



CITIZENS UTILITY BOARD
Fighting for Illinois Consumers



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**CUB: SUSTAINED HIGH PJM CAPACITY PRICES
RAMP UP URGENCY FOR DATA CENTER REFORM**

Latest PJM auction results let Big Tech off the hook, while everyday customers suffer years-long bill spike

We have now seen four straight capacity auctions with painfully high prices because policymakers at every level are letting Big Tech—some of the world’s wealthiest corporations—off the hook. Across the PJM region, continued foot-dragging is failing 67 million customers who are now suffering a years-long electricity price spike –just because policymakers refuse to make data centers pay their fair share. Worse yet, for the second year in a row, the auction results came short of the reliability requirement, compromising the dependability of the grid for everyday consumers. This problem will not go away—in fact consumers face a future of steadily rising electricity bills if PJM and state leaders don’t take decisive action. The PJM Board is now deliberating on how to manage data center demand; they must start by excluding data centers that don’t bring their own new capacity from the capacity market.

The most recent auction results also demonstrate the urgency of the state of Illinois passing the POWER Act, commonsense reforms to hold data centers accountable for their costs. As Illinois consumers suffer through yet another summer of price spikes—made even worse by steadily hotter weather—PJM and the General Assembly must act to protect ratepayers from future harm.

—Clara Summers, director, CUB’s Consumers for a Better Grid Campaign

Background:

- On Tuesday, July 14, PJM Interconnection, a Regional Transmission Organization, [announced](#) the results of an auction to determine the price for reserve power, or capacity. PJM is the largest grid operator in the country, serving 67 million customers across all or parts of 13 states and the District of Columbia (including Commonwealth Edison’s 4.2 million customers).
- The auction (technically referred to as the “Base Residual Auction”) was held June 30-July 7. It set a capacity price of \$325 per Megawatt-day which will be in effect from June 1, 2028 through May 31, 2029.
- Capacity costs are payments consumers make to power generators—the companies that own power plants. These costs are a key component (roughly 20 percent) of the price ComEd customers pay for electricity. Because of high capacity prices, ComEd customers are paying a power price that’s about 50 percent higher than just two years ago. ComEd has not yet announced how the latest results will impact its supply price in June of 2028.
- Like the last two years, the capacity cost hit a price cap negotiated by Pennsylvania Gov. Josh Shapiro. The price is more than 11 times higher than what the price was for 2024-2025. But without this price cap, the cost of capacity would be even higher. The cap was set to go away and replaced with a higher, status quo cap after last year’s auction. But it was extended for the next two auctions, until 2030.
- Capacity auction prices in recent years:
 - **2024-2025:** \$28.92 per MW-day
 - **2025-2026:** \$269.92 per MW-day (record) [The prices for the 2025-26 auction were even higher in two eastern sections of PJM: The Baltimore Gas and Electric (BGE) zone in Maryland (\$466.35 per MW-day) and in the Dominion zone in Virginia and North Carolina (\$444.26 per MW-day.)]

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- **2026-2027:** \$329.17 per MW-day (record)
- **2027-2028:** \$333.44 per MW-day (record)
- **2028-2029:** \$325 per MW-day
- Electricity demand from new and proposed data centers is the primary reason for the spike in capacity prices, according to PJM's Independent Market Monitor. Natural Resources Defense Council (NRDC) has estimated that without reforms, consumers in PJM could face **steadily rising price spikes** in years to come.
- CUB calls for a long list of reforms to protect everyday electric customers. Those reforms include:
 - PJM should require data centers that don't bring their own new capacity to be interruptible, and exclude those loads from the capacity market. It should also file at the Federal Energy Regulatory Commission (FERC) the stakeholder-endorsed Joint EDCs (Electric Distribution Companies) and Data Center Coalition Reliability Backstop Procurement Package, which will help allocate costs to data centers.
 - Illinois should pass the state POWER Act: The Act would, among other things, require data centers to pay their own interconnection costs, bring their own new capacity (or reduce their usage during peak hours), and bring their own new clean energy (or pay the real cost for the state to do it).
 - Congress should pass the Power for the People Act. It would, among other things, require the Federal Energy Regulatory Commission (FERC) to ensure data centers pay for the local transmission upgrades they trigger.

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For more than 40 years the Citizens Utility Board (CUB) has been Illinois' leading nonprofit utility watchdog group. Created by the Illinois Legislature, CUB opened its doors in 1984 to represent the interests of residential and small-business utility customers. Since then, CUB has saved consumers more than \$20 billion by helping to block rate hikes and secure refunds. For more information, call CUB's Consumer Hotline at 1-800-669-5556 or visit CUB's website, www.CitizensUtilityBoard.org.