

## Special Report - 12/18/2025

### PJM's 2027/2028 Base Residual Auction Clears at the FERC-Approved Price Cap

PJM's Base Residual Auction (BRA) for the 2027/2028 delivery year cleared at the Federal Energy Regulatory Commission-approved price cap of \$333.44/MW-day<sup>1</sup> for the entire PJM footprint, representing a 1.3% increase over the 2026/2027 BRA clearing price of \$329.17/MW-day. The 2027/2028 BRA clearing price translates to \$333.69/MW-day on a net load basis to be charged to customers. Without the price cap, PJM reported that the RTO price would have been \$529.80/MW-day.

The 2027/2028 auction saw participation of 774 MWs of UCAP new generation and generation uprates, while the RTO's forecasted peak load for the delivery year increased by 5,250 MWs, of which 5,100 MWs are attributed to data centers.

Total capacity procured in the auction fell short of PJM's reliability requirement by 6,623 MWs. However, PJM says this does not mean that it cannot serve the region reliably. In their analysis of supply and demand, PJM expects peak load to be lower than forecasted, some announced generation retirements may be cancelled, and winter-only resources that are not allowed to participate in the annual auction will be available.

PJM is now officially short capacity and will likely remain so for the near term. The next BRA for the 2028/2029 delivery year is scheduled for July 2026. For additional detail, please see PJM's press release [here](#) and the full 2027/2028 BRA report [here](#).

To better understand how these capacity price increases may impact your business, please contact your Calpine sales representative.

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<sup>1</sup> Earlier this year, FERC approved an agreement between PJM and Pennsylvania Governor Josh Shapiro that sets a price cap of \$325/MW-day and a price floor of \$175/MW-day for the 2026/2027 and 2027/2028 BRAs. Note that technical nuances of PJM's modeling cause the final clearing price of \$333.44 to exceed the exact price cap in the original agreement.