

Special Report - 7/23/2025

PJM's 2026/2027 Base Residual Auction Clears at the FERC-Approved Price Cap

PJM's Base Residual Auction (BRA) for the 2026/2027 delivery year cleared at record-high prices, reaching the Federal Energy Regulatory Commission-approved price cap of \$329.17/MW-day¹ for the entire PJM footprint. This represents a 22% increase over the 2025/2026 BRA clearing price of \$269.92/MW-day².

According to PJM, the market is responding to investment signals from the 2025/2026 capacity auction. The 2026/2027 auction saw participation of 2,669 MW of new generation and uprates, marking the first increase in the last four auctions. In addition, approximately 1,100 MW of previously planned retirements were cancelled, and there are 11,000 MW of planned new projects and upgrades for the longer term.

However, PJM has highlighted that the supply/demand balance remains tight. The ISO's forecasted peak load for the 2026/2027 delivery year increased by 5,446 MW, primarily driven by data center expansion, electrification, and broader economic growth. The next BRA for the 2027/2028 delivery year is scheduled for December 2025. For additional detail, please see PJM's press release [here](#) and the full 2026/2027 BRA report [here](#).

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

¹ 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 \$329.17 to exceed the exact price cap in the original agreement.

² This does not apply to the BGE and Dominion zones which had a previous clearing price of \$466.35/MW-day and \$444.26/MW-day, respectively.