Markets Report

Members Committee
Feb 19, 2026

- PJM Wholesale Cost is now being calculated exclusively by Monitoring Analytics. (Slide 4)
- Slides pertaining to weather conditions, in addition to slides showing average fuel prices, generation on-line fuel mixes, and System Marginal Prices have been combined into a **Market Conditions** section. (Slides 6-19)
- In January, temperatures were well below a typical level. The sum of Heating and Cooling Degree Days was above the historic average. (Slides 7-8)
- Energy use was well above its historic average for January. (Slides 7-8)
- In January, uplift exceeded $2.25M on 16 days. (Slide 24)

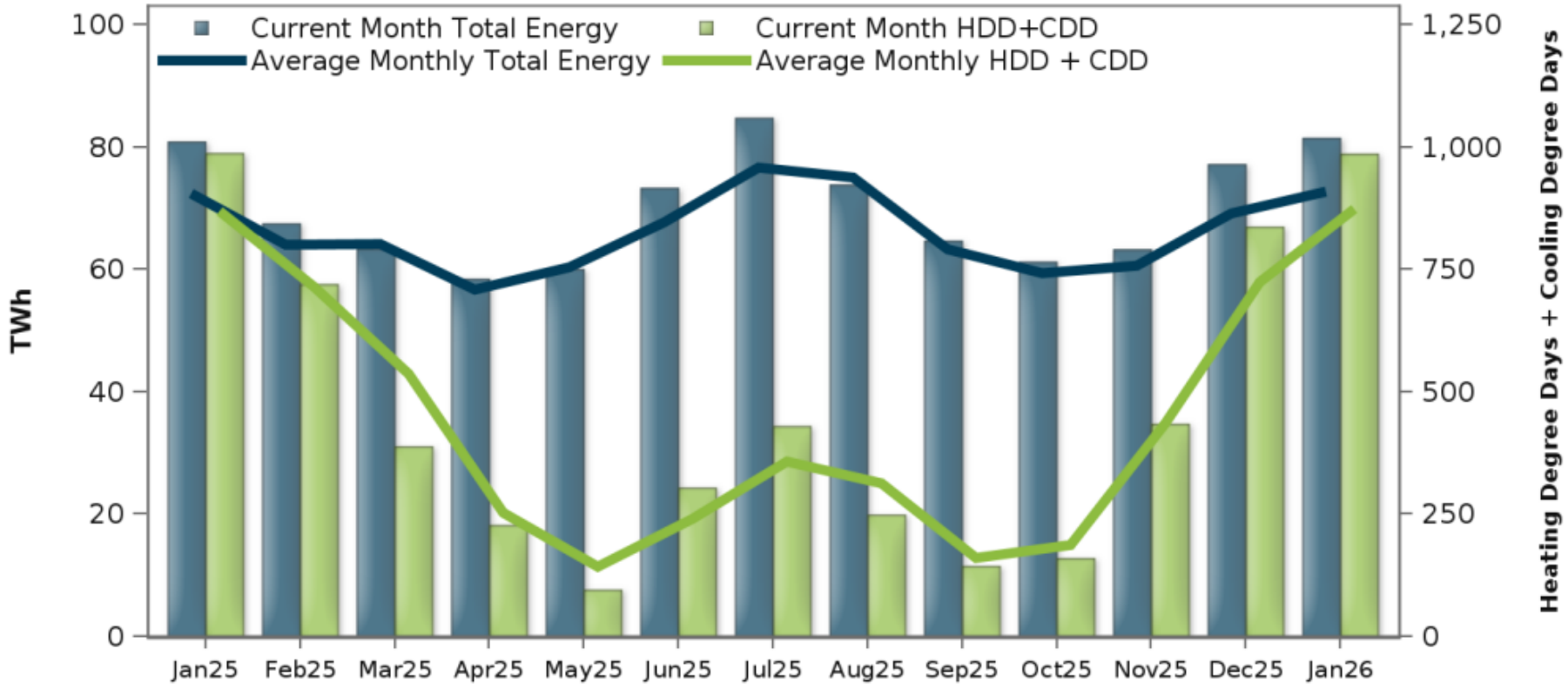
- Load-weighted average LMP for 2025 is $116/MWh: (Slides 33-34)
  - January 2025 was $116/MWh, which is higher than January 2025 ($63/MWh) and January 2024 ($43/MWh).
- There were 22 5-minute intervals that experienced shortage pricing in January. (Slide 32, Report Appendix)
- FTR revenue adequacy for the month of January is 100% and the 2025-2026 Planning Year is funded at 100%. (Slides 50-53)
- Congestion values in 2026 are starting off higher than those seen in 2025. (Slide 51)
- Regulation and Synchronized Reserve market costs have generally tracked with energy prices over time. (Slides 67-69)

- PJM Wholesale Cost is now being calculated and published exclusively by Monitoring Analytics (IMM).
- Annual and quarterly updates can be found in the IMM's State of the Market Reports:
  - https://www.monitoringanalytics.com/reports/PJM_State_of_the_Market/2024.shtml
- Monthly updates can be found in Excel format on the IMM's website:
  - https://www.monitoringanalytics.com/data/pjm_price.shtml
- Year-to-Date updates will be presented by the IMM at the monthly MC Webinar.
- PJM will continue to monitor the IMM's Wholesale Cost calculation.

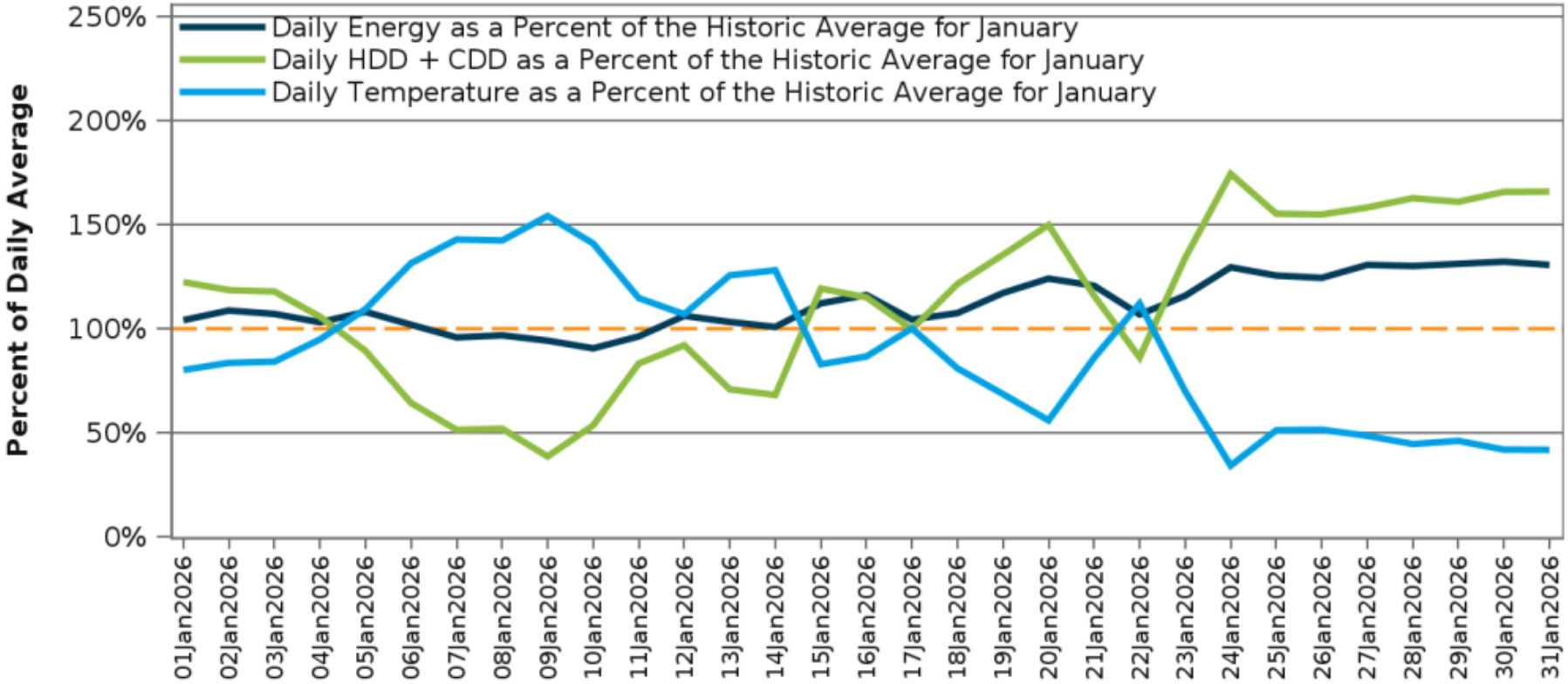
Market Conditions

- The weather parameter shown in the following slide is a monthly sum of daily Heating Degree Days (HDD) and Cooling Degree Days (CDD).
- Degree days represent a deviation from a baseline temperature, in this case 60 degrees for HDD and 65 degrees for CDD. As temperatures get more extreme, colder or hotter, either HDDs or CDDs, respectively, will increase.
- Typically, winter months will only record HDDs, while summer months will only record CDDs. Shoulder months may have both HDDs and CDDs.
- Degree Days are calculated using a daily load weighting that weights values from stations in each TO zone according to the zonal contribution to the RTO peak on that day.
- Average values use data from 1998 to the most recent complete year, in this case, 2025. Averages include load data for all of TO zones in the current RTO footprint.

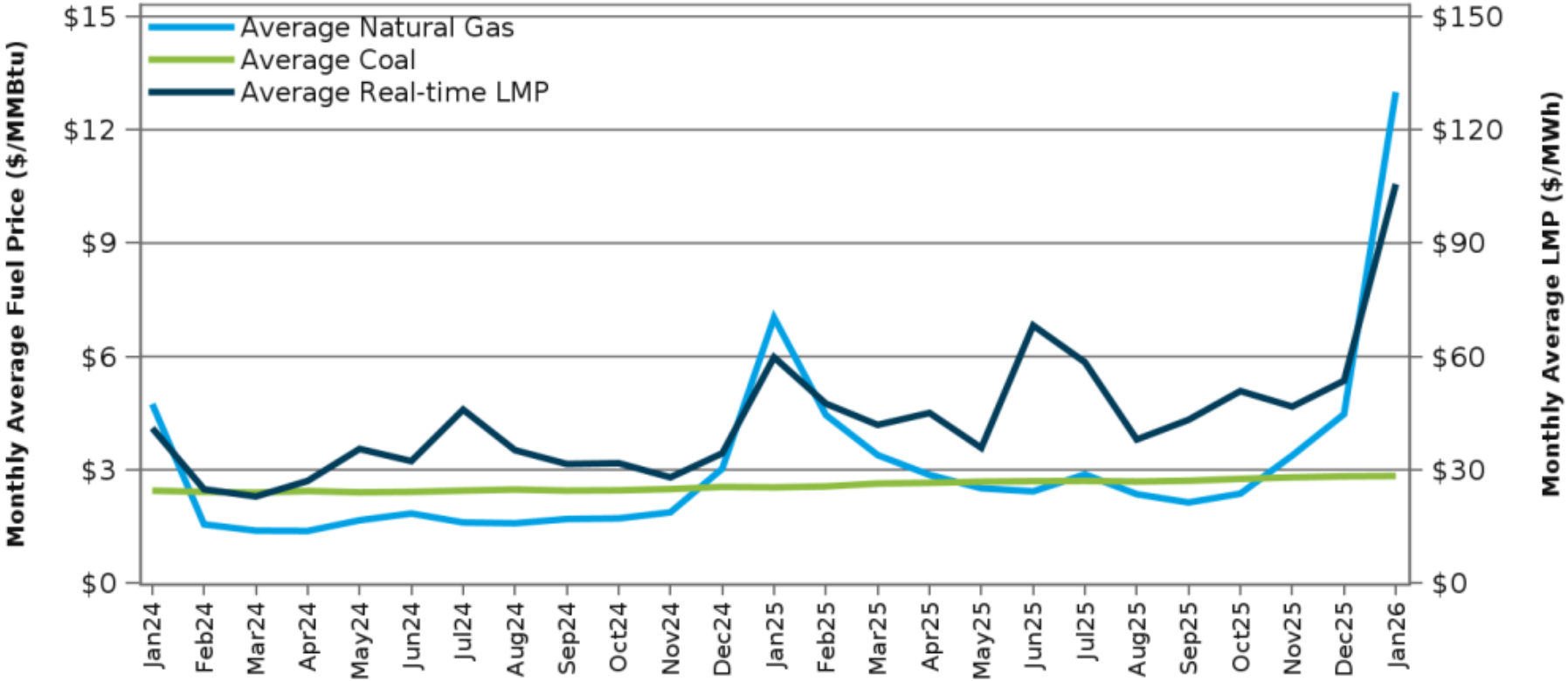
Historic Average Weather and Energy versus Current Month



Historic Average Weather and Energy versus Current Month - Daily

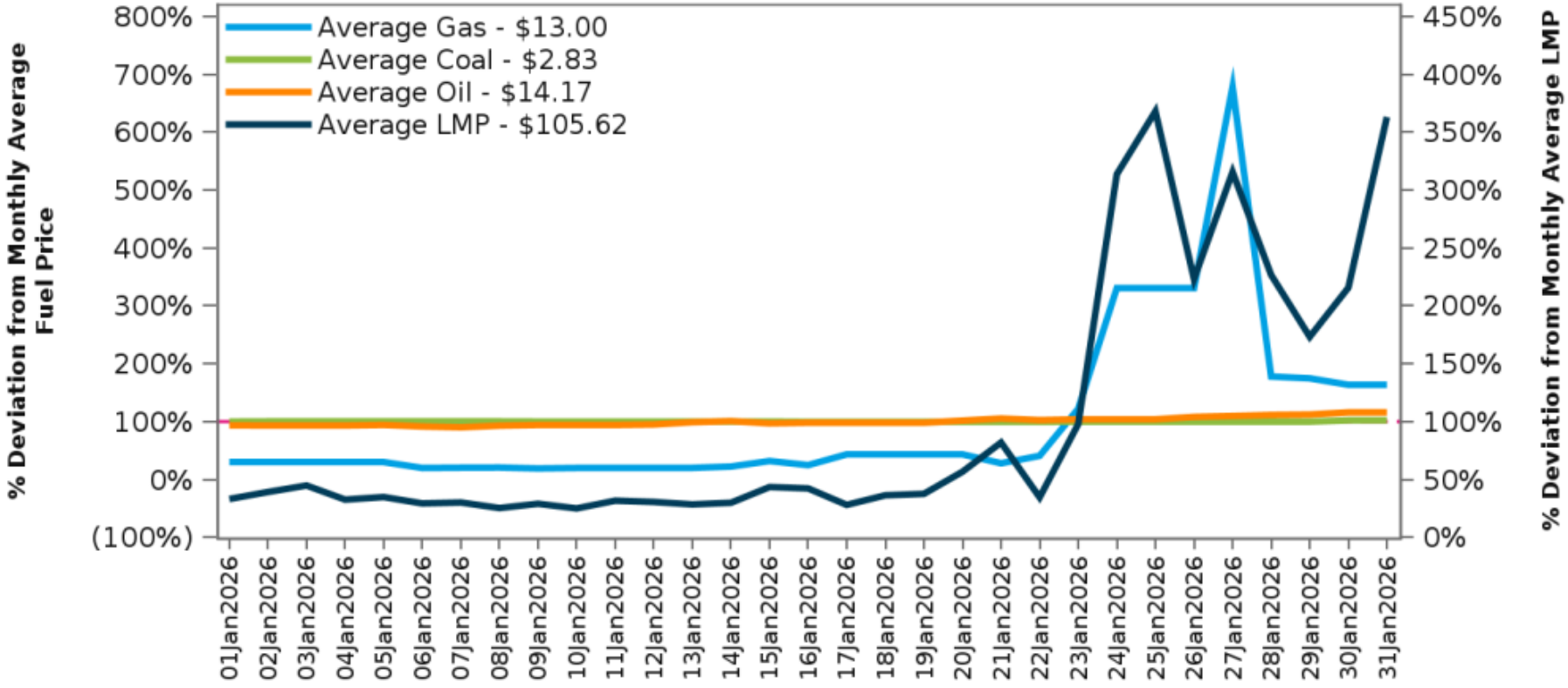


Average Fuel Prices - Monthly



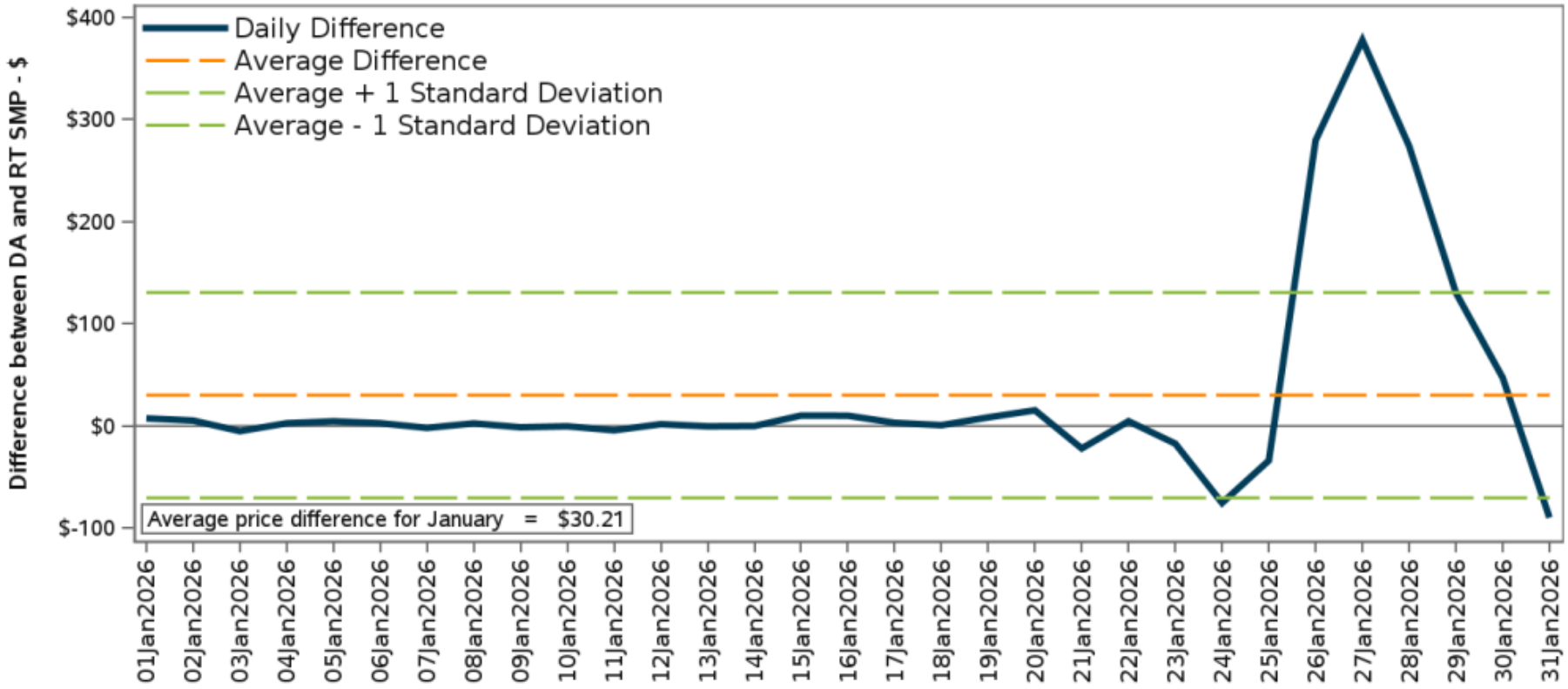
Fuel Price Source: S&P Global Platts

Average Fuel Prices - Daily



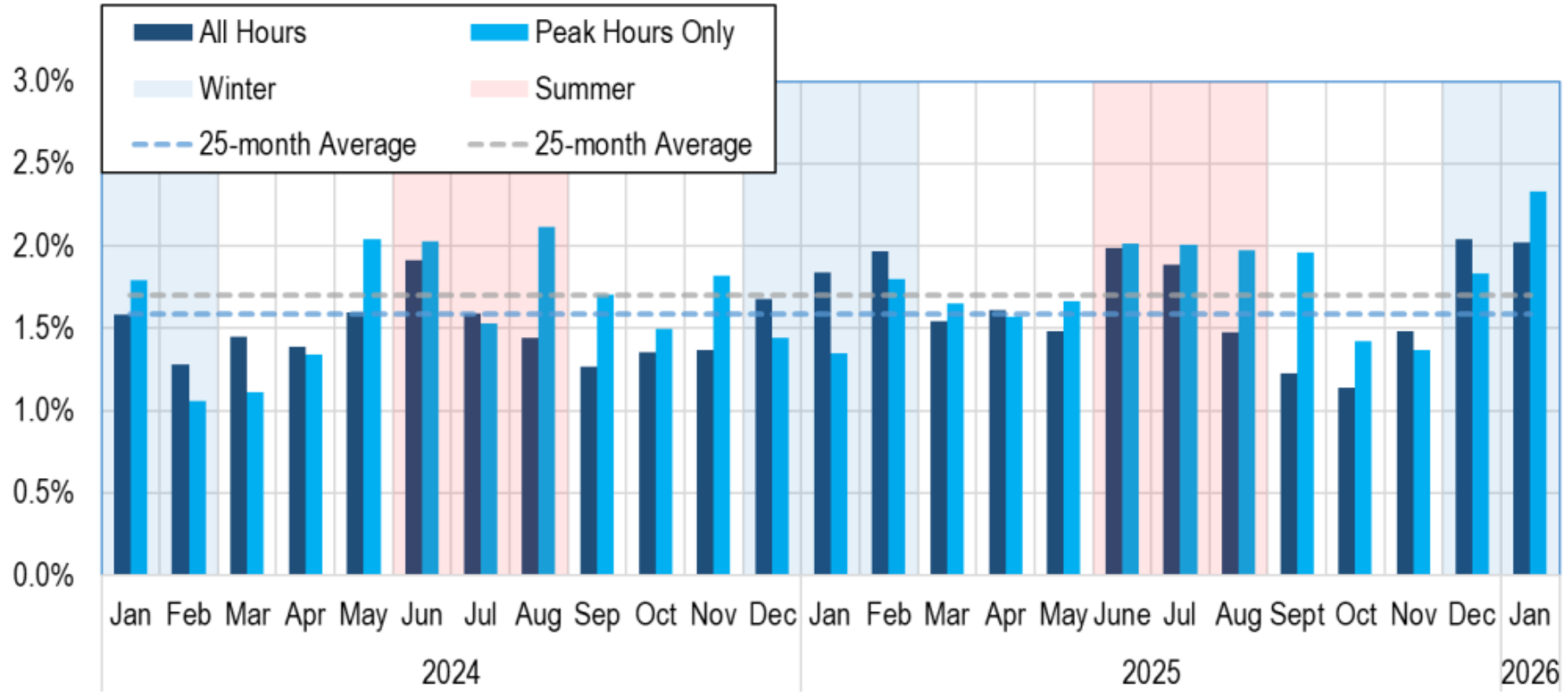
Fuel Price Source: S&P Global Platts

Daily Difference Between Day-Ahead and Real-Time System Marginal Prices

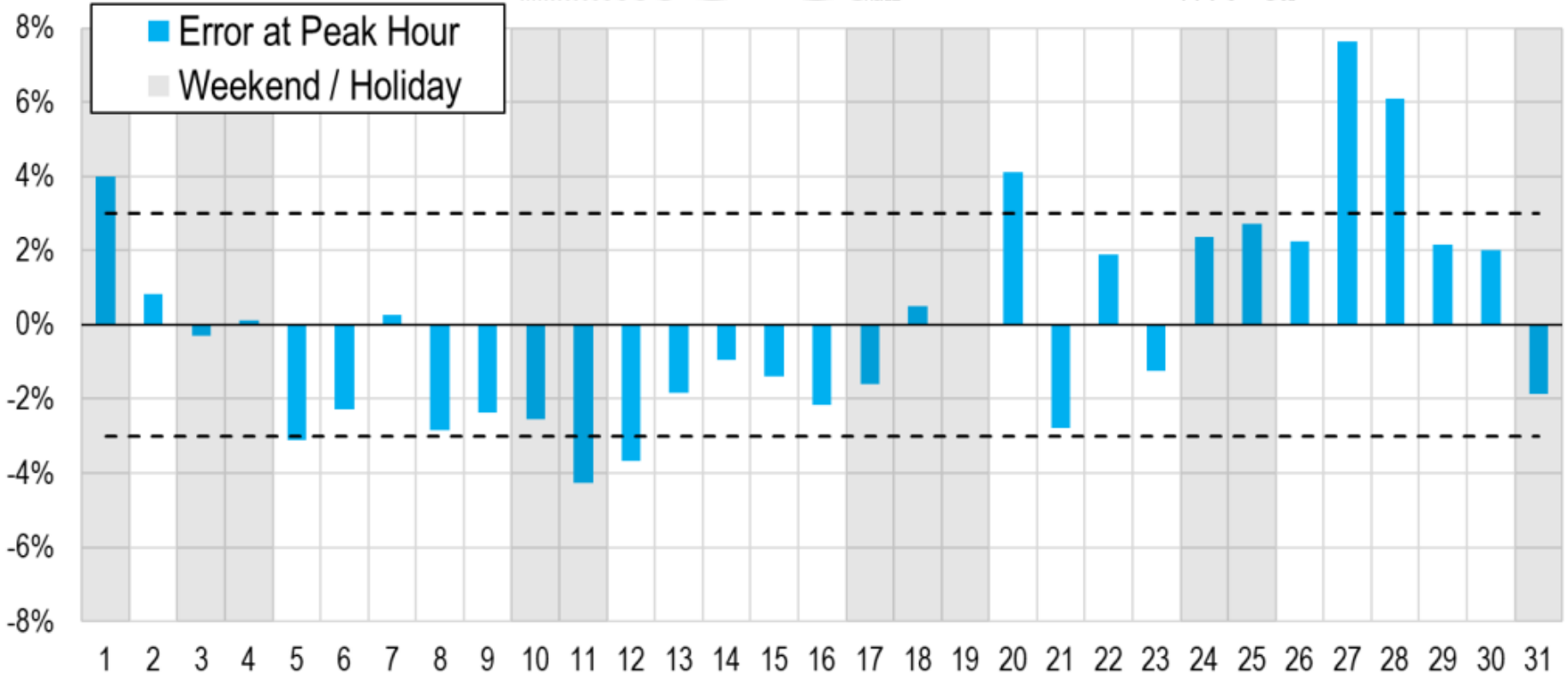


Positive values represent days when the DA daily average price was higher than RT. Negative values represent days when the DA price was lower.

Load Forecast Error - Monthly Absolute Error, 10:00 Forecast



Load Forecast Error - January Daily Peaks, 10:00 Forecast

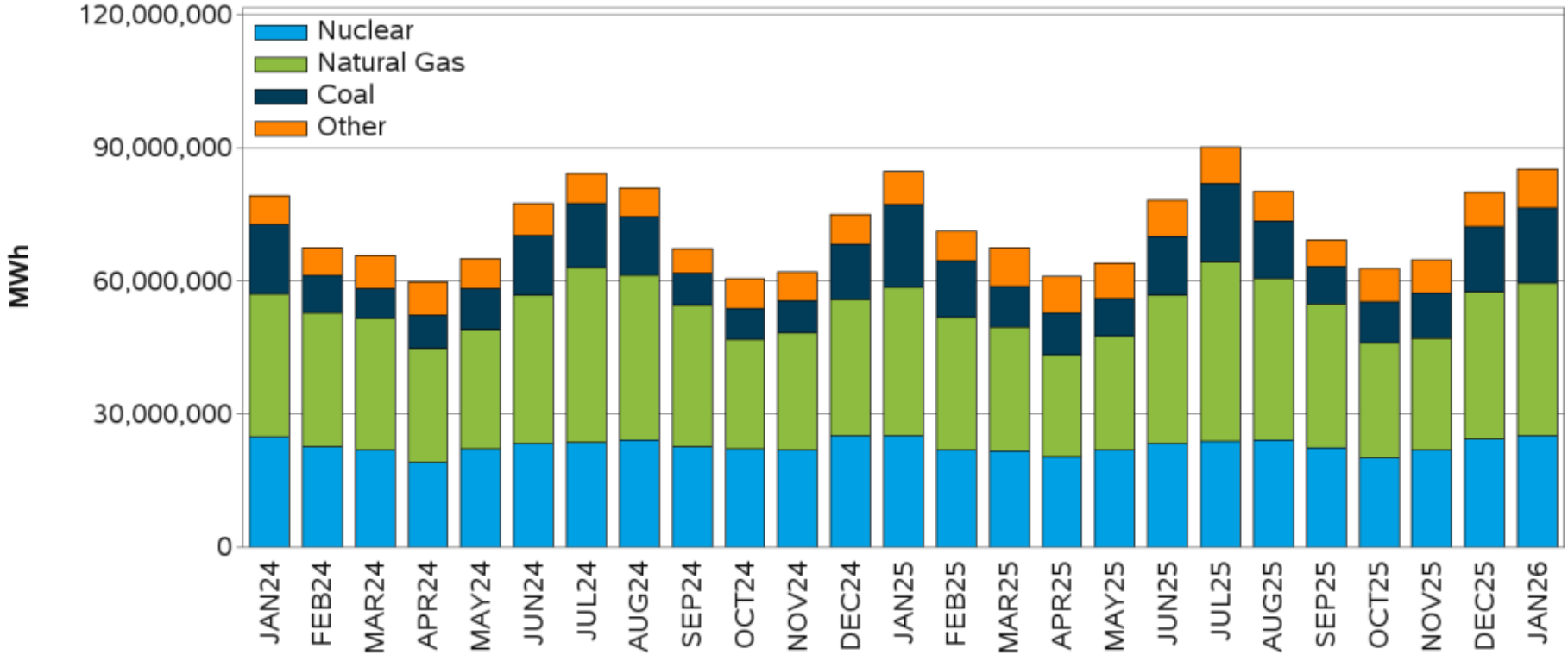


Load Forecast Error

- PJM prepares a day-ahead load forecast at 10:00 am for use by our members.
- This forecast is not used to clear the day-ahead market and is not utilized for the reliability tools that run after the day-ahead market.

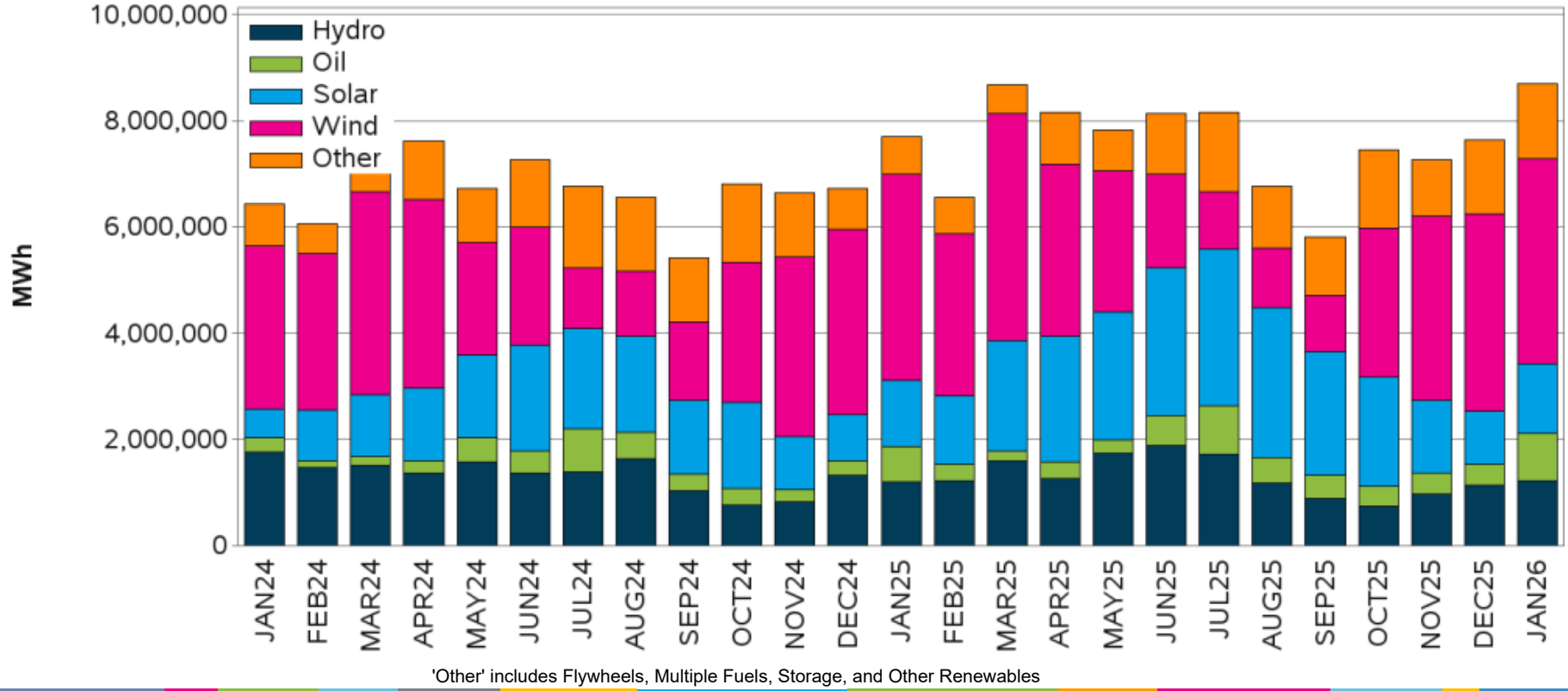
Missed day:	Reason
1/1/2026	Load came in lower than forecast due to decreased demand from the New Year's holiday.
1/5/2026	Variability from the recent holiday led to load coming in high, leading to an underforecast.
1/11/2026	Temperatures came in cooler than forecasted in several zones, leading to high load.
1/12/2026	Temperatures came in lower than forecasted in several zones, leading to high load.
1/20/2026	Temperatures came in warmer in a couple zones, leading to low load.
1/27/2026	Temperatures came in much warmer across the footprint, leading to low load.
1/28/2026	Temperatures came in much higher than forecast across the footprint, leading to low load.

Monthly Generation by Fuel



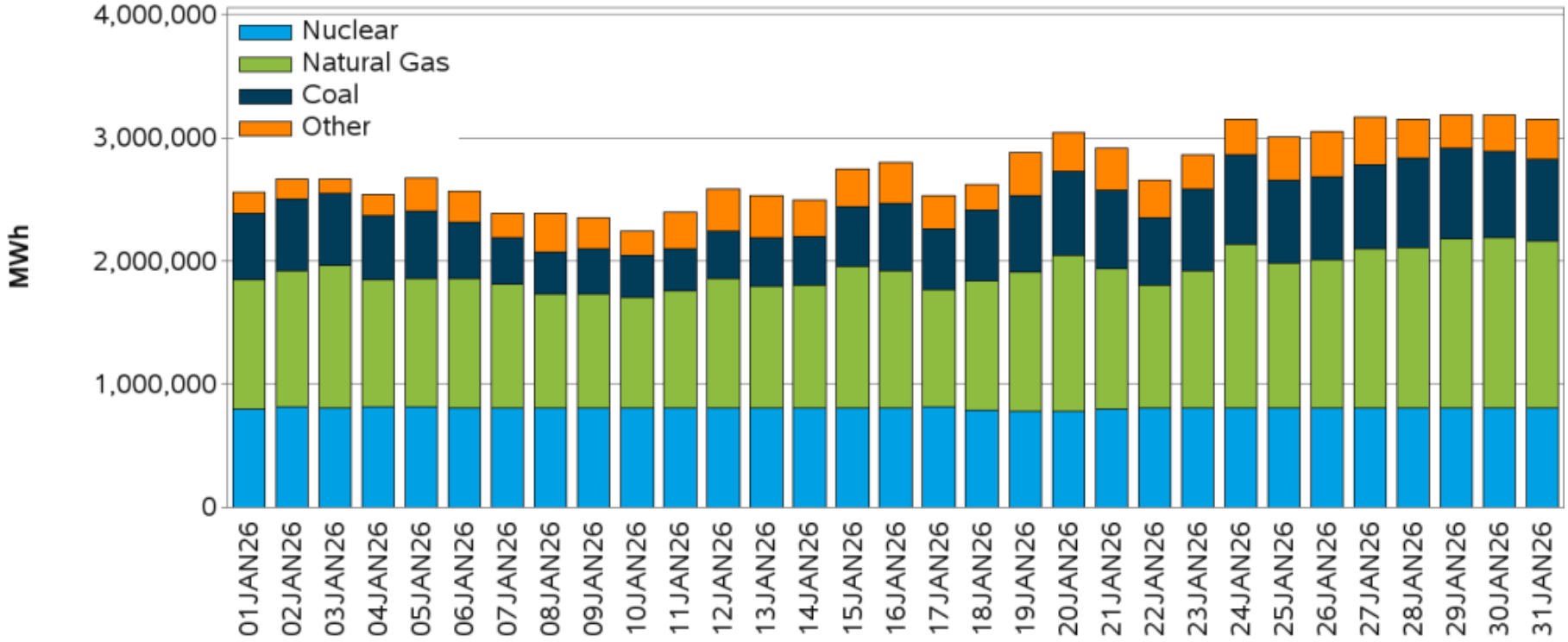
'Other' includes Hydro, Oil, Solar, Wind, and Other

Monthly Generation by Fuel, Other



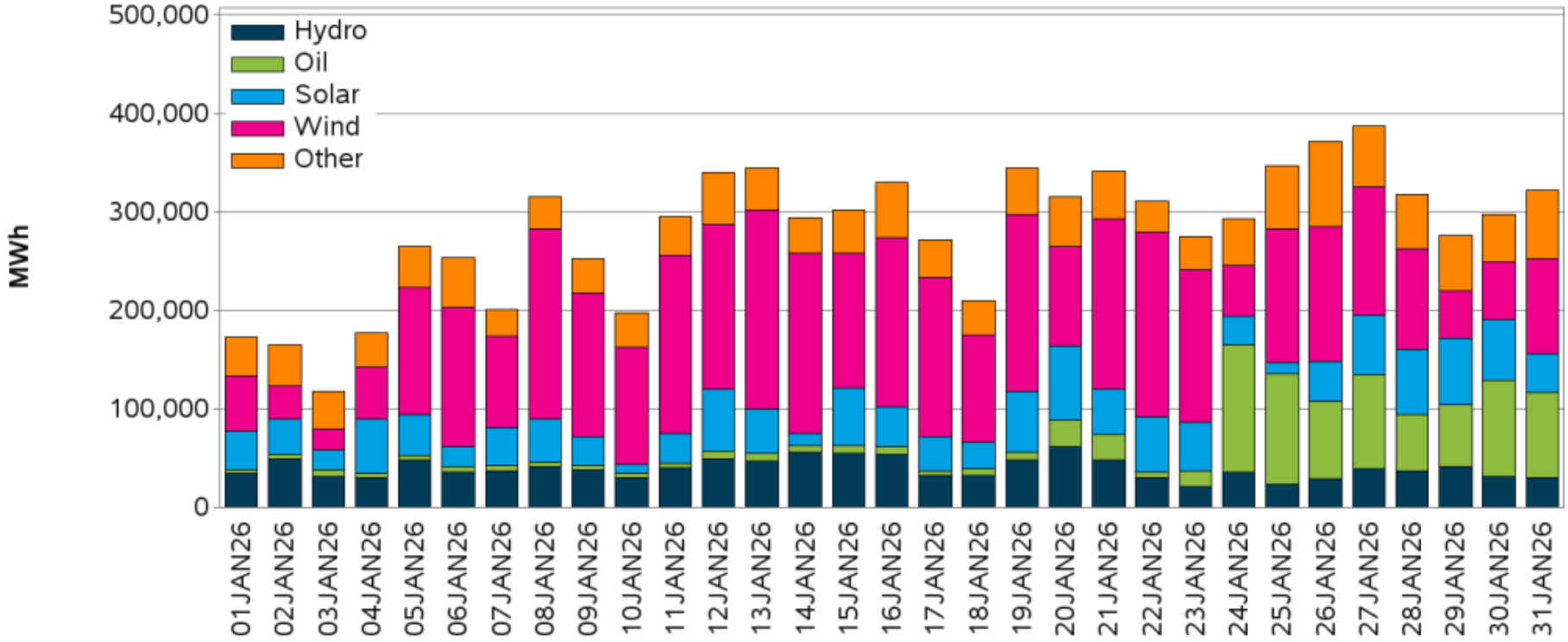
'Other' includes Flywheels, Multiple Fuels, Storage, and Other Renewables

Daily Generation by Fuel - January



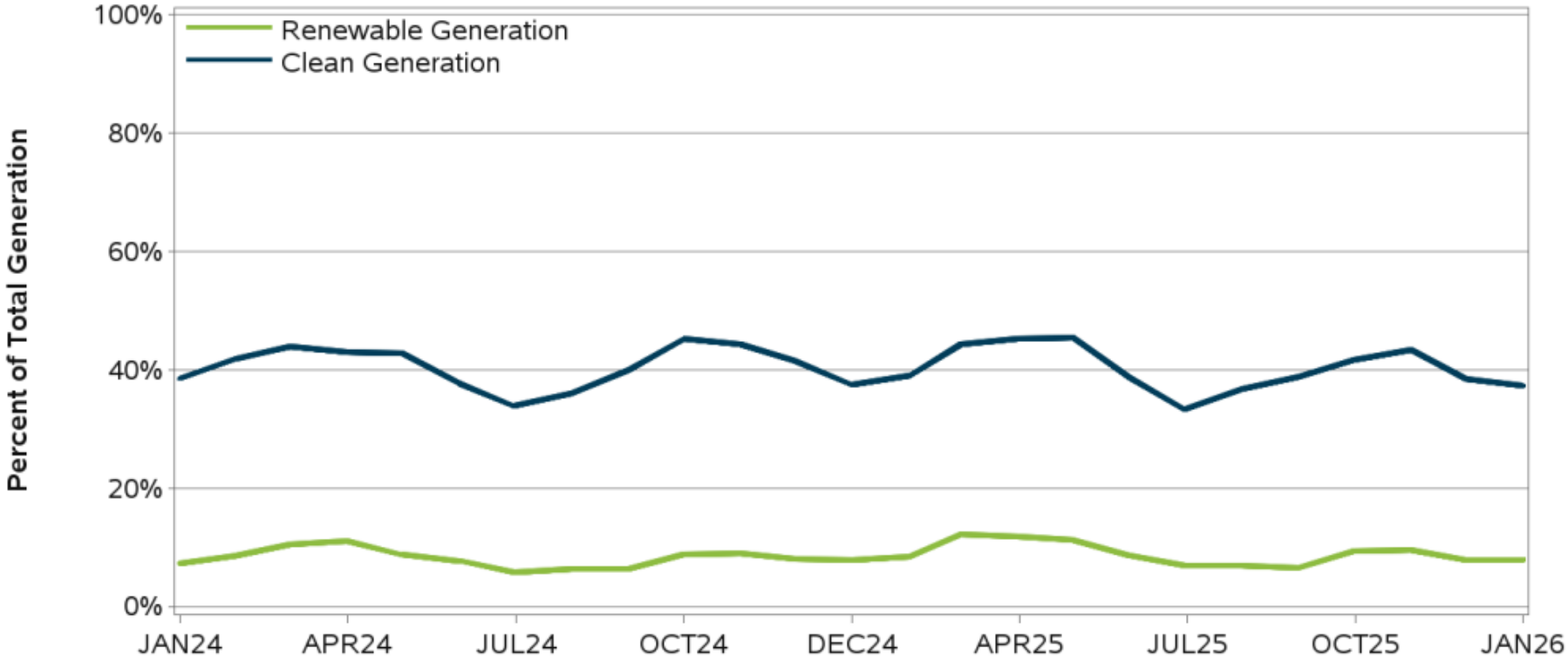
'Other' includes Hydro, Oil, Solar, Wind, and Other

Daily Generation by Fuel, Other - January



'Other' includes Flywheels, Multiple Fuels, Storage, and Other Renewables

Percent of Renewable and Clean Generation

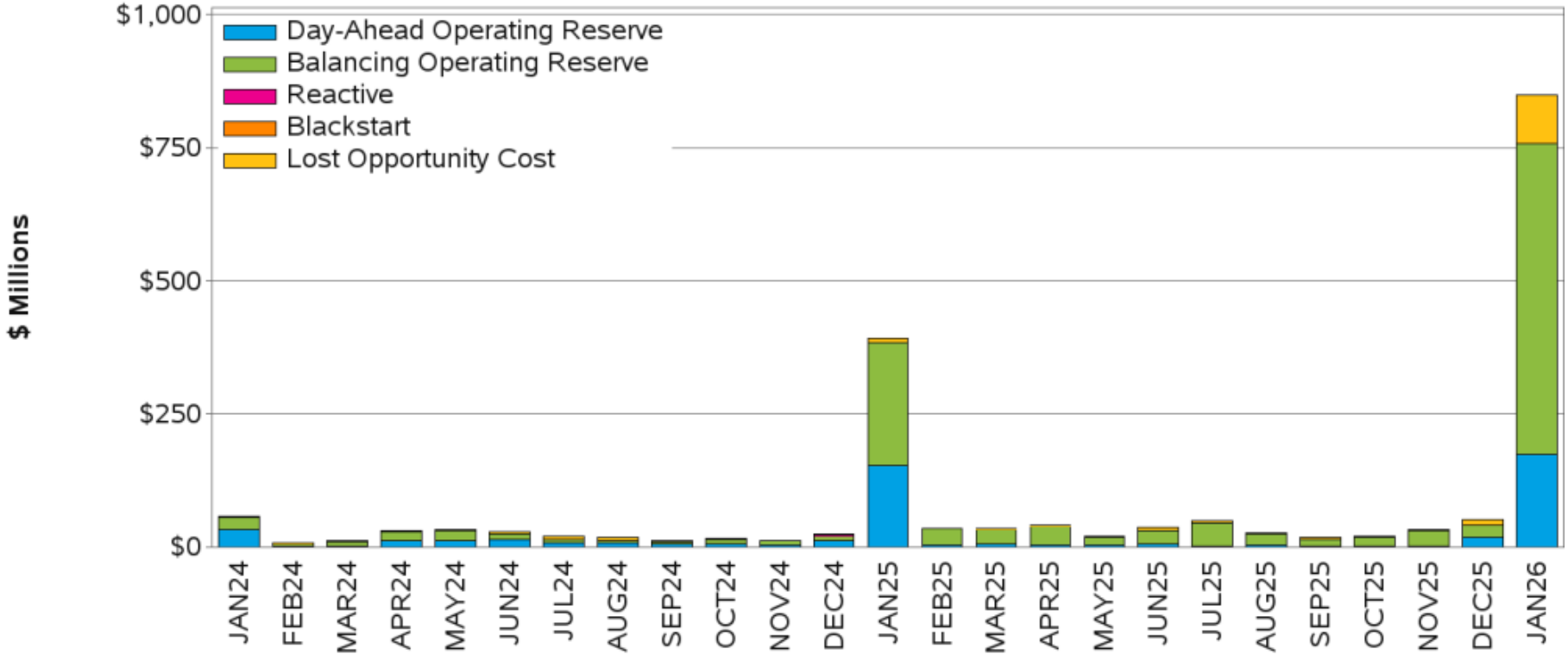


'Renewable' includes Wind, Solar, Hydro, and Other Renewables. 'Clean' includes Renewable and Nuclear.

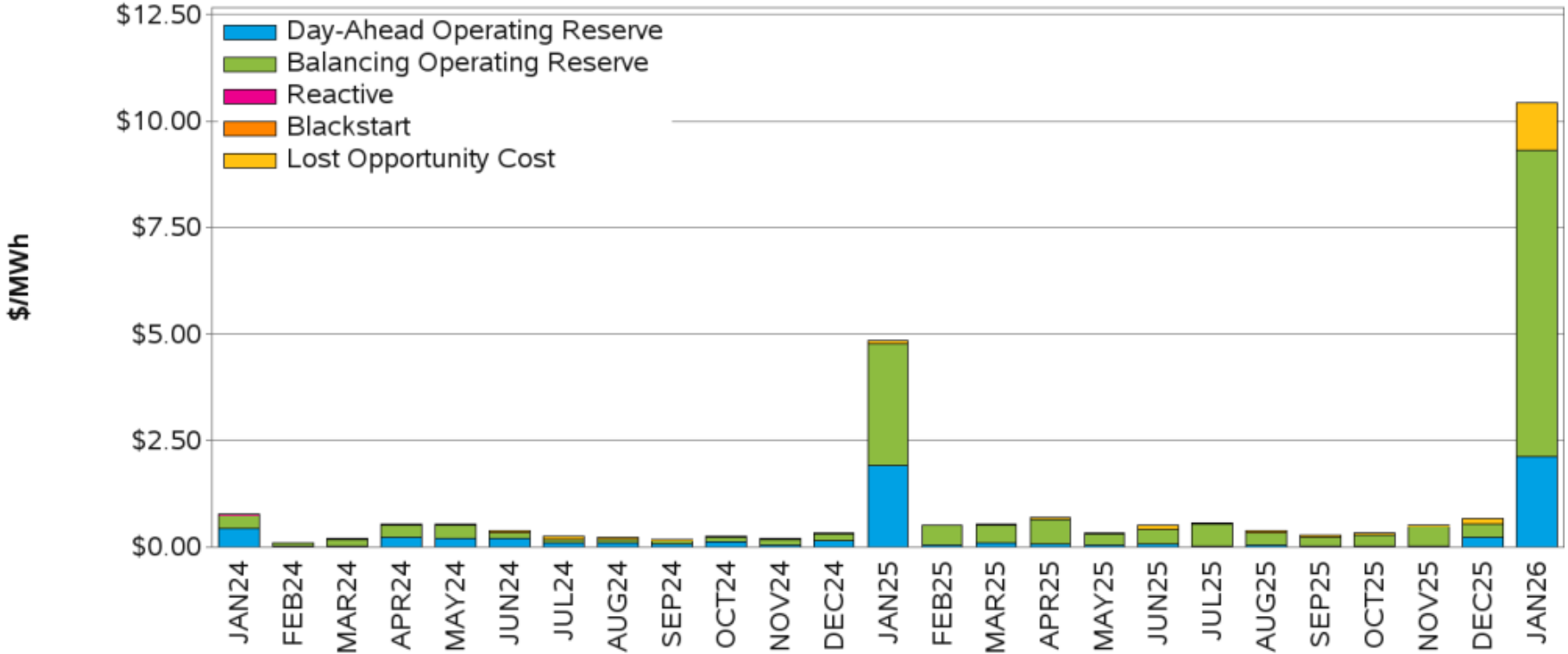
Operating Reserve

(Uplift)

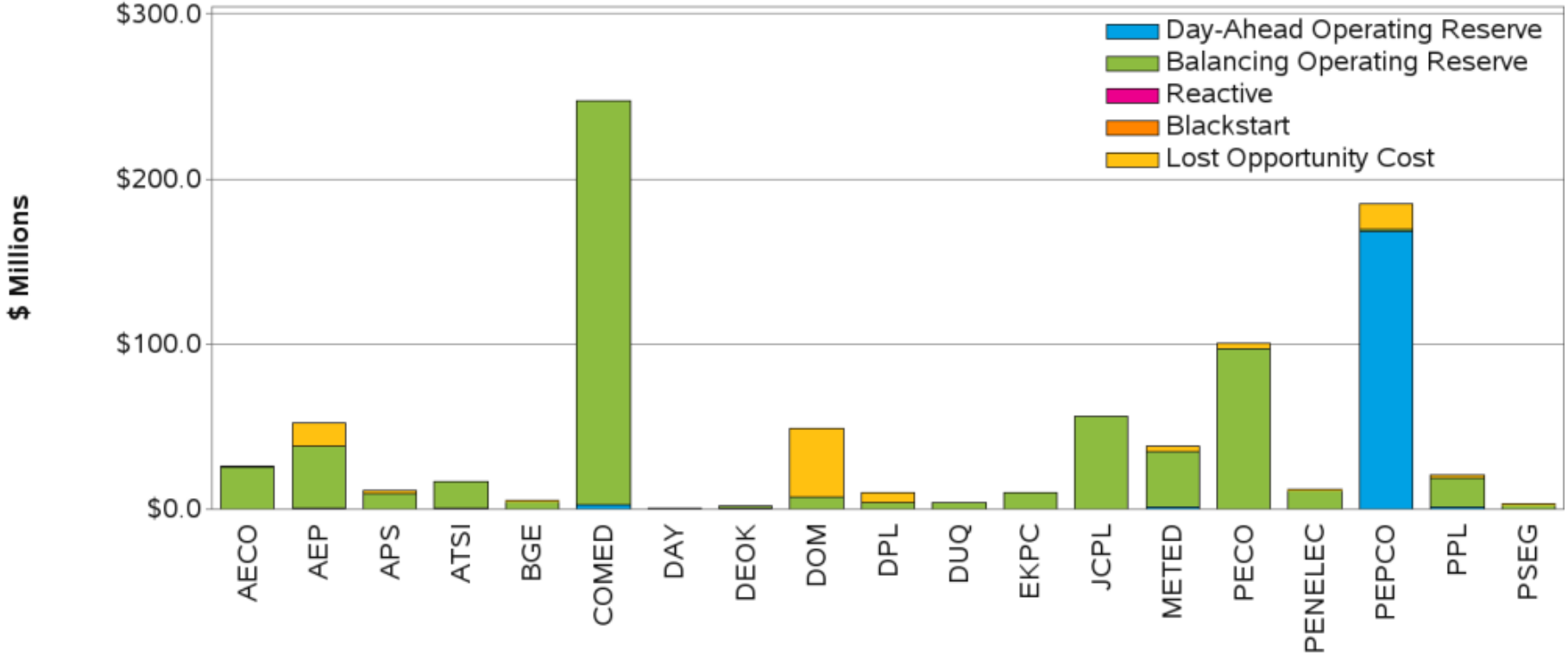
Monthly Uplift



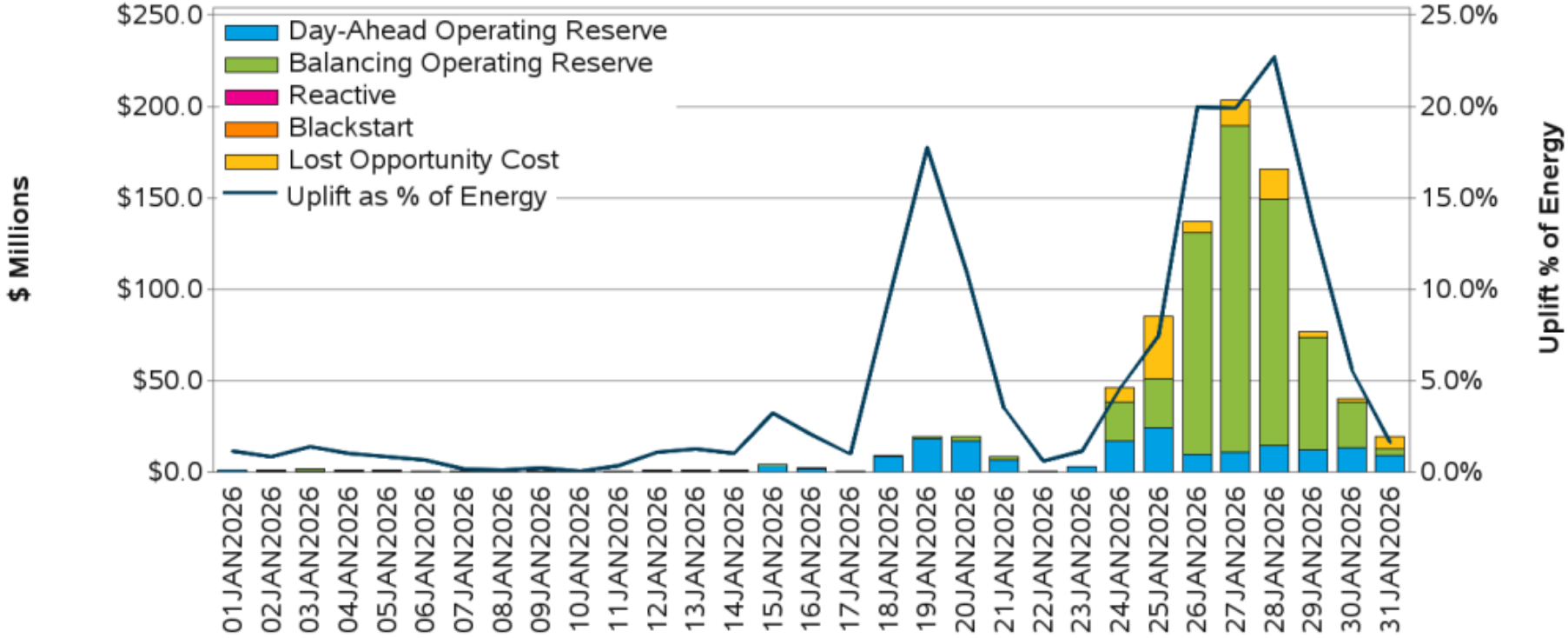
Monthly Uplift - $/MWh Load



Zonal Uplift - January



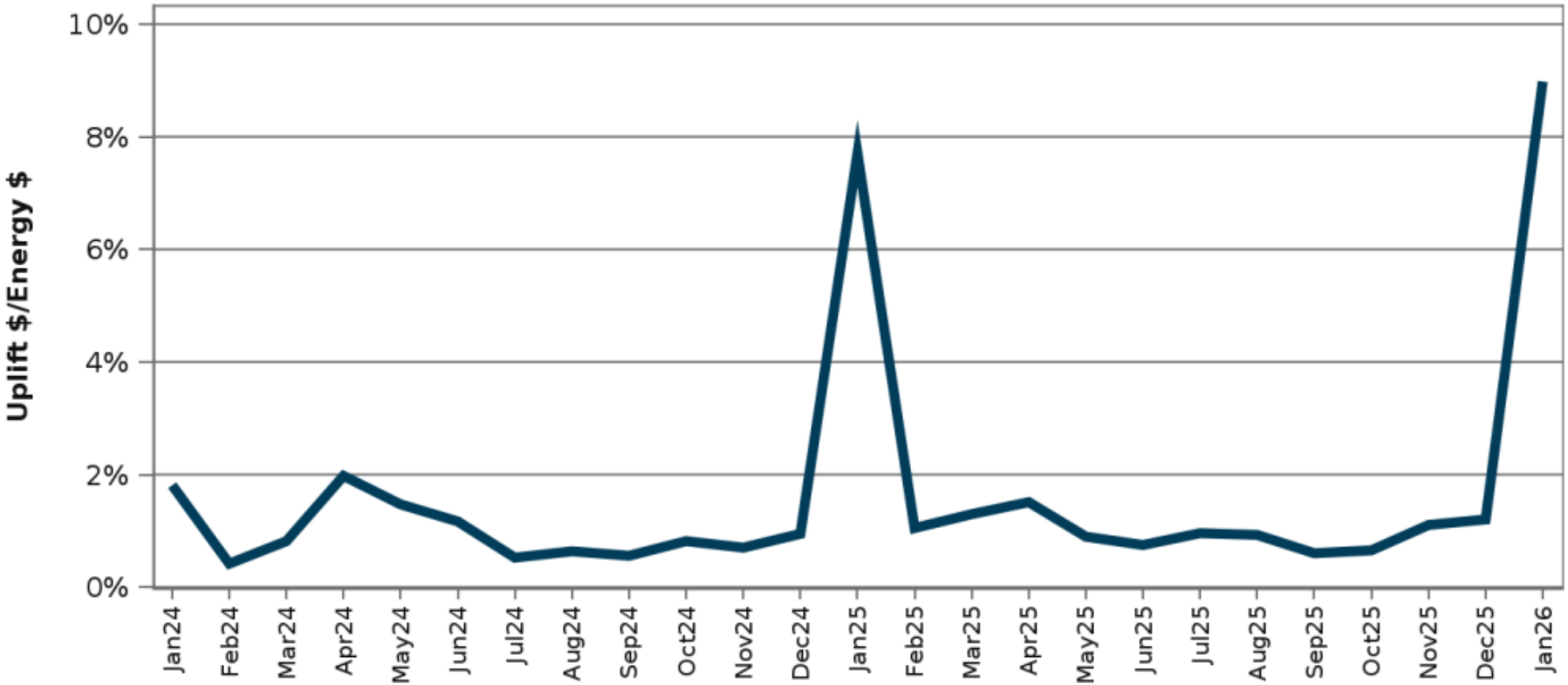
Daily Uplift - January



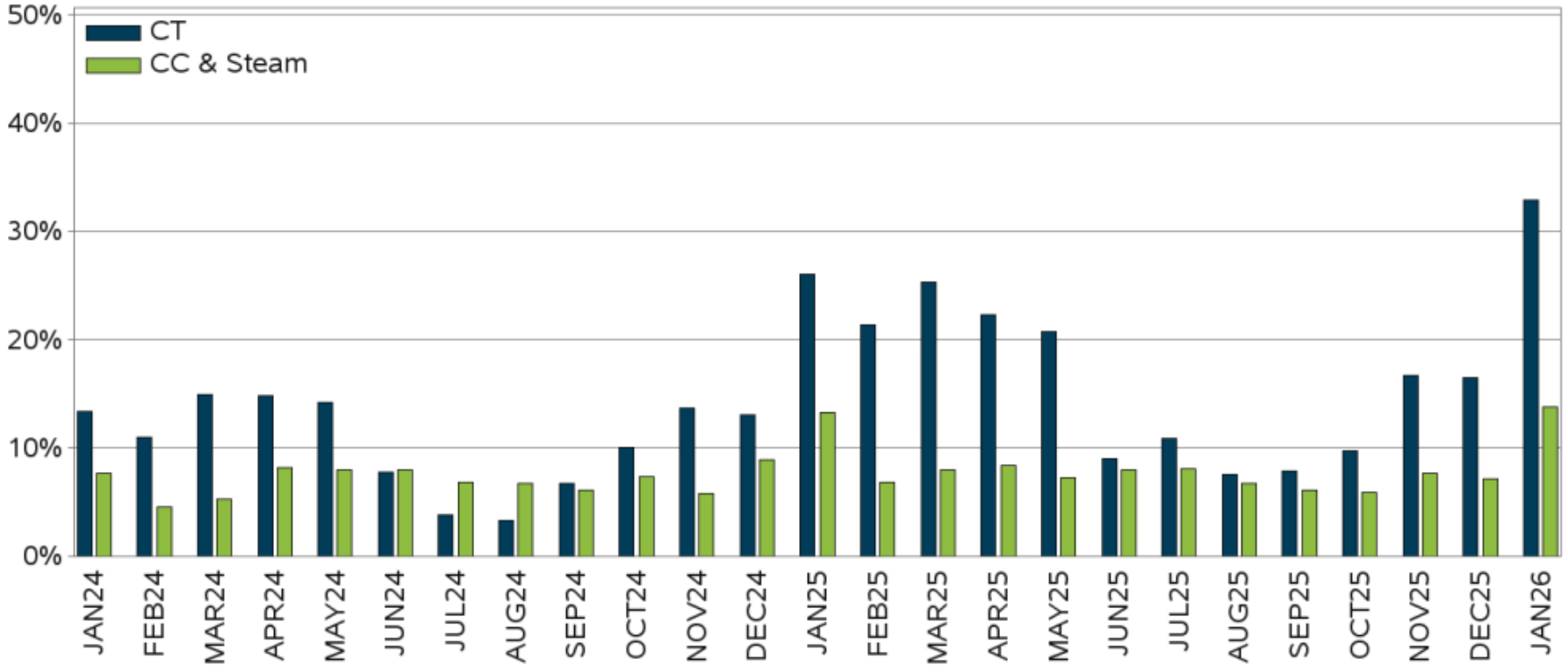
- In January, uplift exceeded $2.25M on 16 days.
- Contributing factors to uplift were:
  - All high uplift days, with the exception of the 15th, fall into the cold weather events that occurred in January.

- More information on Uplift can be found on the PJM website at Drivers of Uplift

Monthly Uplift as a Percent of Energy Costs



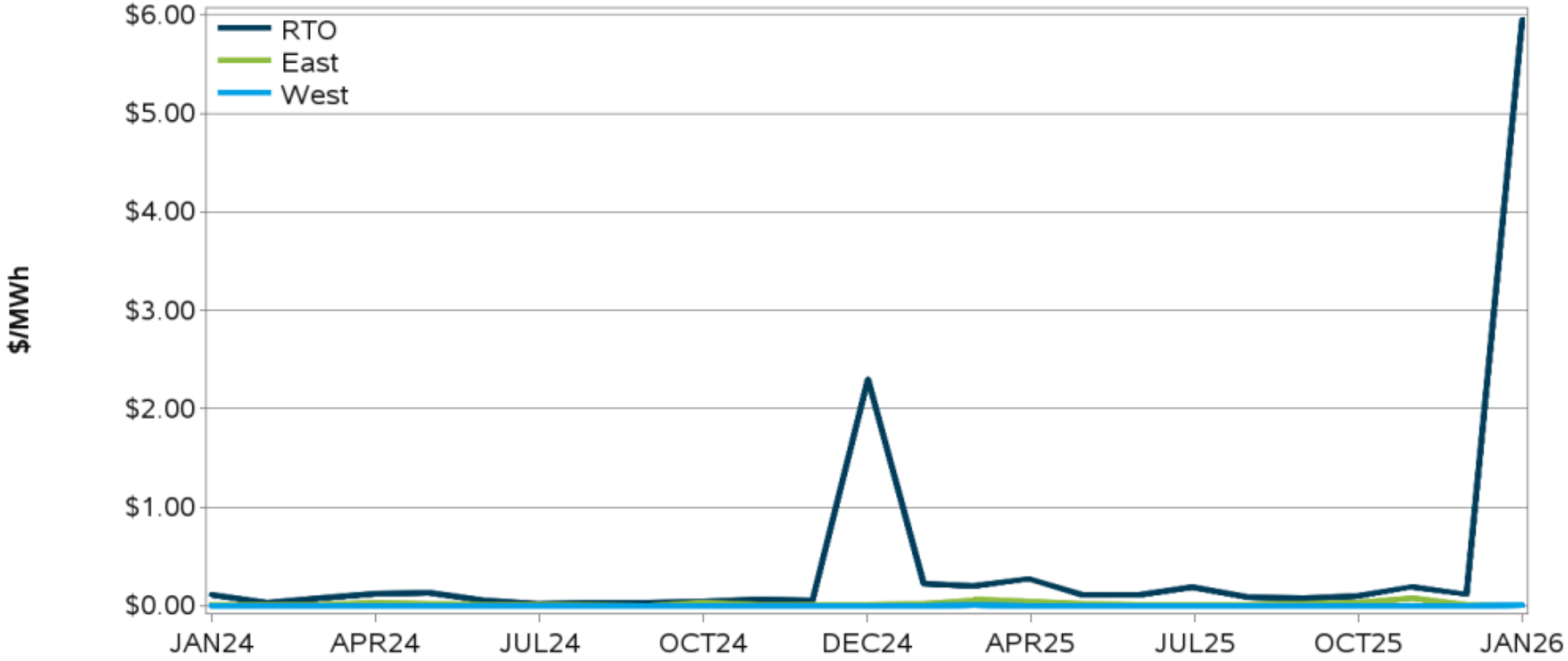
Percent of Total CT, CC and Steam Hours with LMP < Offer



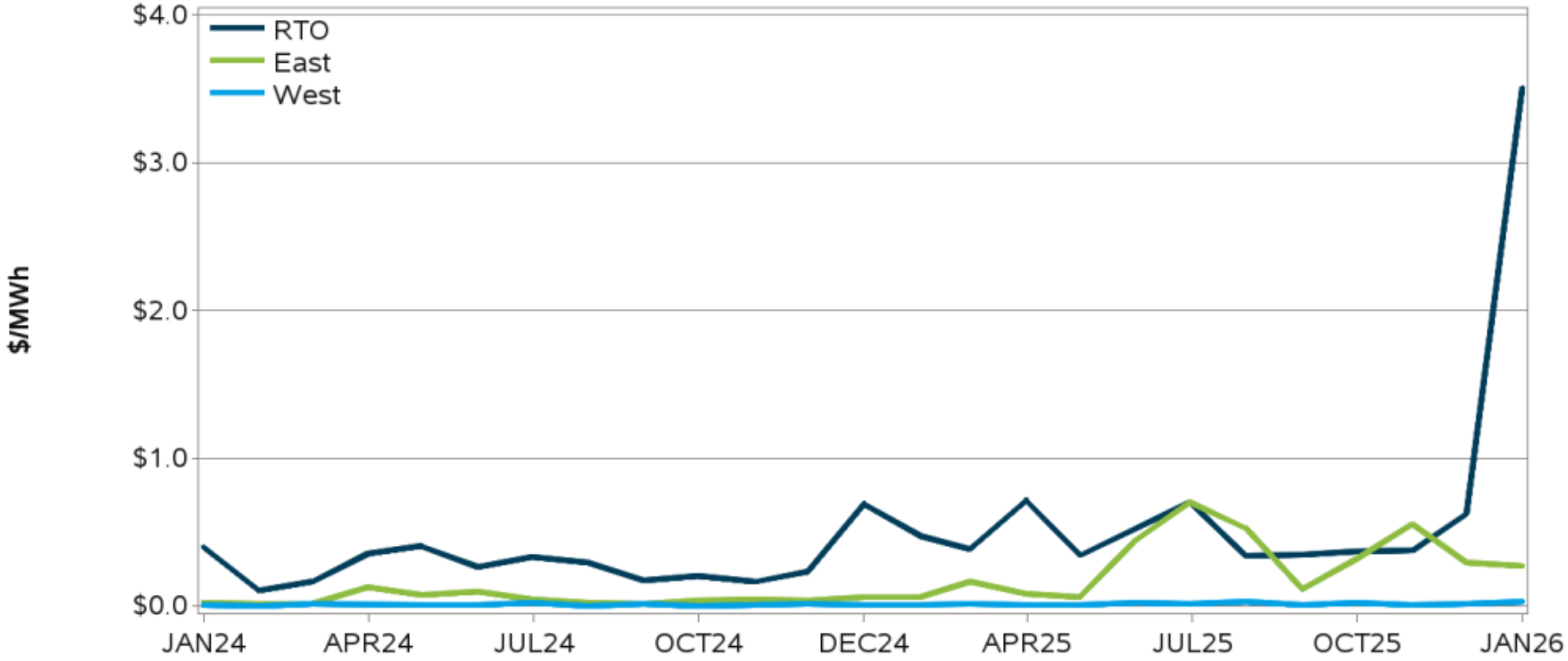
- Beginning in January 2008, the daily Balancing Operating Reserves (BOR) rate was replaced with six different BOR rates: RTO BOR for Reliability Rate, RTO BOR for Deviations Rate, East BOR for Reliability Rate, East BOR for Deviations Rate, West BOR for Reliability Rate, West BOR for Deviations Rate.

- Reliability rates are charged to all real-time load and exports, whereas deviation rates, as before, are charged only to real-time deviations. RTO rates are charged to the whole footprint, whereas East and West rate adders are charged based on location.

Reliability Balancing Operating Reserve Rates



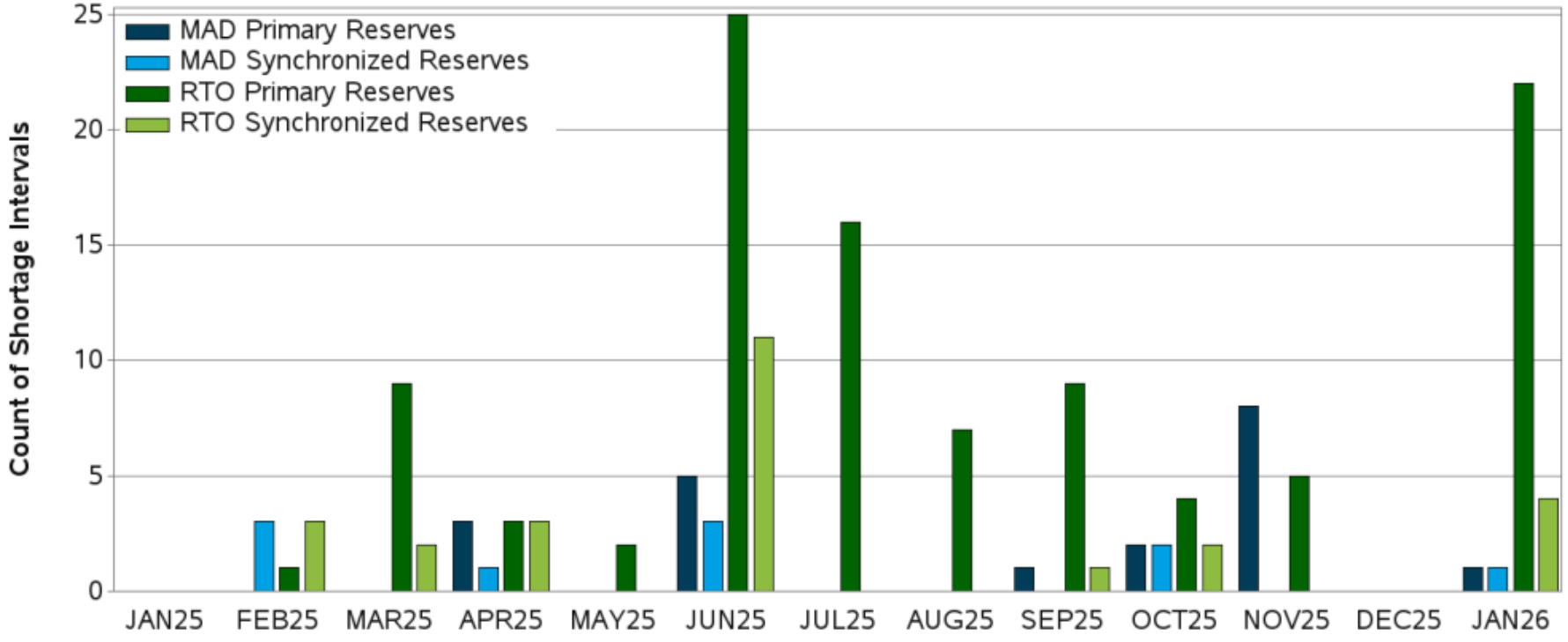
Deviations Balancing Operating Reserve Rates



Energy Market

LMP Summary

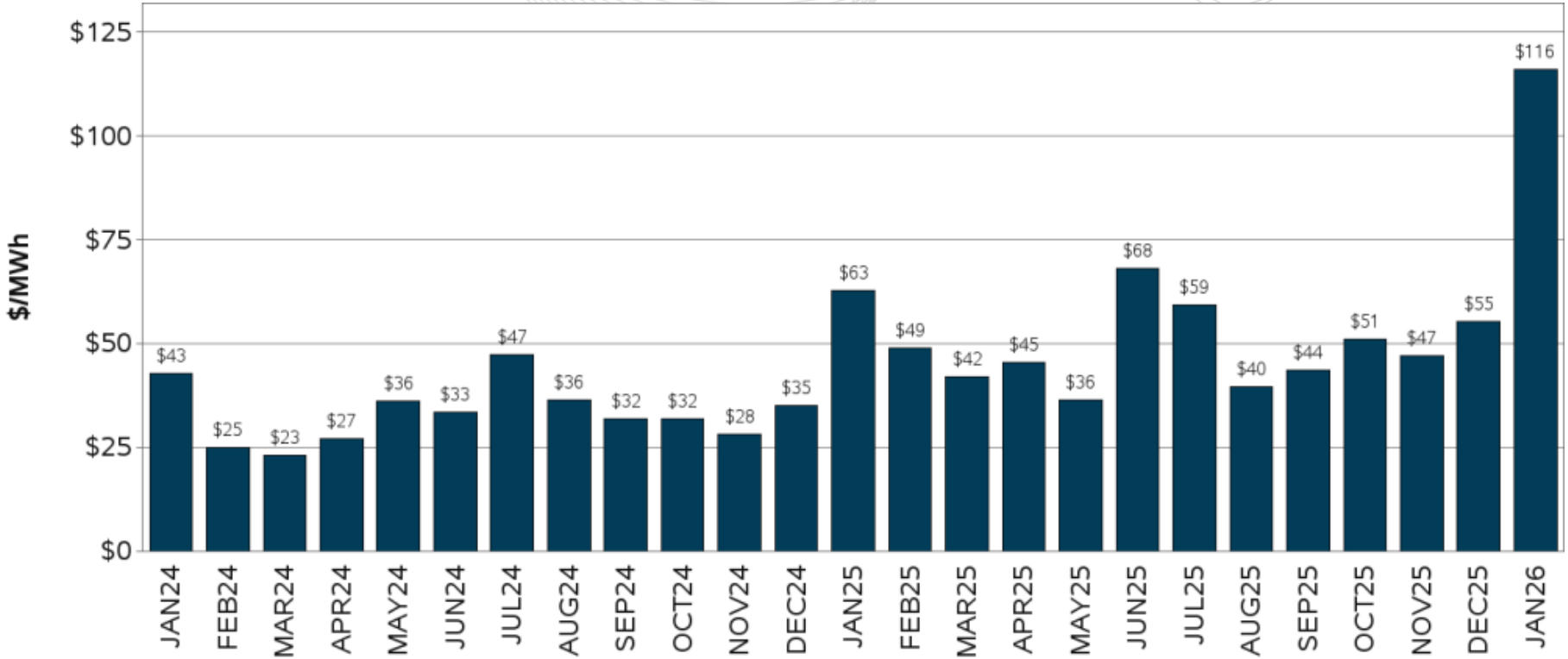
Shortage Pricing Intervals



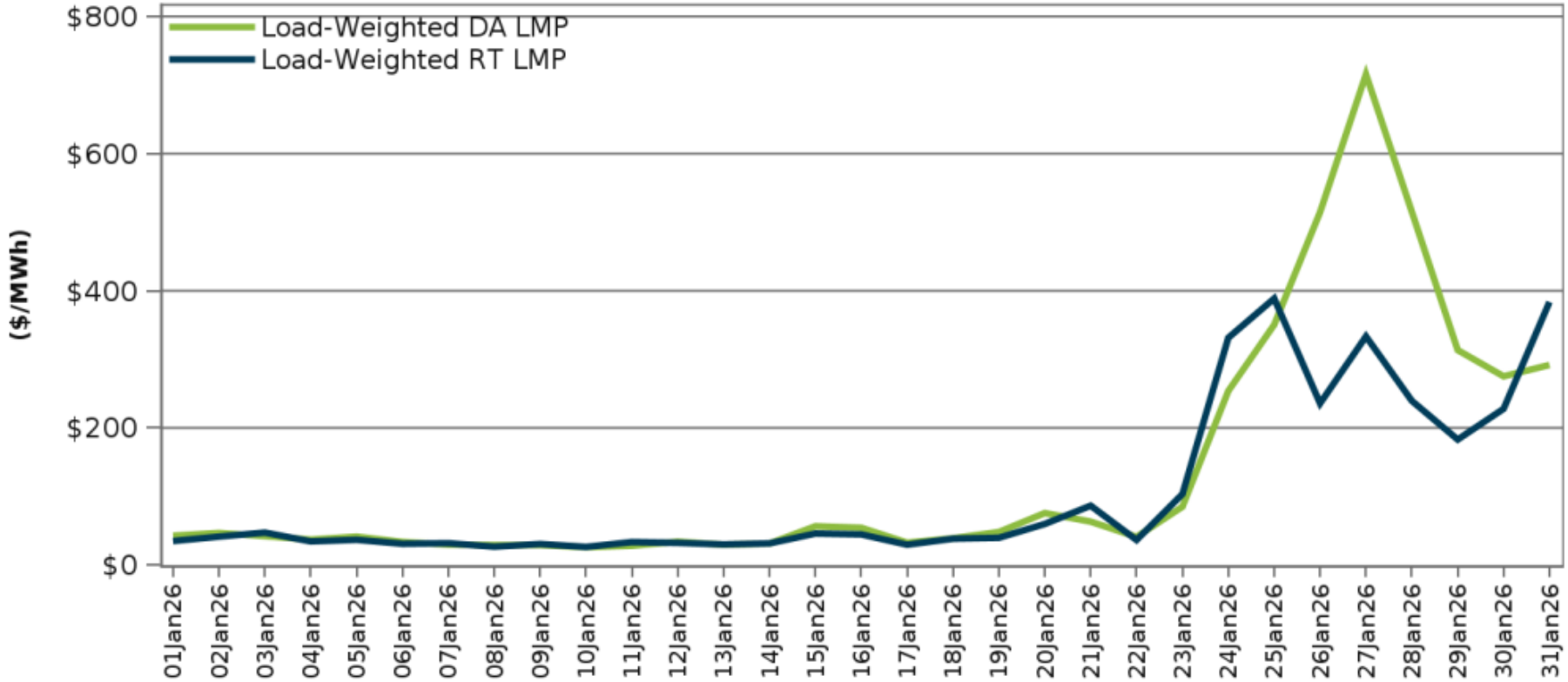
Information on constraints and shadow prices can be found here

There were nearly 80 intervals that experienced shortage pricing for RTO Primary Reserves in January.

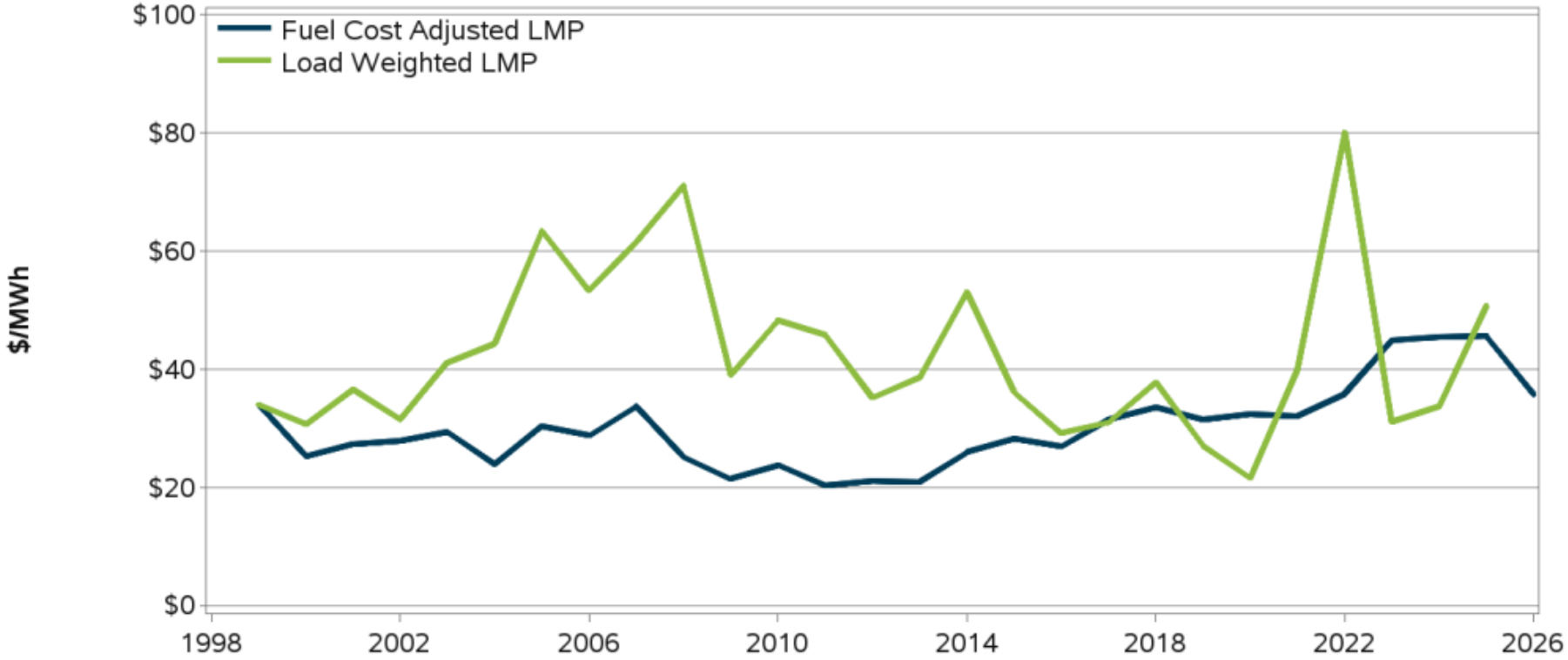
Monthly Load-Weighted Average Real-time LMP



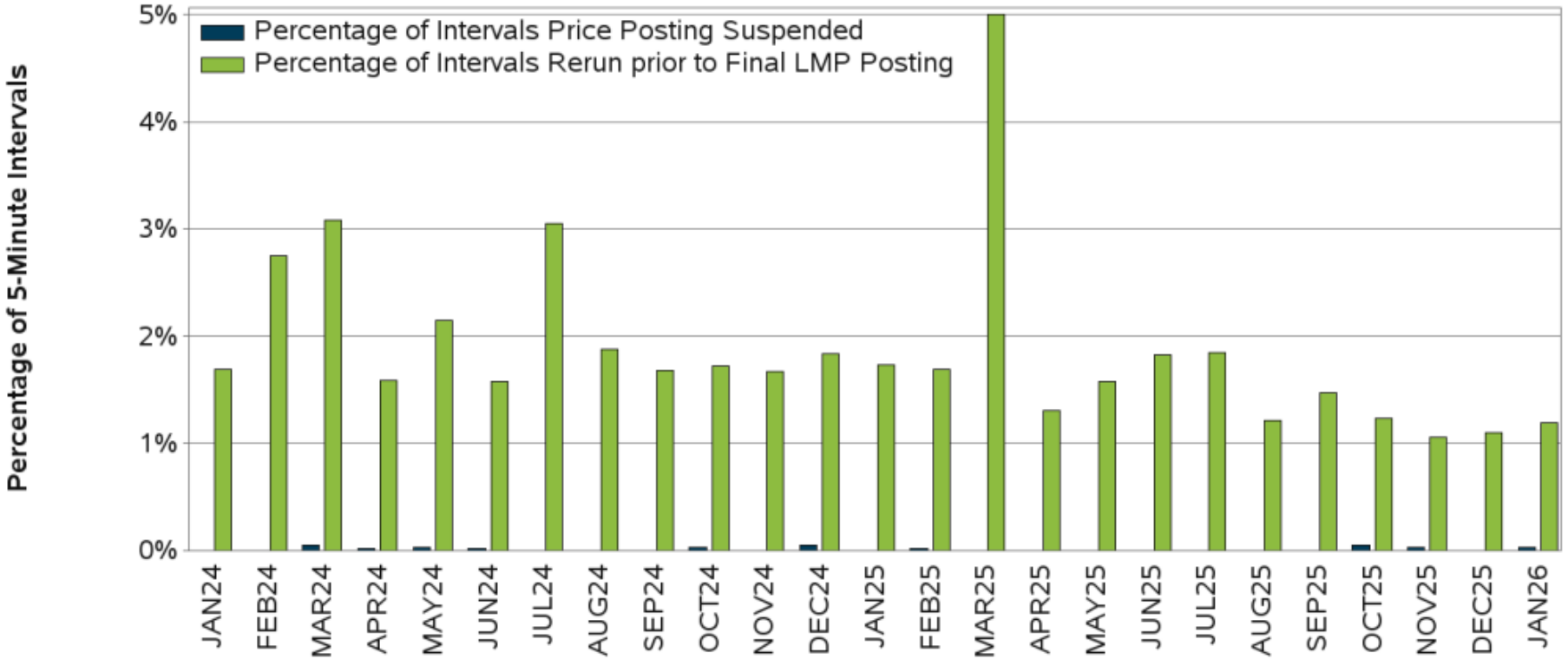
Daily Load-Weighted Average DA & RT LMP



Fuel Cost Adjusted LMP (Referenced to 1999 Fuel Prices)



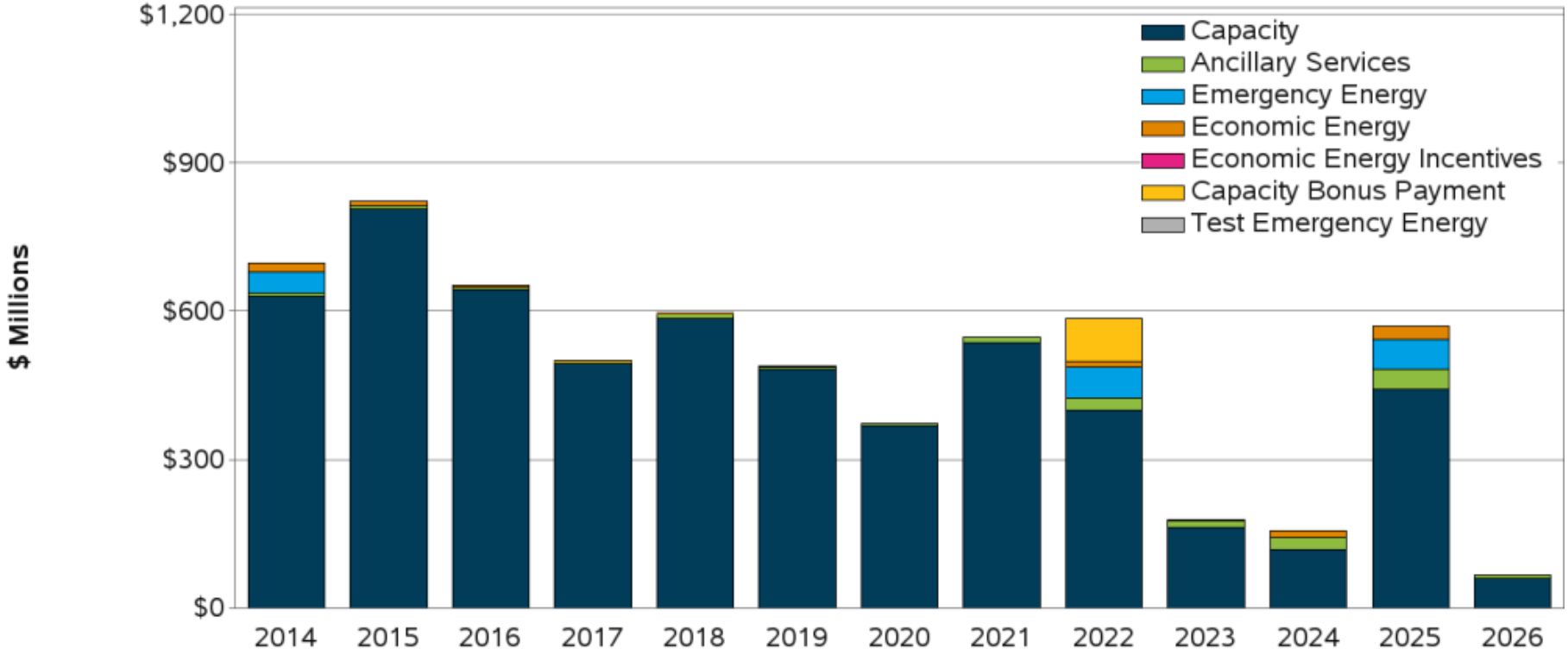
LMP Price Posting Suspensions and Reruns



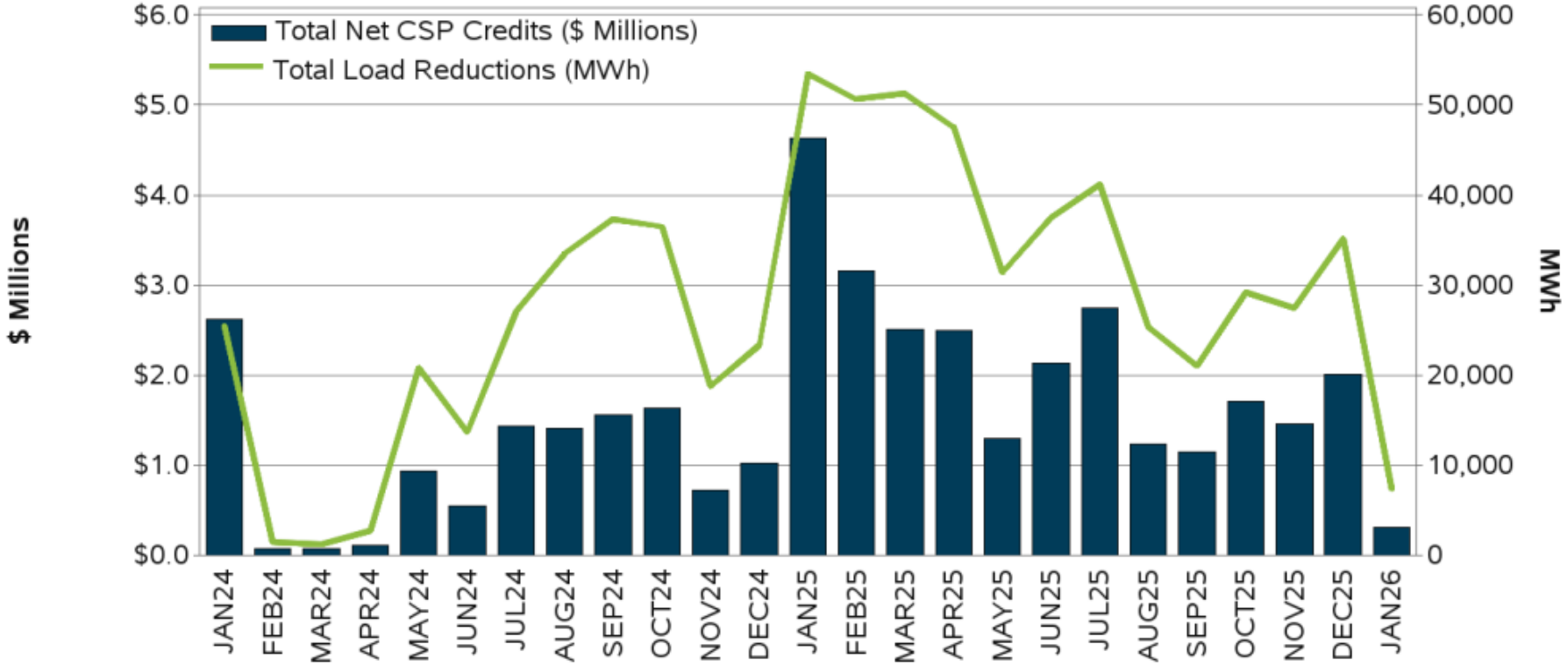
Energy Market

Demand Response Summary

Demand Side Response Estimated Revenue

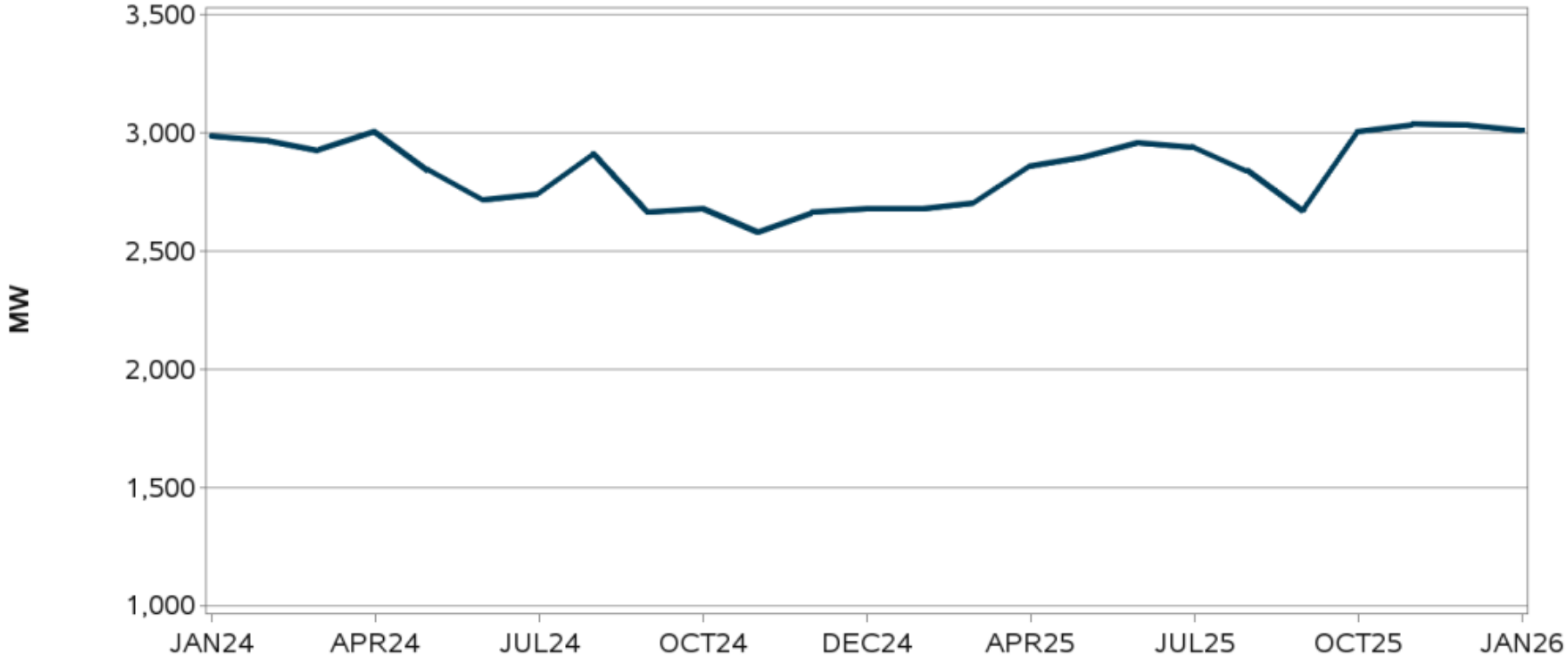


Economic Demand Response Activity



*Data for the last few months are subject to significant change due to the settlement window.

Total Registered MW in PJM's Economic Demand Response



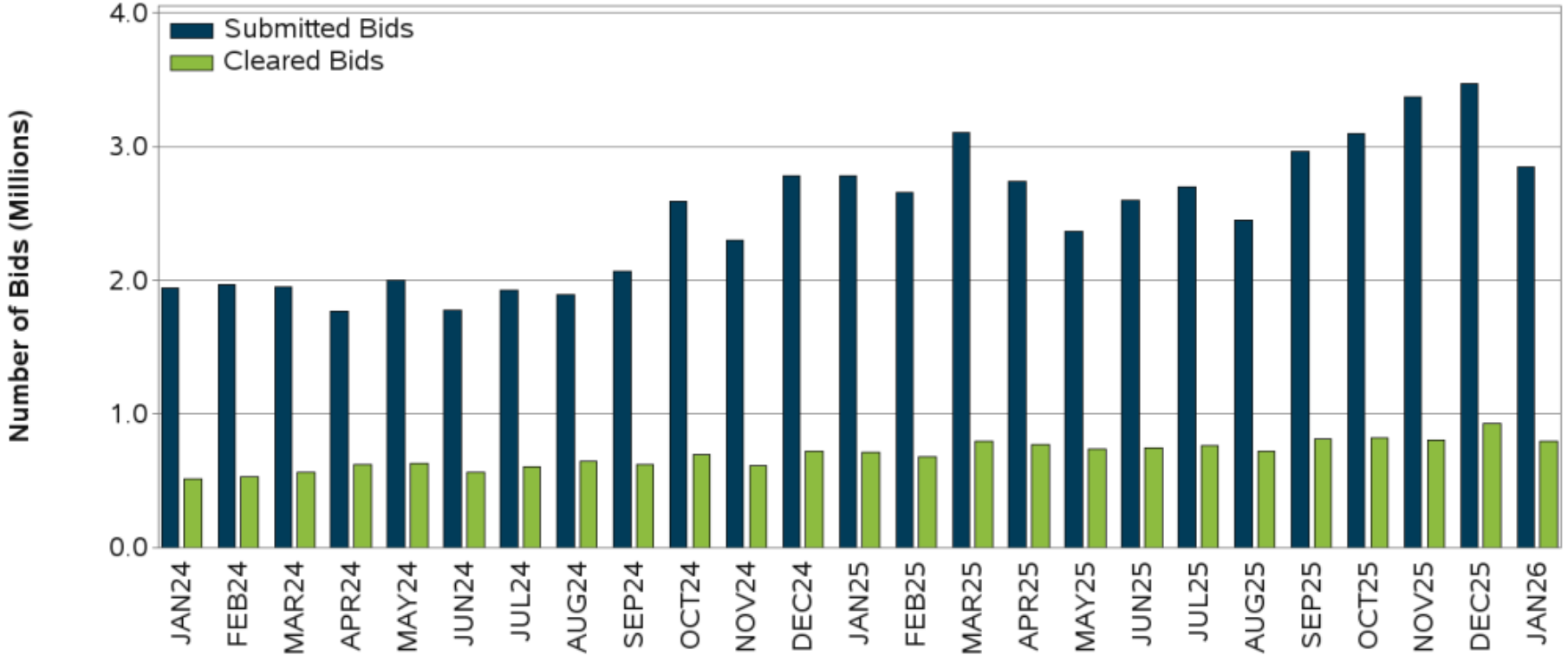
Energy Market

Virtual Activity Summary

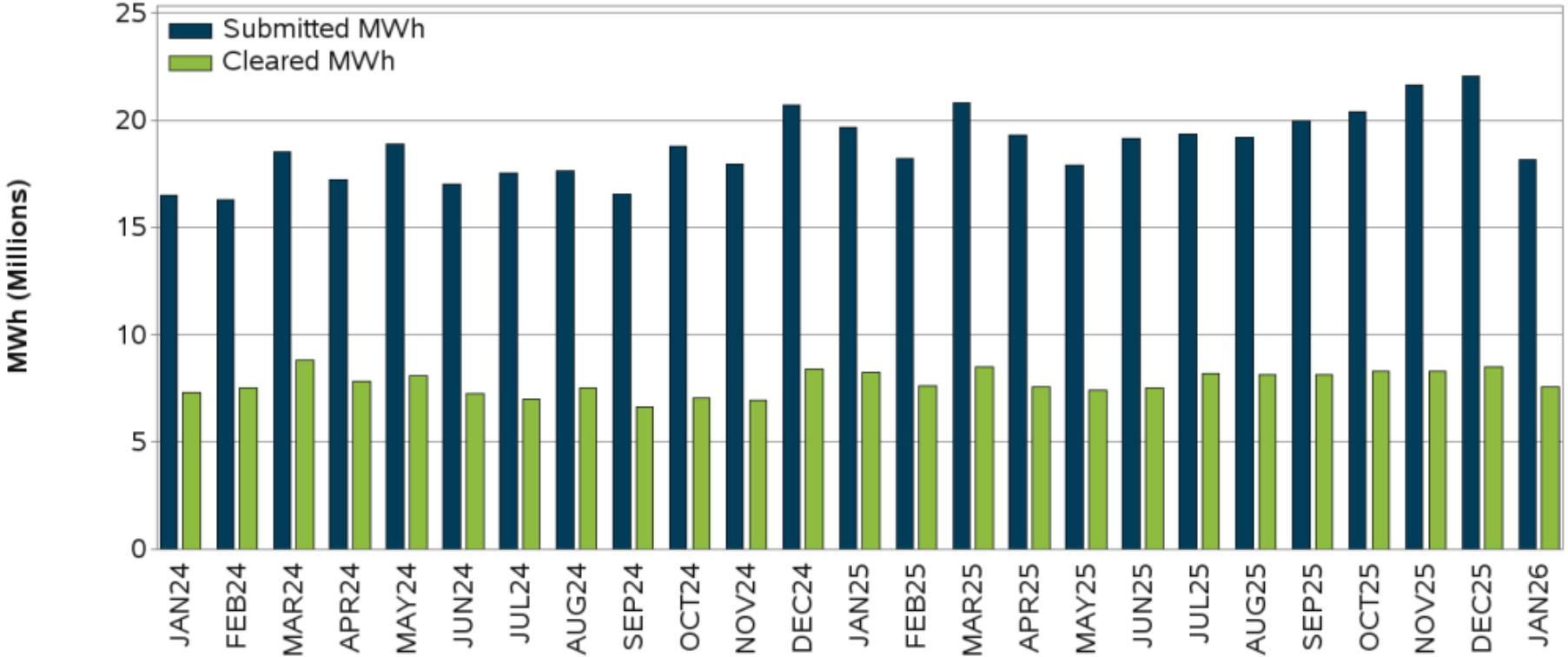
- The following six charts depict trends in submitted and cleared virtual and up-to-congestion transactions, in terms of number and volume, into the PJM Energy Market. The first two of these charts show the submitted and cleared increment and decrement bids (virtual transactions or virtuals) and they are the same as what was previously being presented in this report. The two charts after them display the trends in submitted and cleared up-to-congestion transactions into the PJM Energy Market. The last two of these six charts combine the virtual and up-to-congestion transactions and show the sum of these two categories.

- To clarify what a bid or transaction is, please consider the following example: An offer (increment, decrement or up-to-congestion) of 10 MW, valid for eight hours for a given day, is captured in the charts as eight submitted bids/transactions and 80 submitted MWh. If this offer fully clears for three of the hours it was submitted for, it shows in the charts as three cleared bids/transactions and 30 cleared MWh.

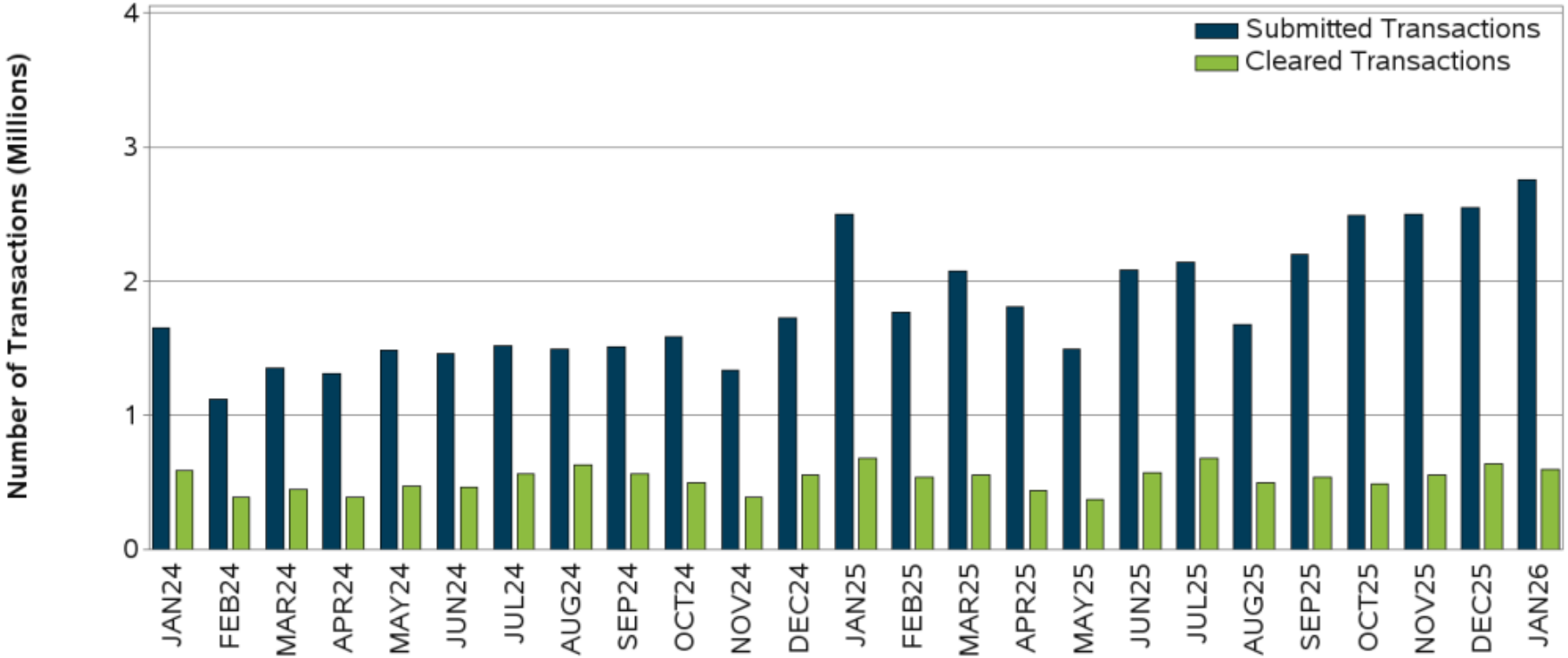
Virtual Bids (INCs & DECs) - Total Number



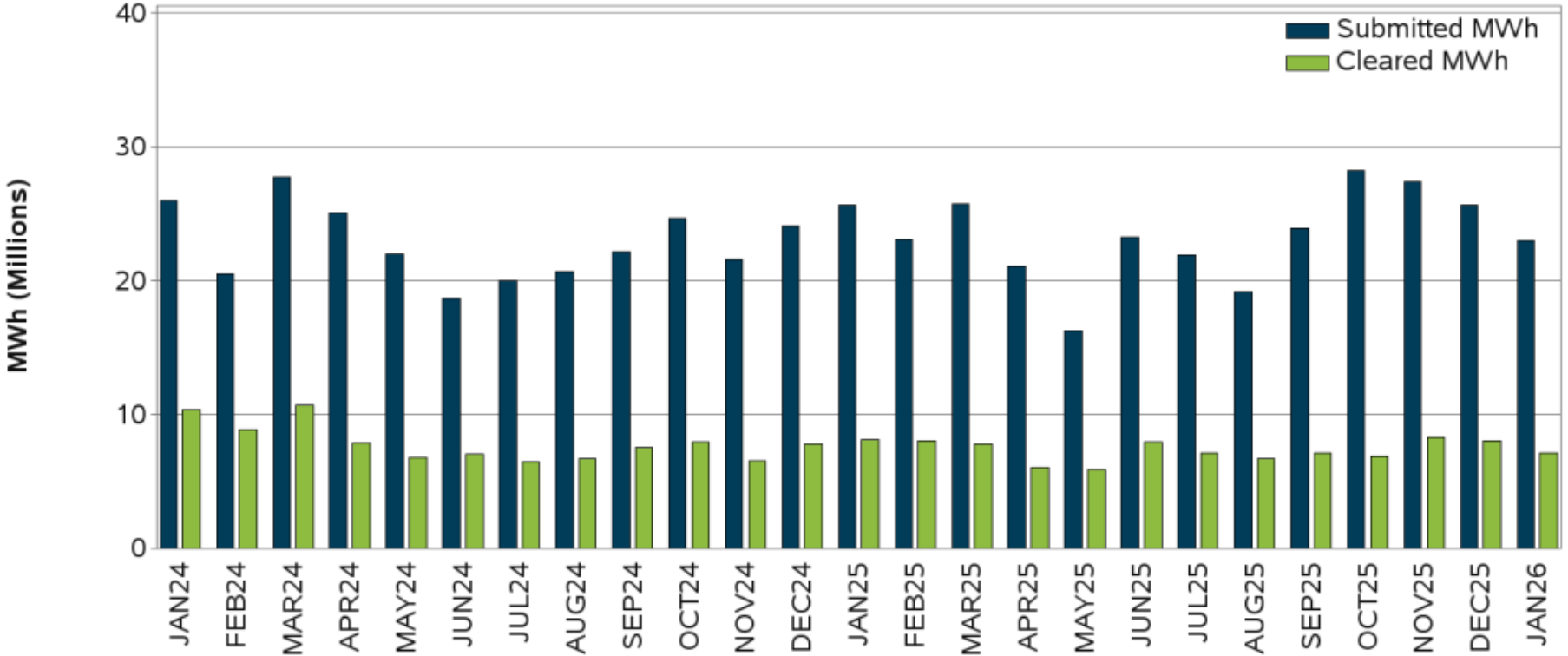
Virtual Bids (INCs & DECs) - Total Volume



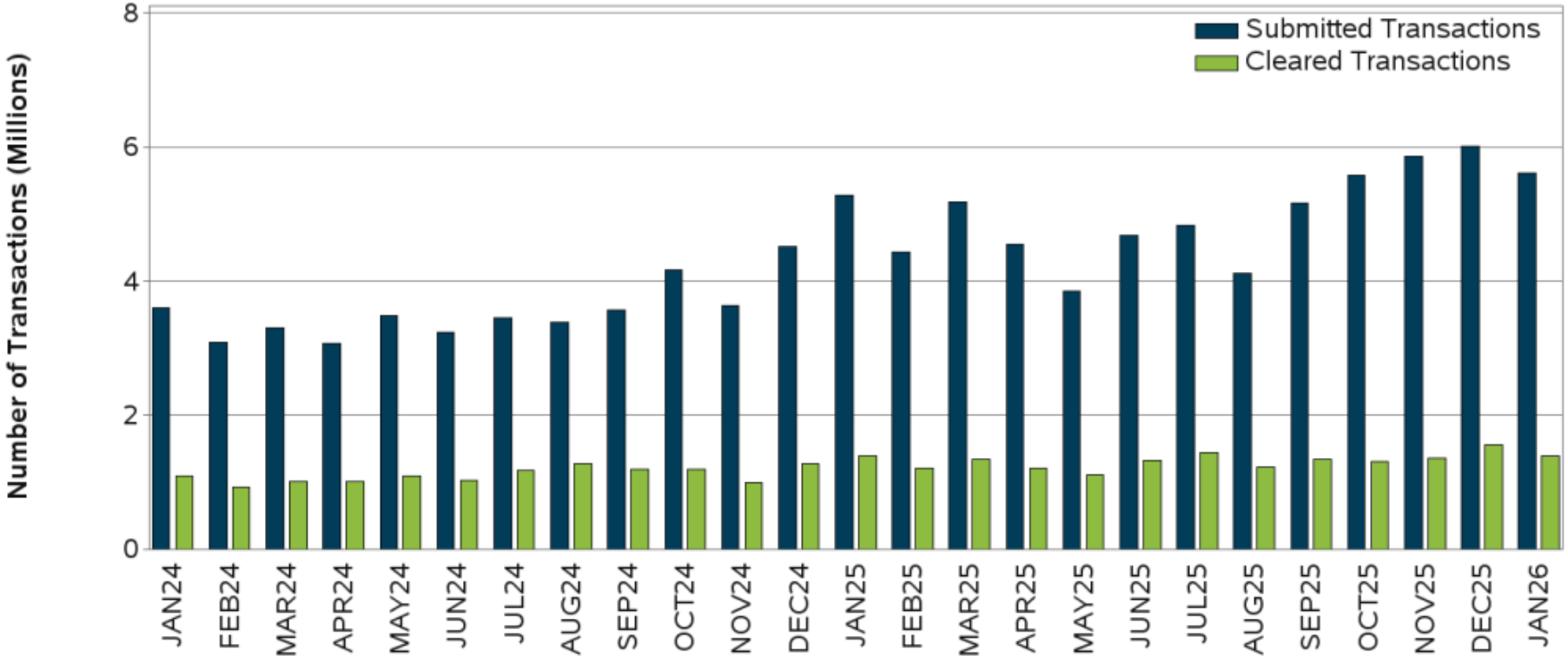
Up-To-Congestion Transactions - Total Number



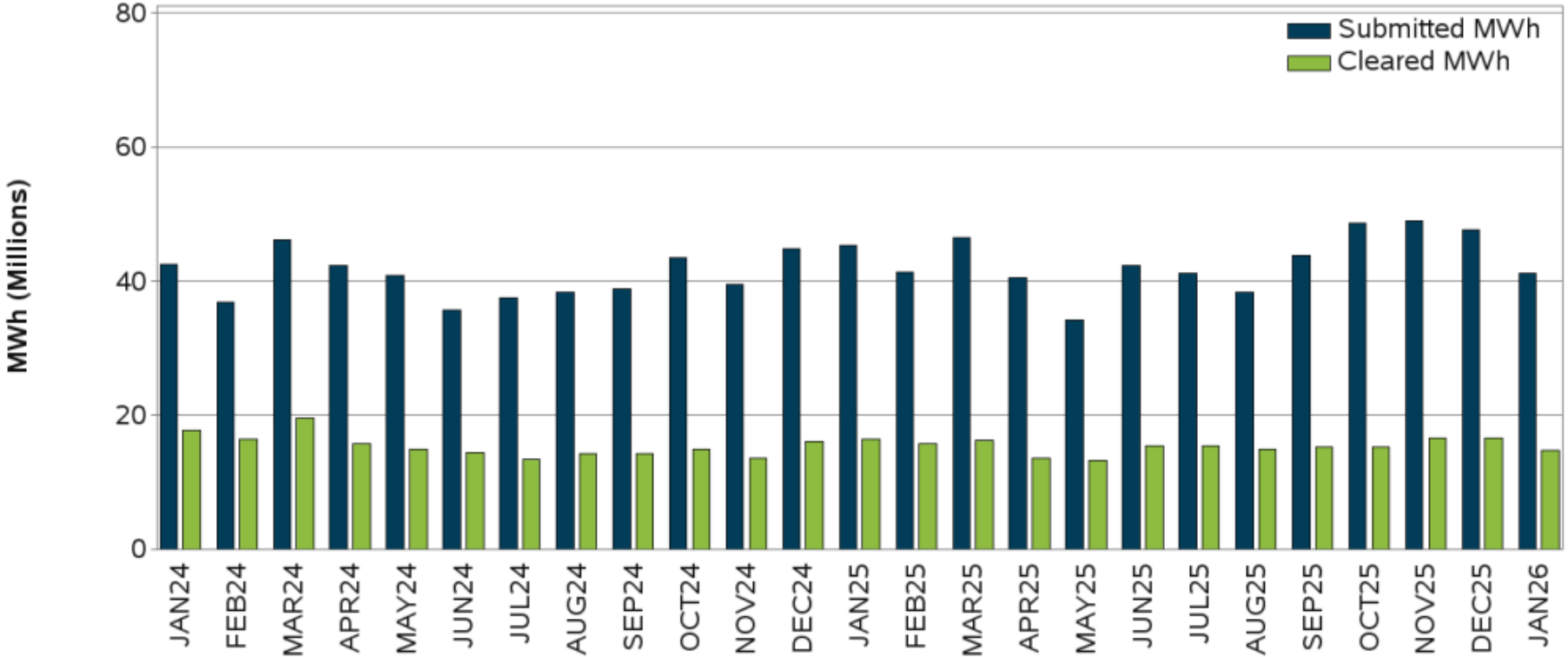
Up-To-Congestion Transactions - Total Volume



INCs, DECs and Up-To-Congestion Transactions - Total Number



INCs, DECs and Up-To-Congestion Transactions - Total Volume



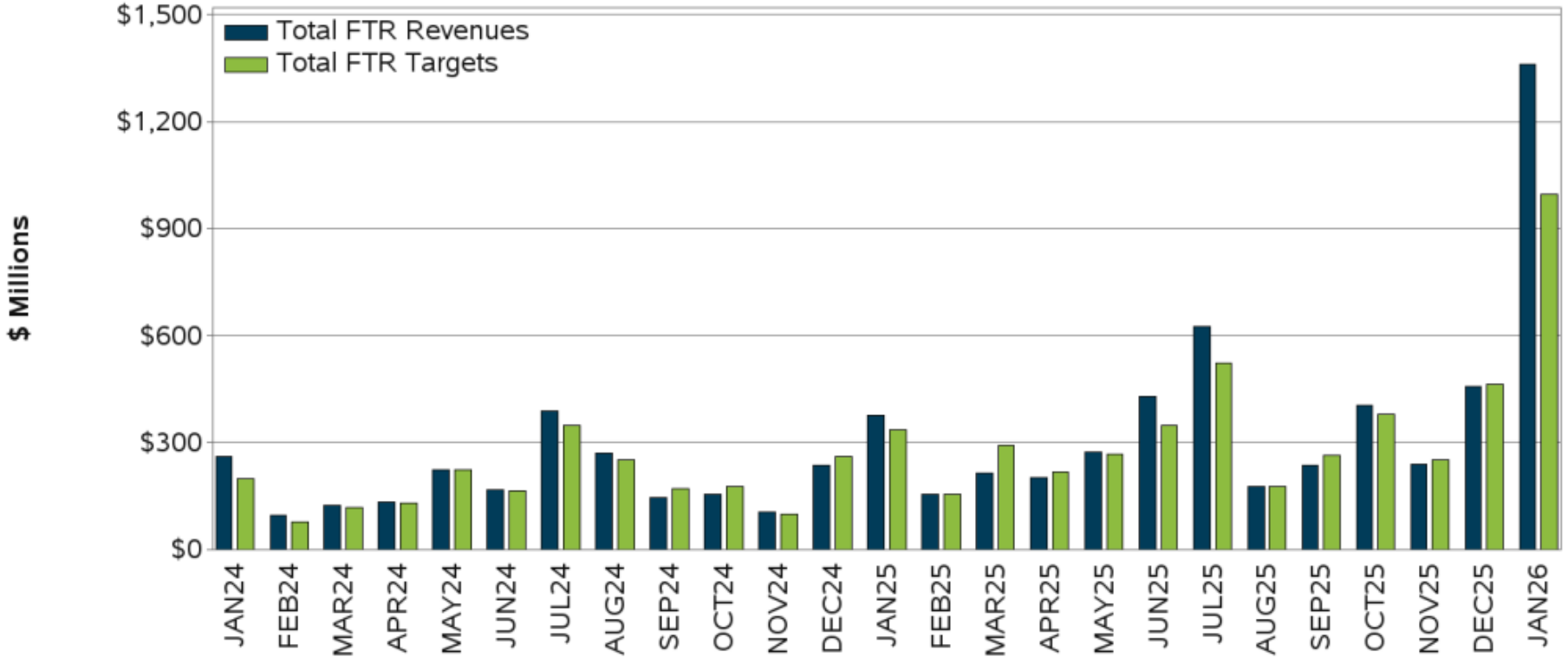
Energy Market

Congestion and FTR Summary

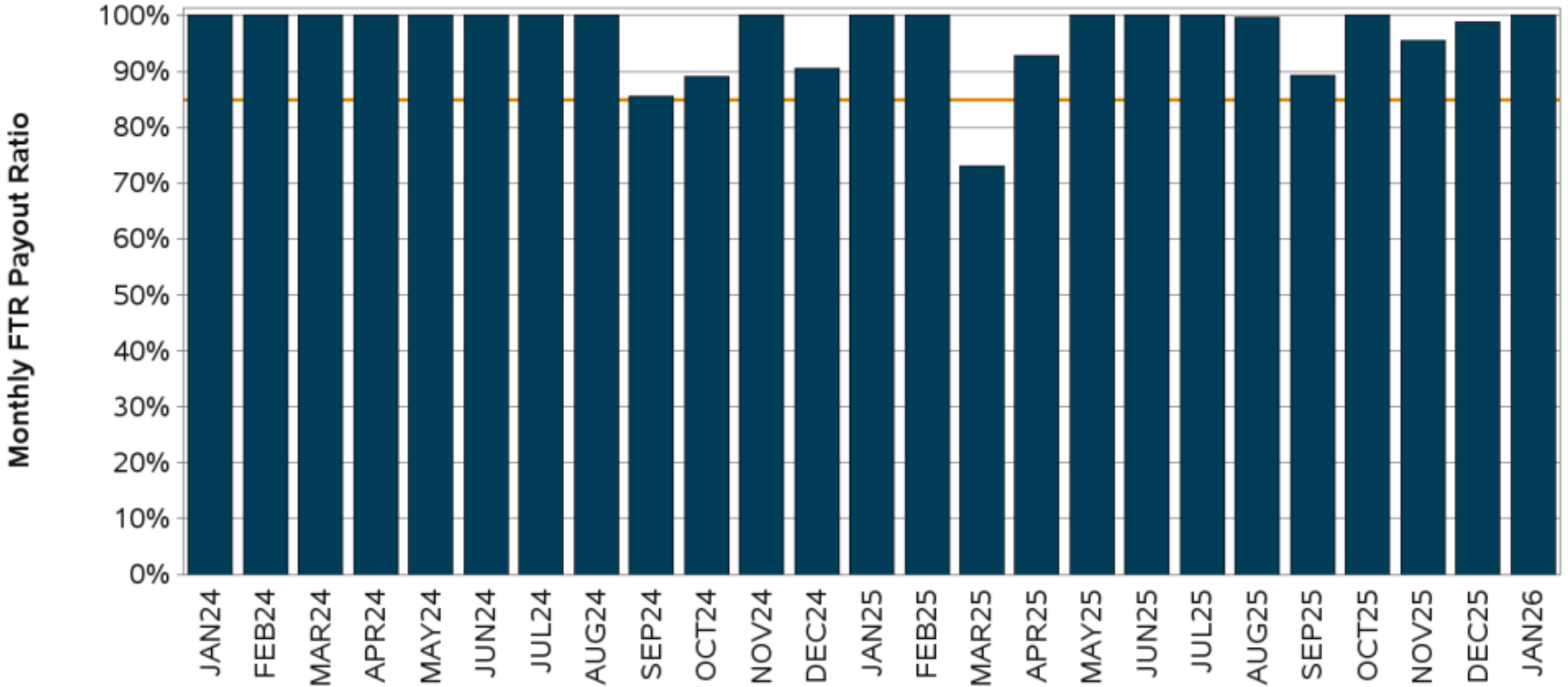
FTR Funding

Period	Surplus / Underfunding	Payout Ratio
January 2026	$363,201,632	100%
2026	$363,201,632	100%
2025/2026	$562,281,784	100%

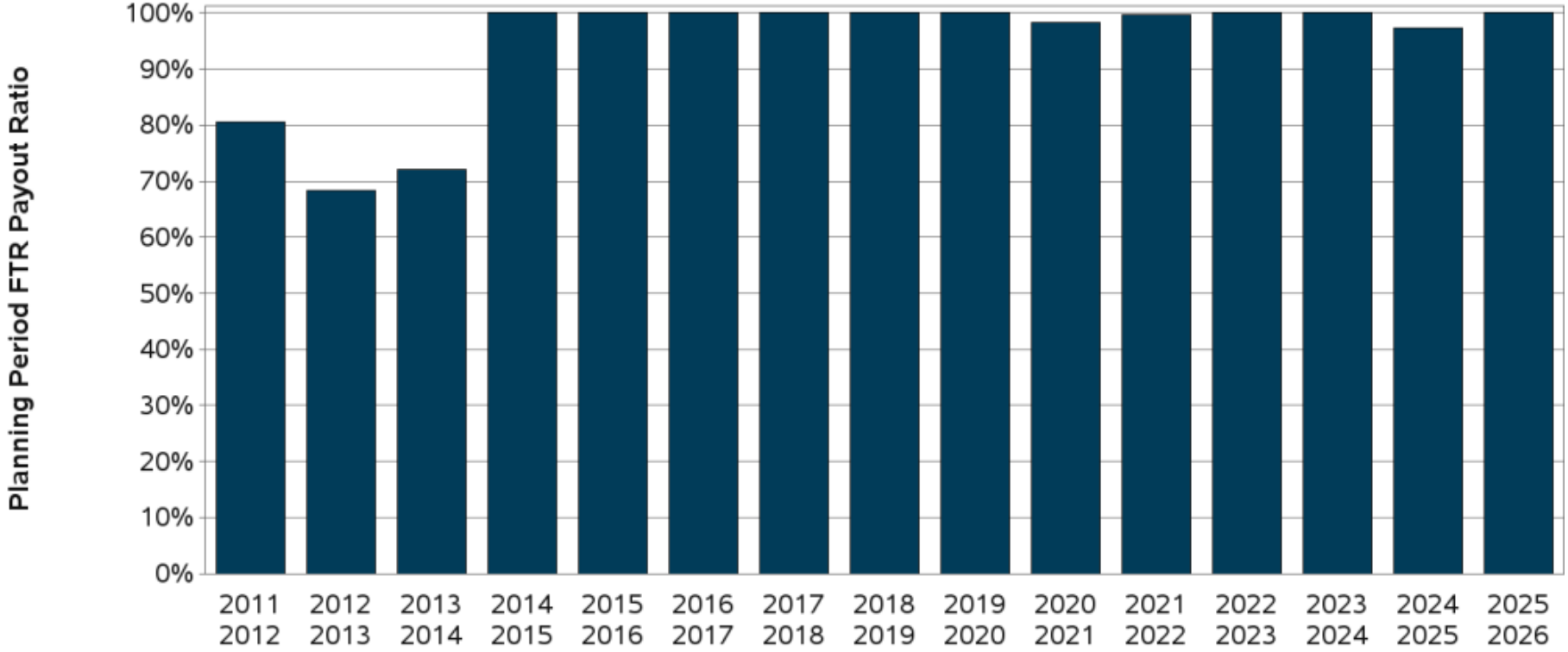
FTR Revenue vs. FTR Target Allocation



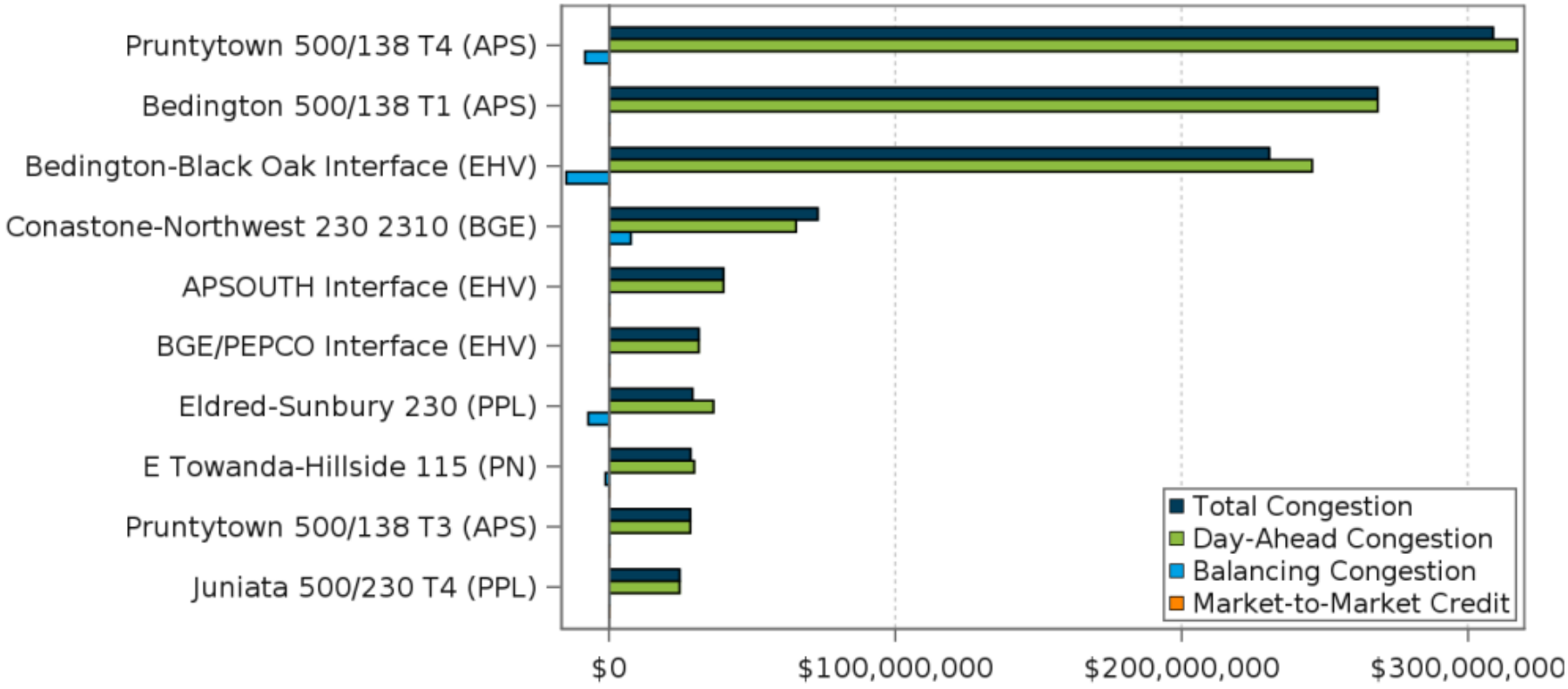
Monthly FTR Payout



Planning Period FTR Payout

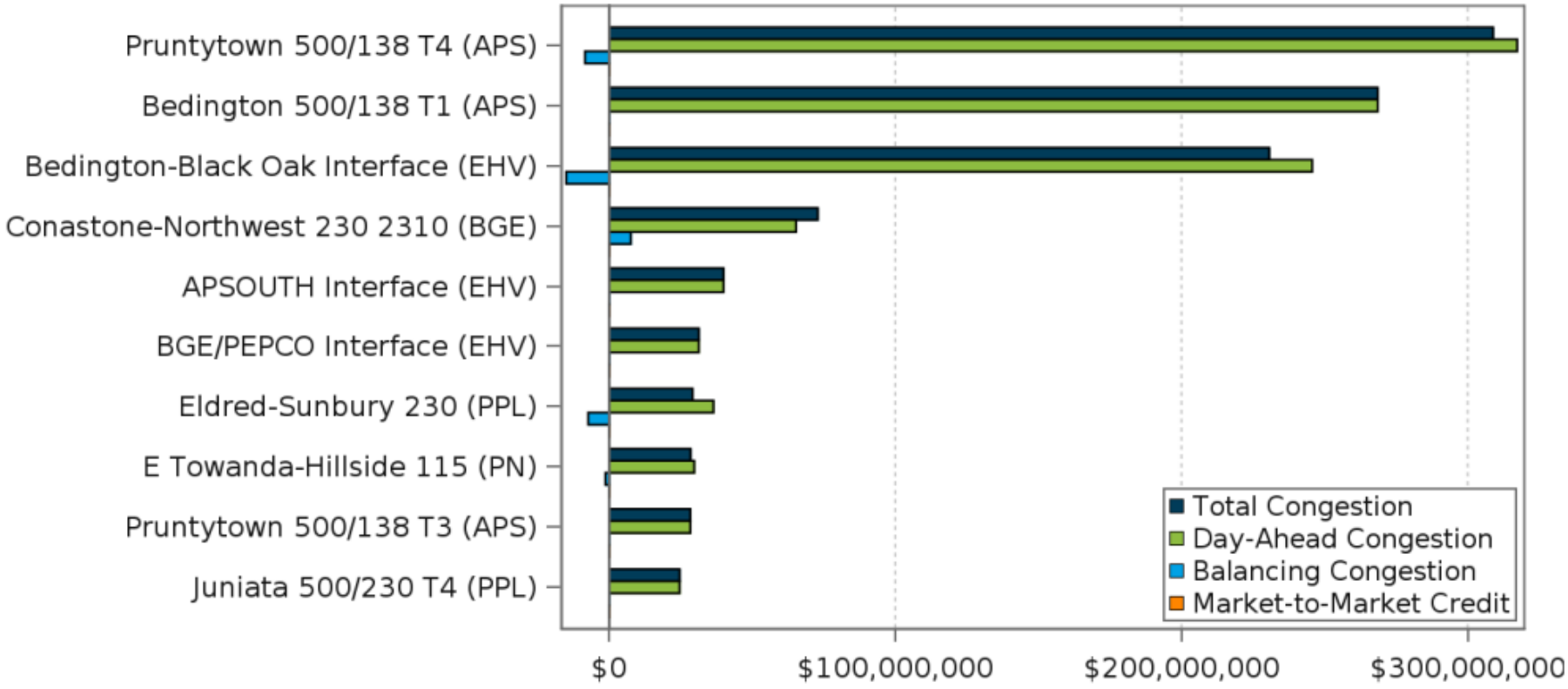


Ten Most Heavily Congested Transmission Facilities - Overall, January



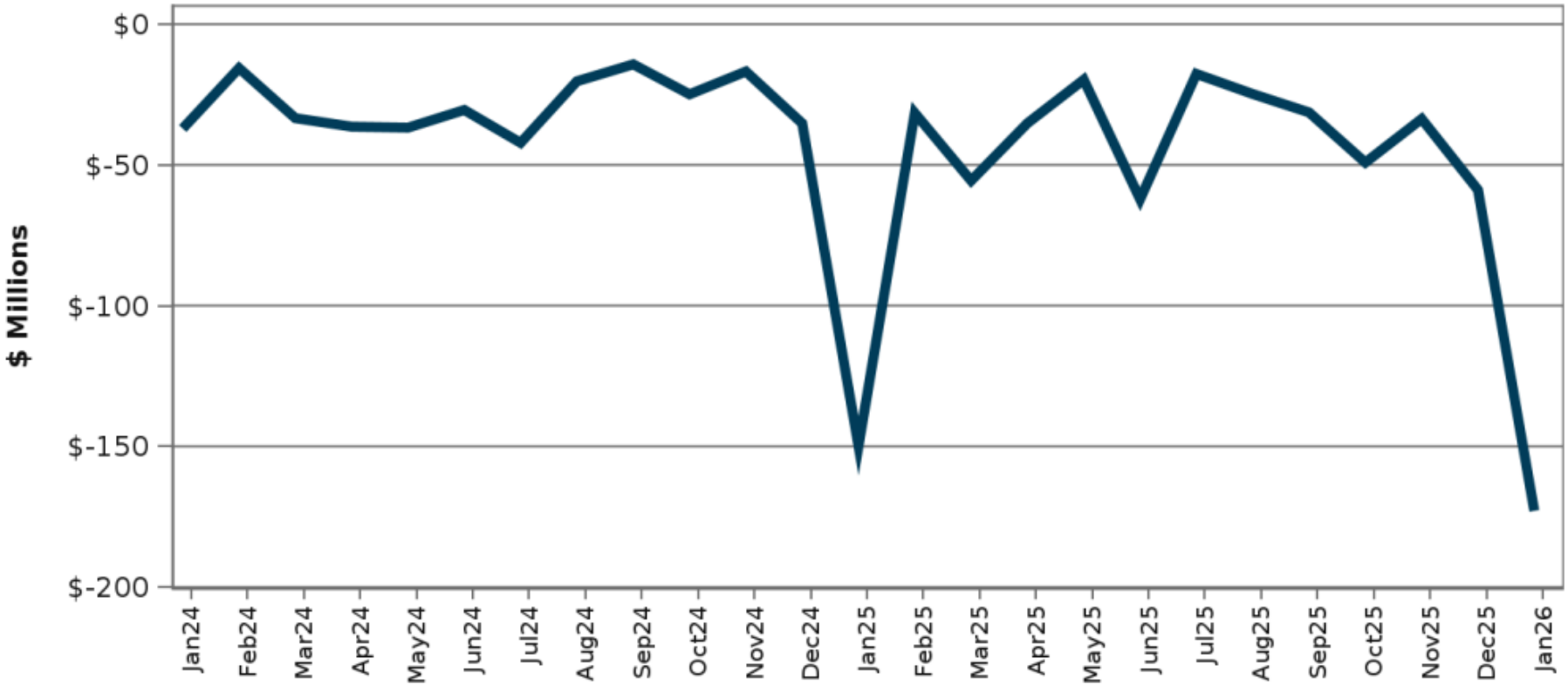
The ten most heavily congested facilities account for 87% of total congestion for January.

Ten Most Heavily Congested Transmission Facilities - Overall, 2026



The ten most heavily congested facilities account for 87% of total congestion for 2026.

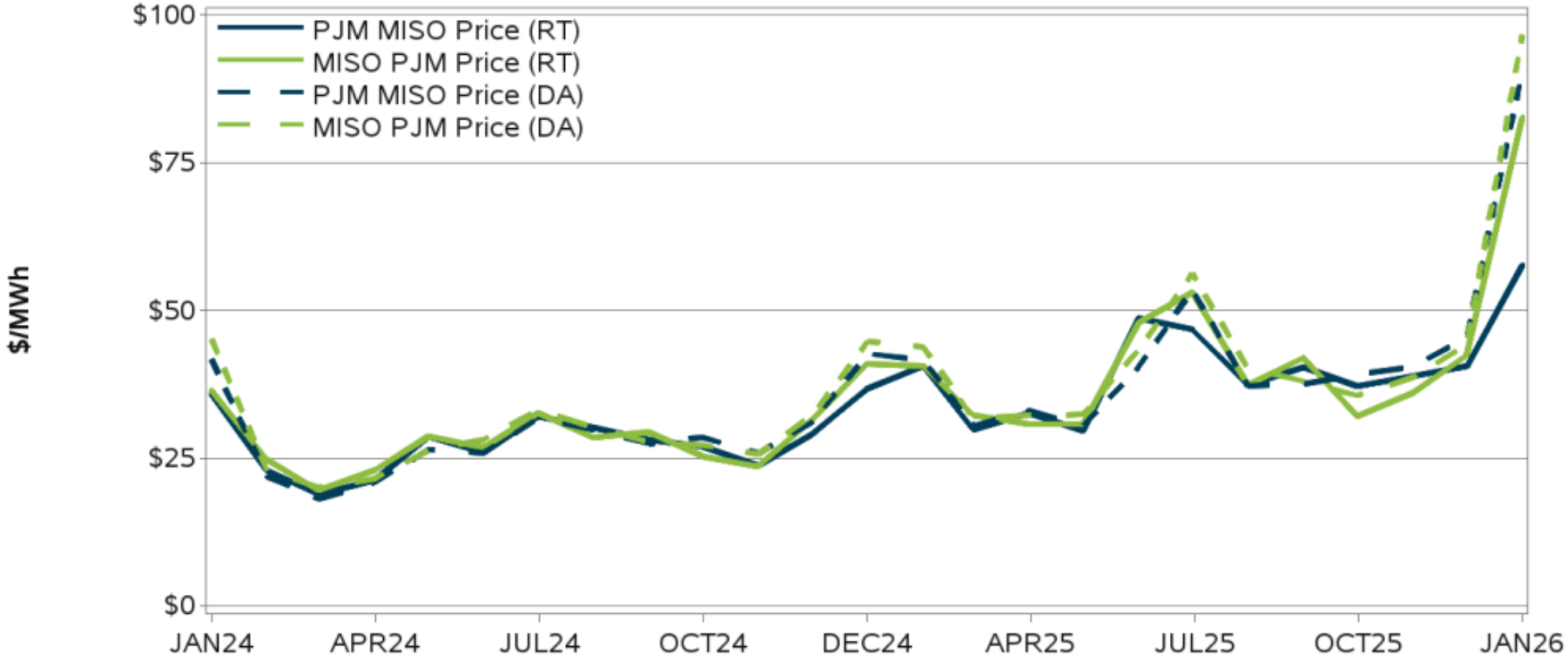
Balancing Congestion Charge Revenues (BLI 2215)



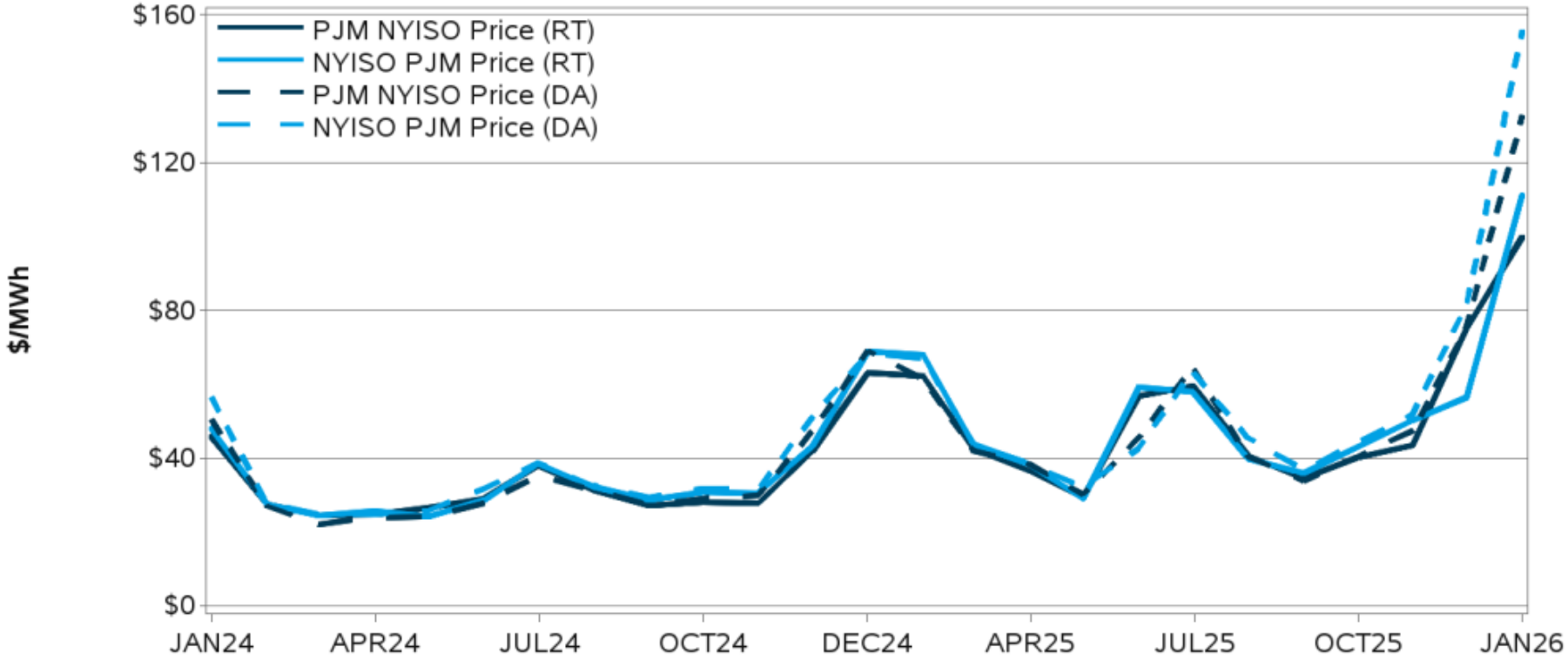
Energy Market

Interchange/Seams Summary

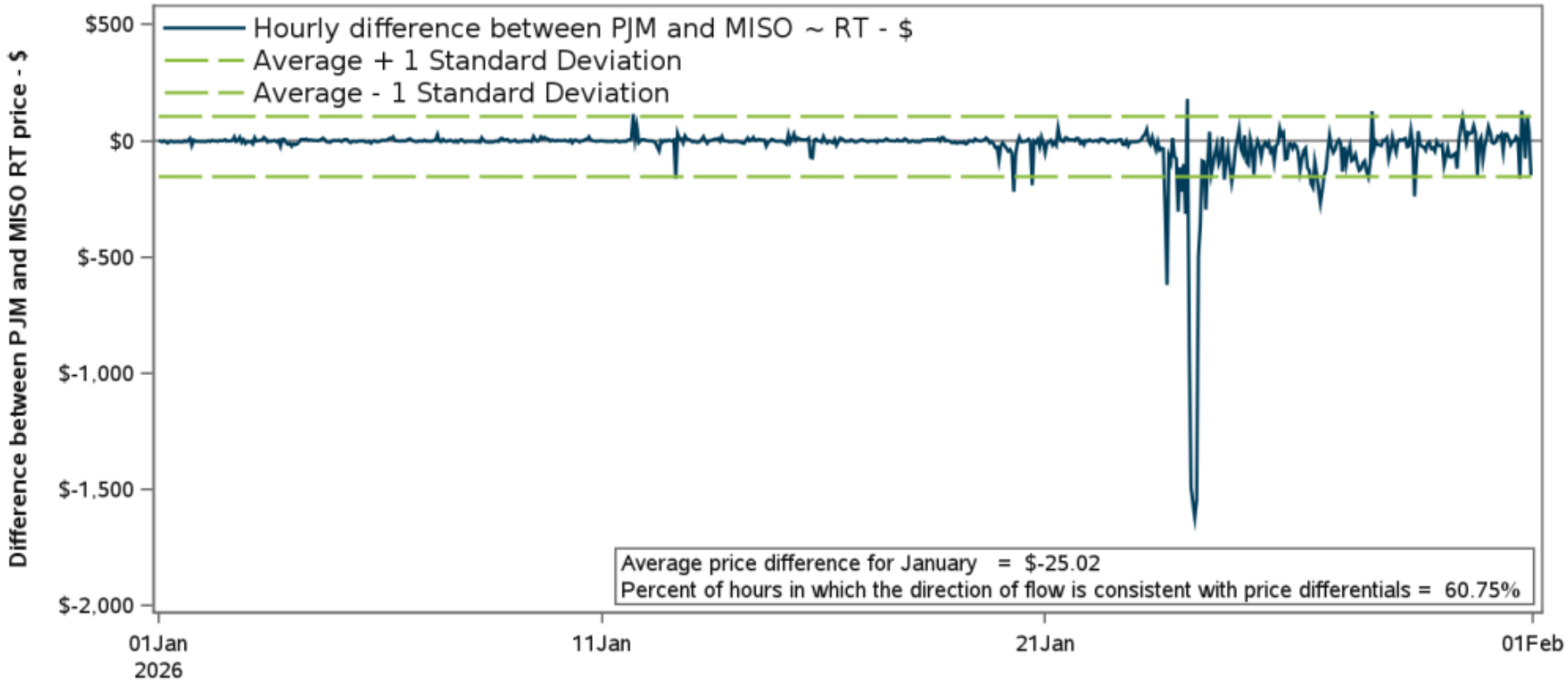
Monthly Average MISO Interface Pricing



Monthly Average NYISO Interface Pricing

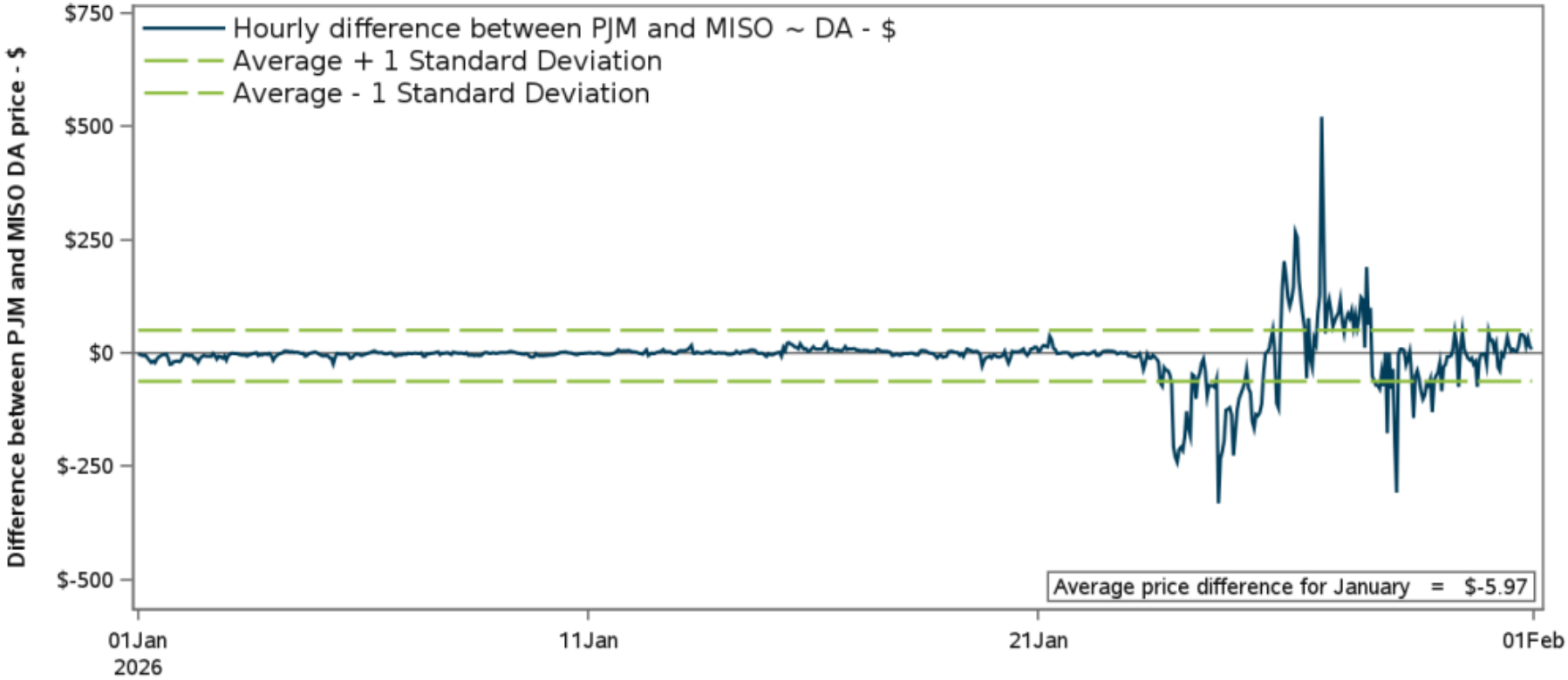


Hourly Difference Between PJM and MISO Real-Time Prices



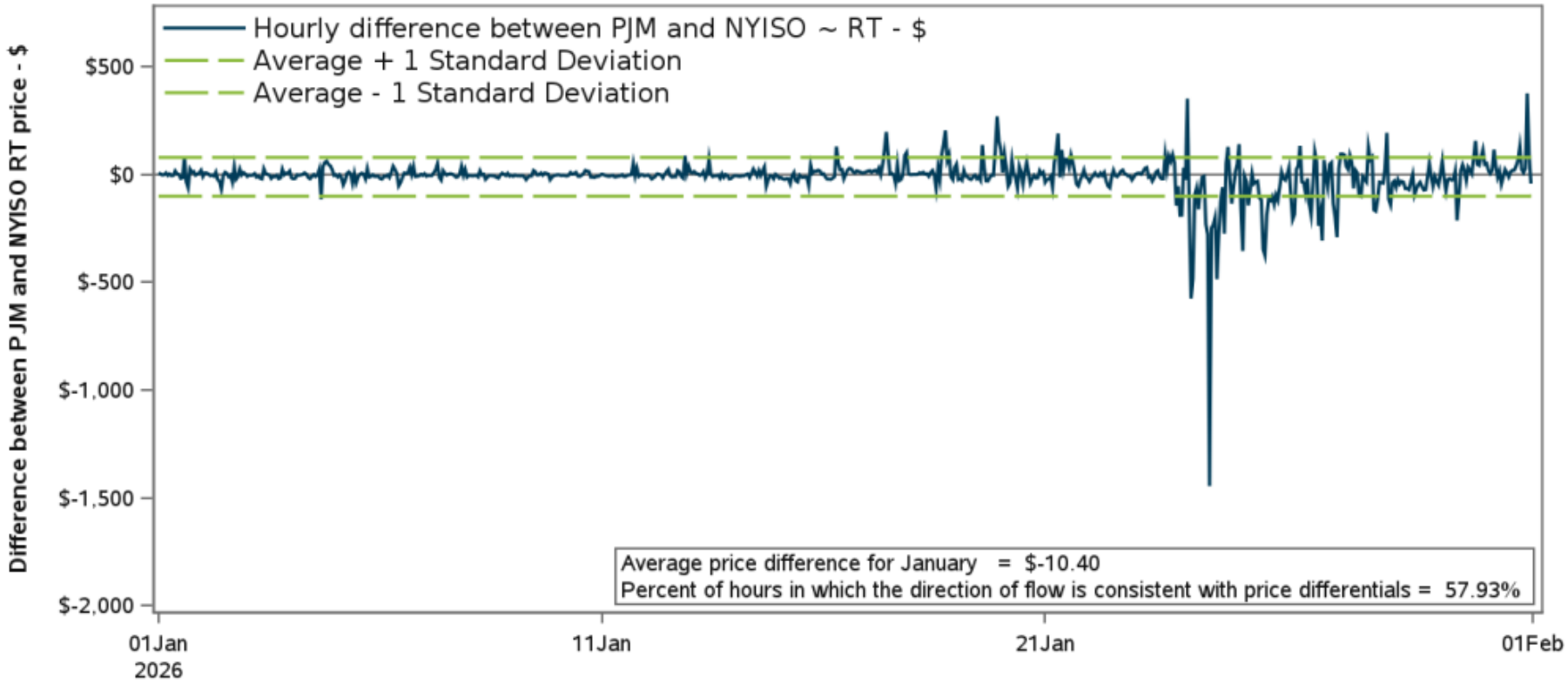
Positive values represent hours when the PJM price was higher. Negative values represent hours when the PJM price was lower.

Hourly Difference Between PJM and MISO Day-Ahead Prices



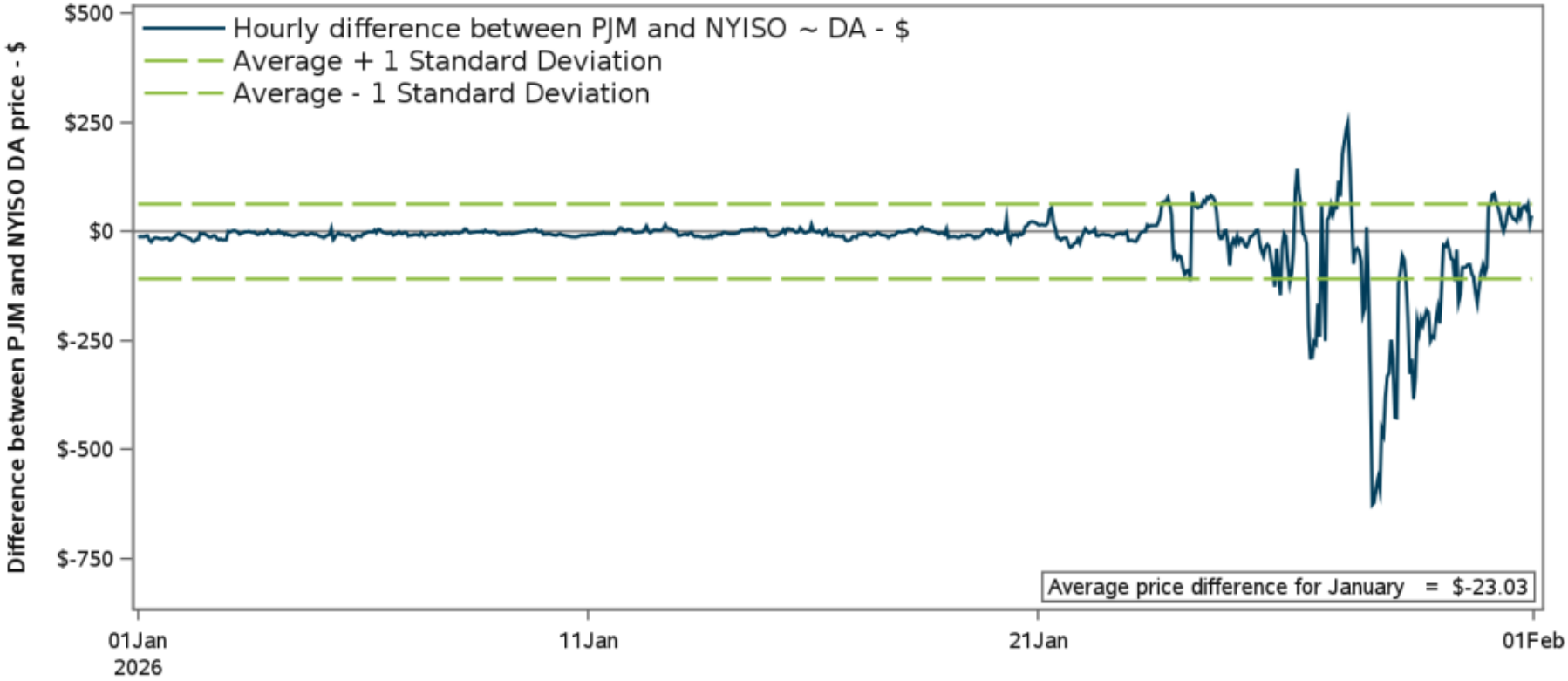
Positive values represent hours when the PJM price was higher. Negative values represent hours when the PJM price was lower.

Hourly Difference Between PJM and NYISO Real-Time Prices



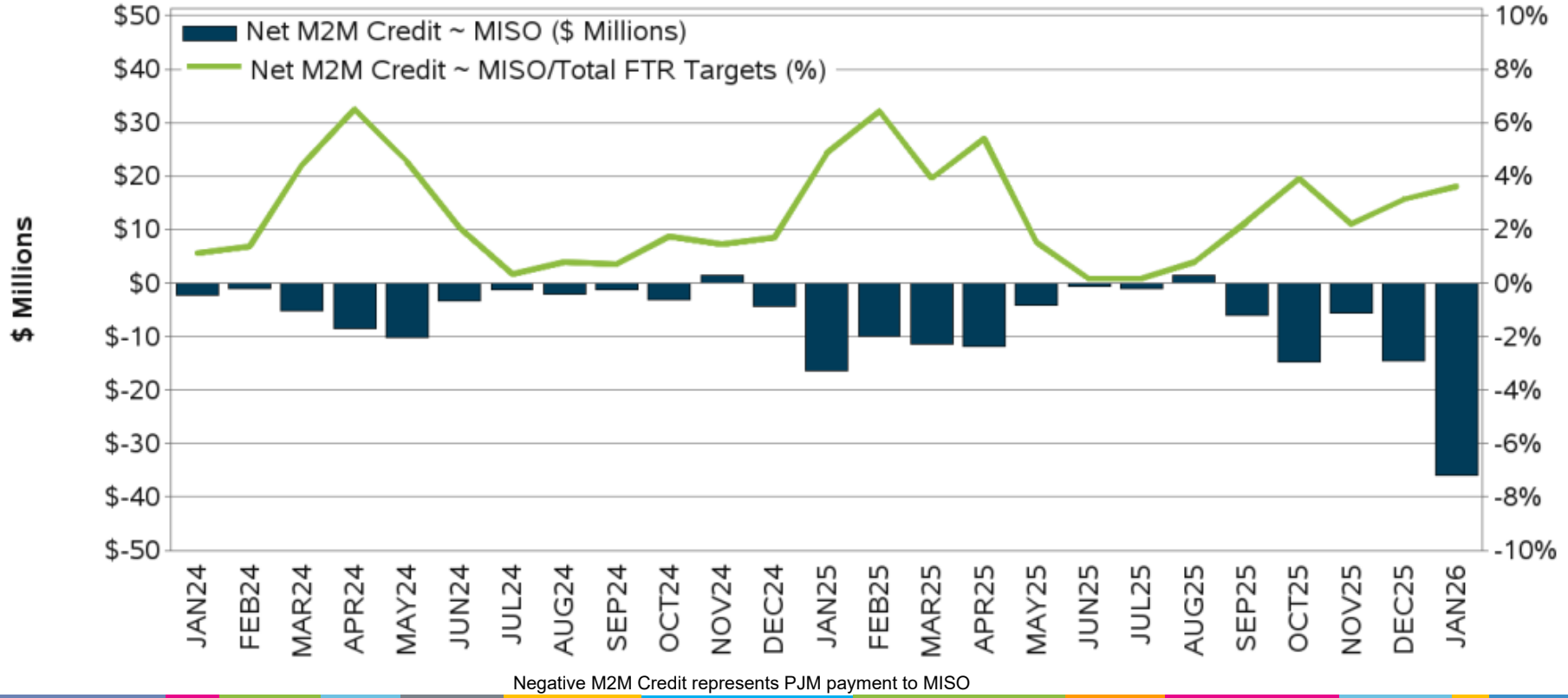
Positive values represent hours when the PJM price was higher. Negative values represent hours when the PJM price was lower.

Hourly Difference Between PJM and NYISO Day-Ahead Prices



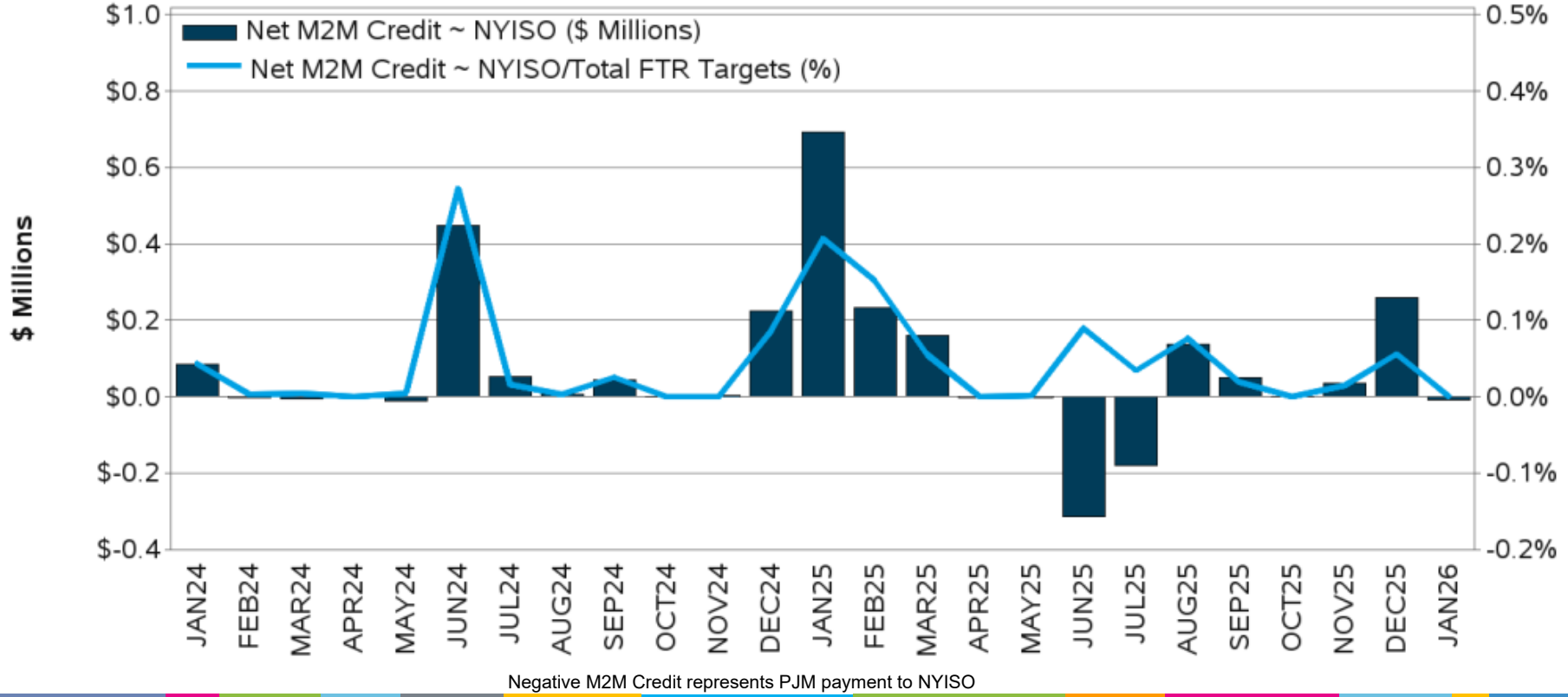
Positive values represent hours when the PJM price was higher. Negative values represent hours when the PJM price was lower.

PJM-MISO Market-to-Market Coordination Settlement



Negative M2M Credit represents PJM payment to MISO

PJM-NYISO Market-to-Market Coordination Settlement

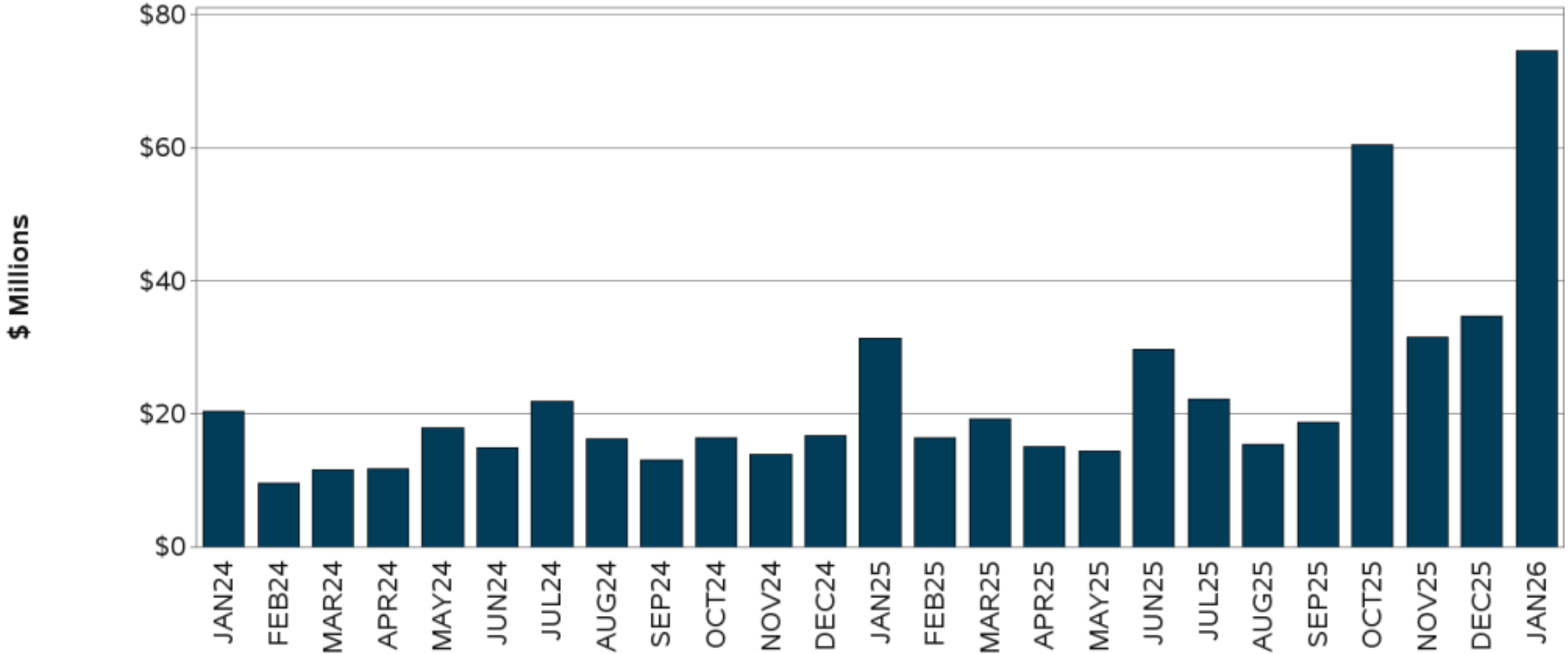


Negative M2M Credit represents PJM payment to NYISO

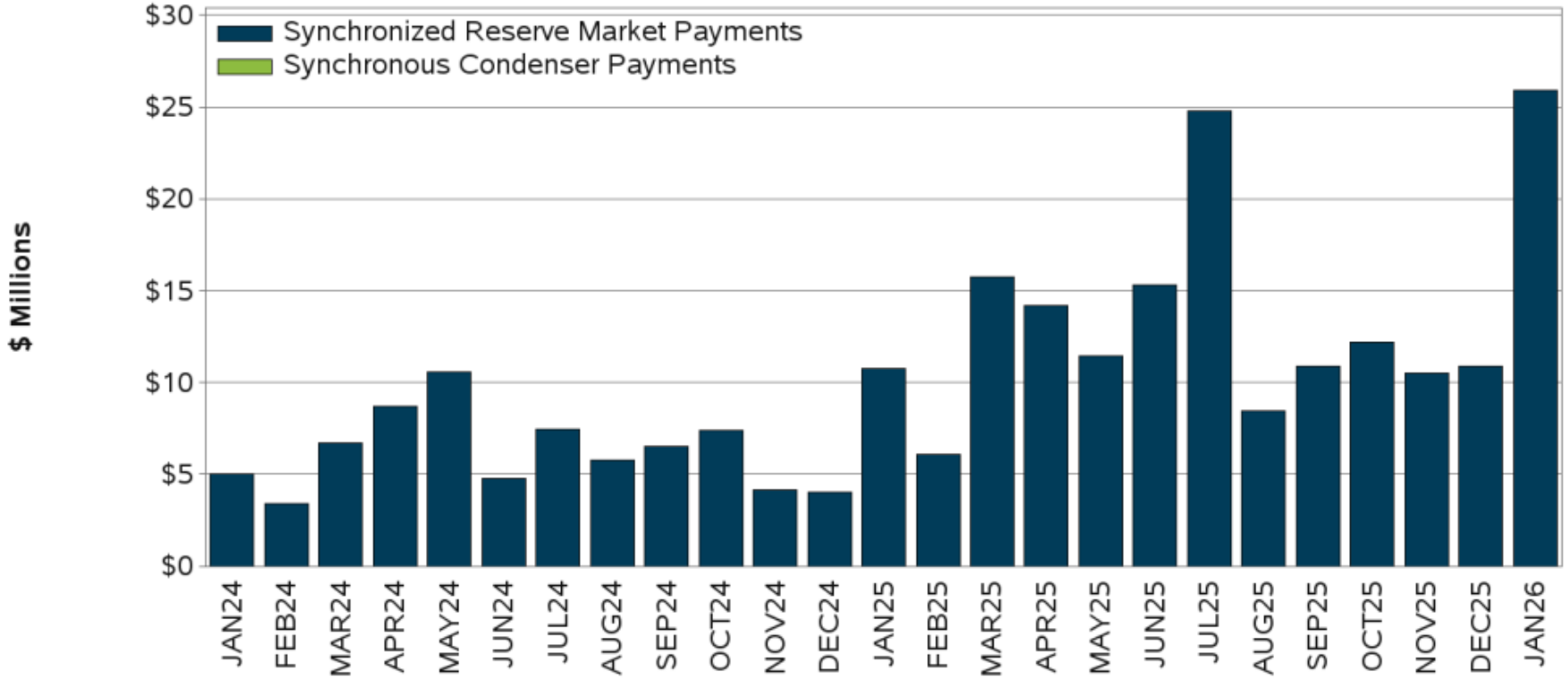
Ancillary Service Market

Summary

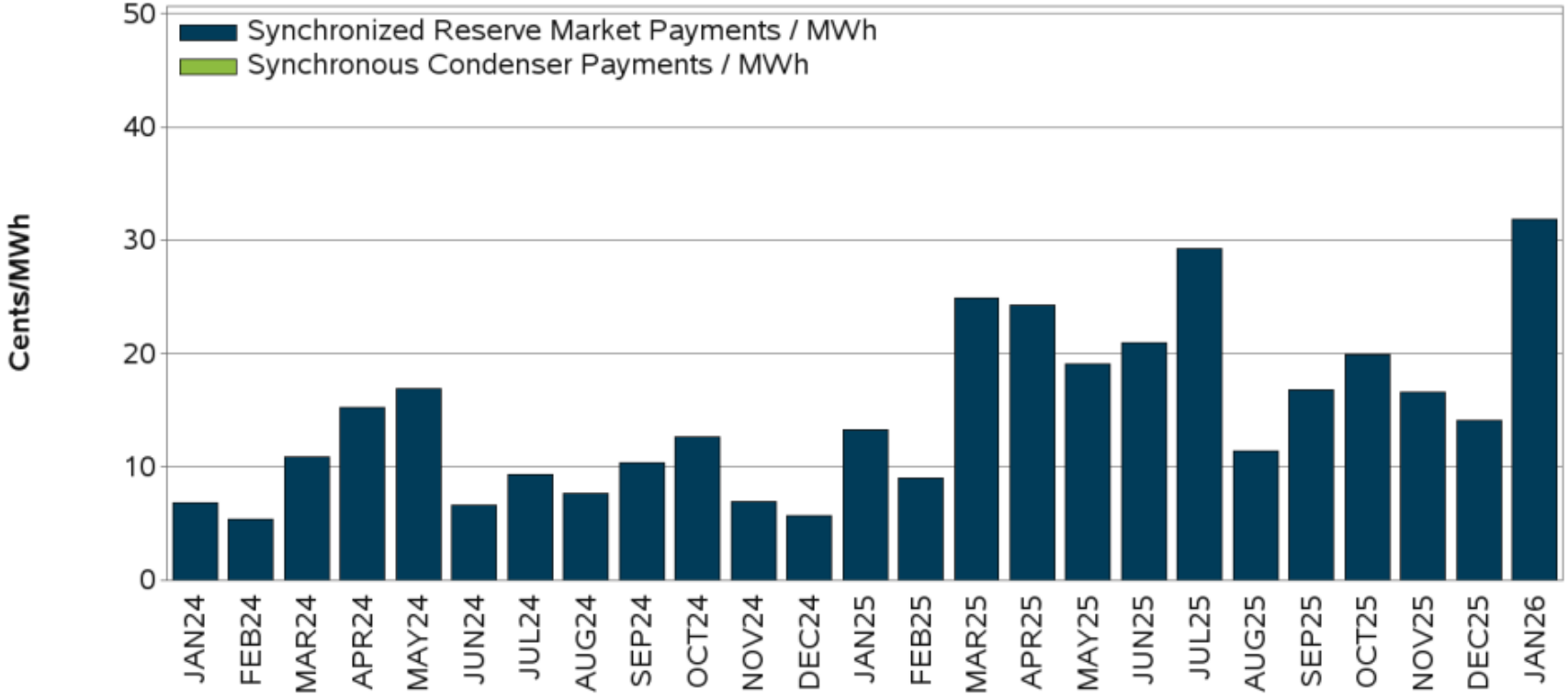
Regulation Costs



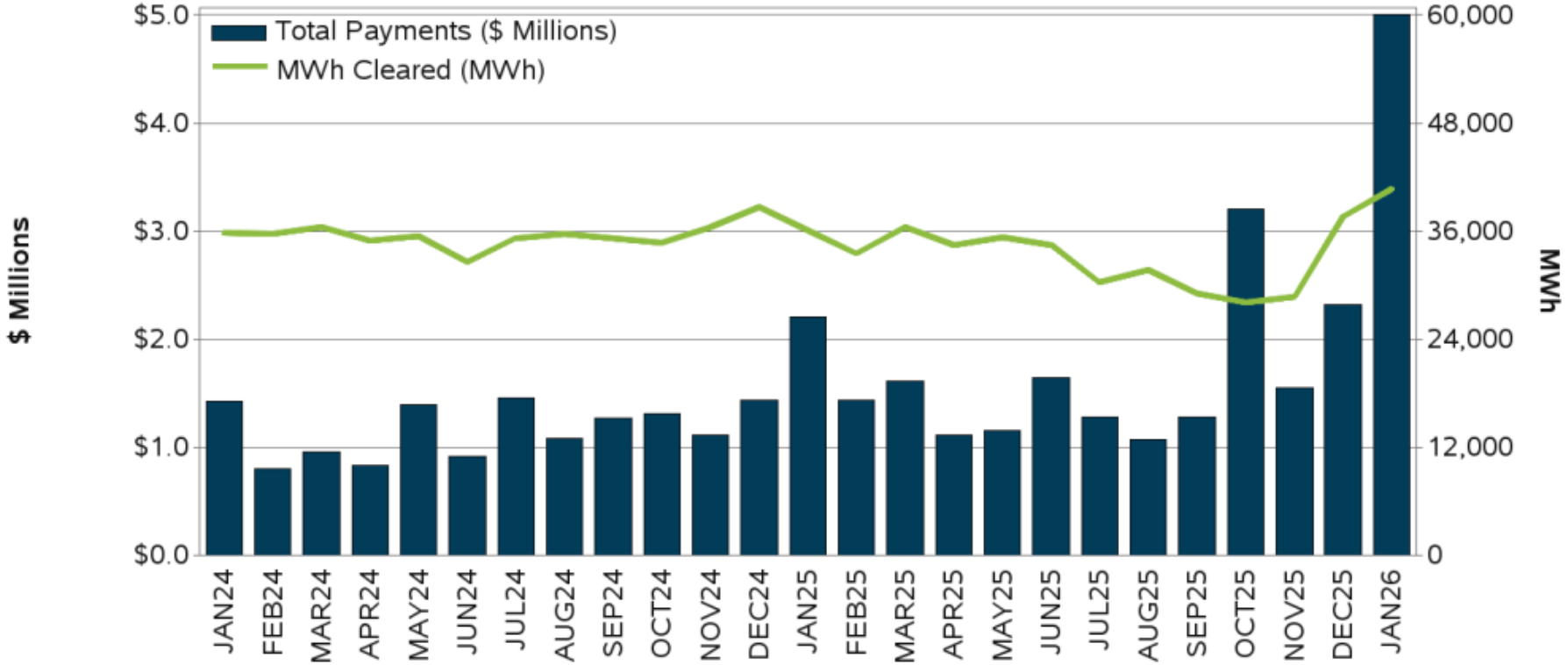
Synchronized Reserve and Synchronous Condenser Costs



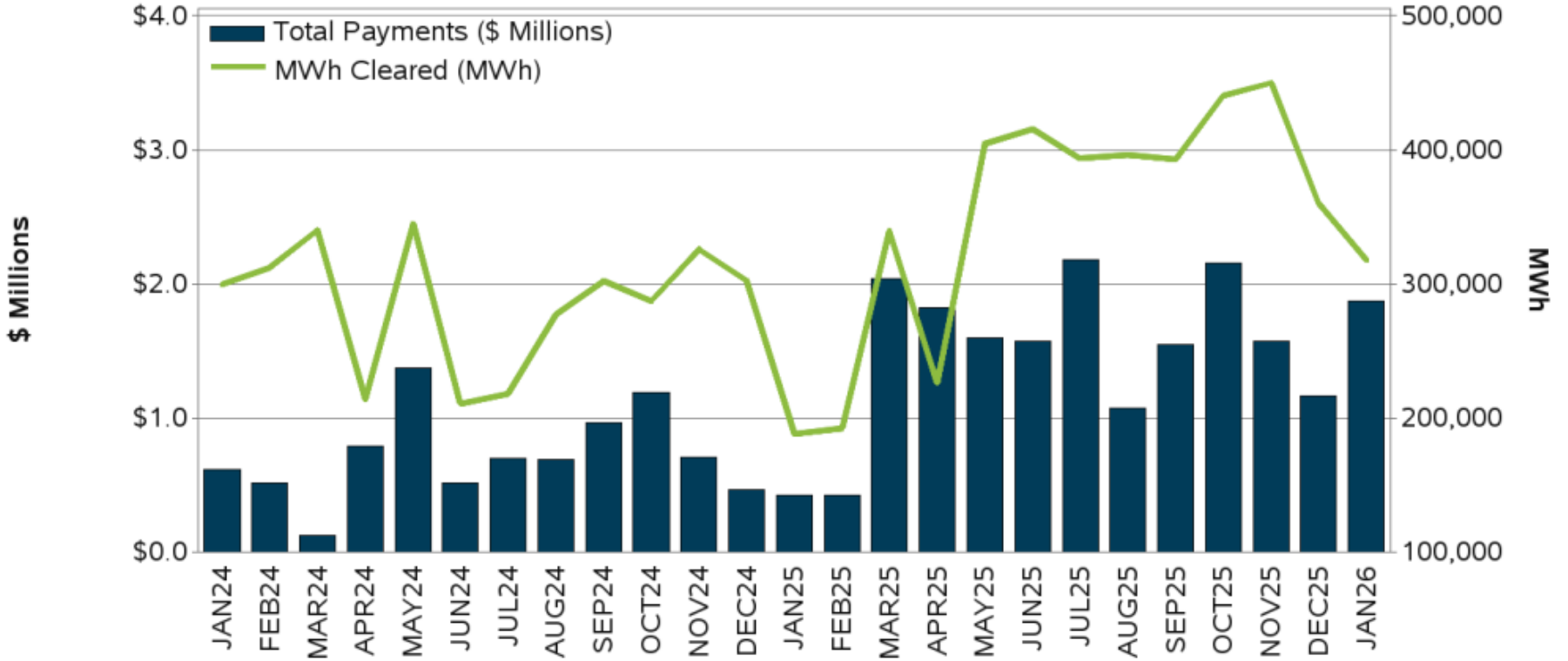
Load-Adjusted Synchronized Reserve and Synchronous Condenser Costs



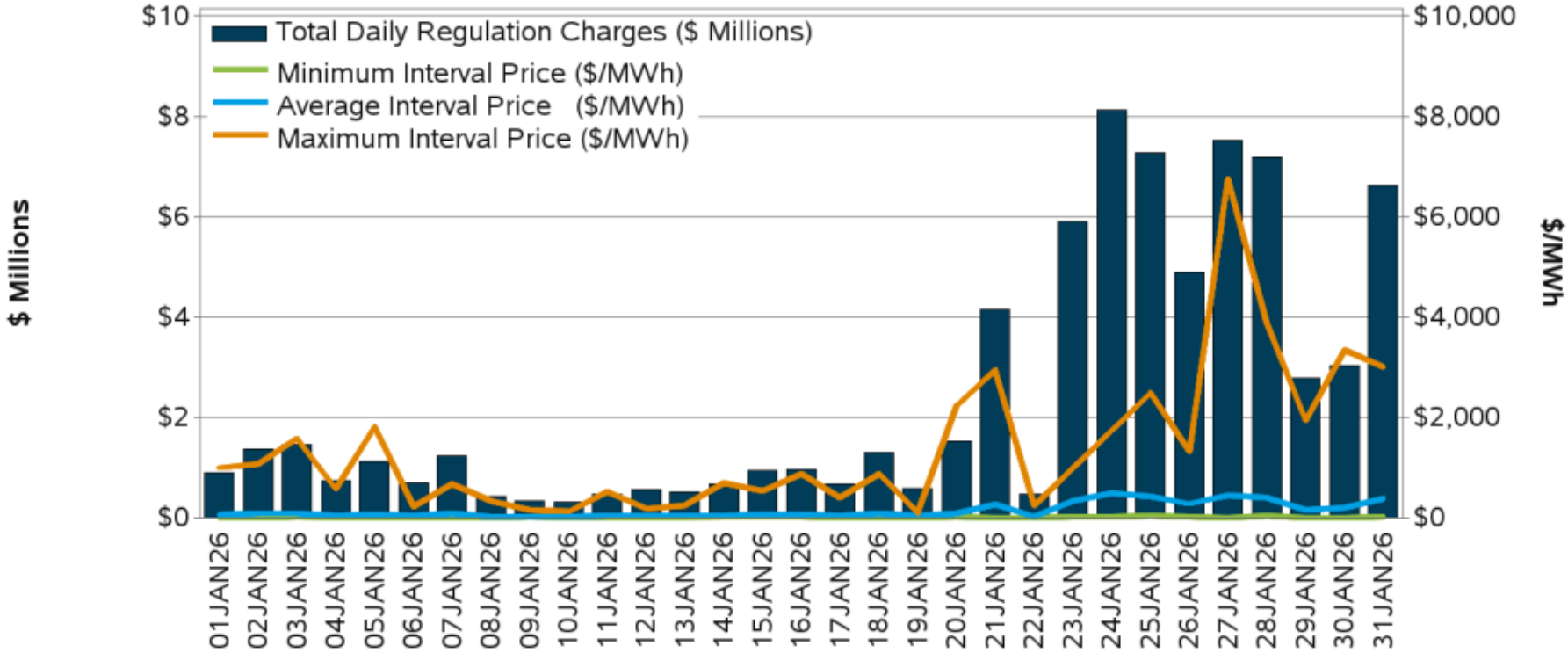
DR Participation in PJM Regulation Markets



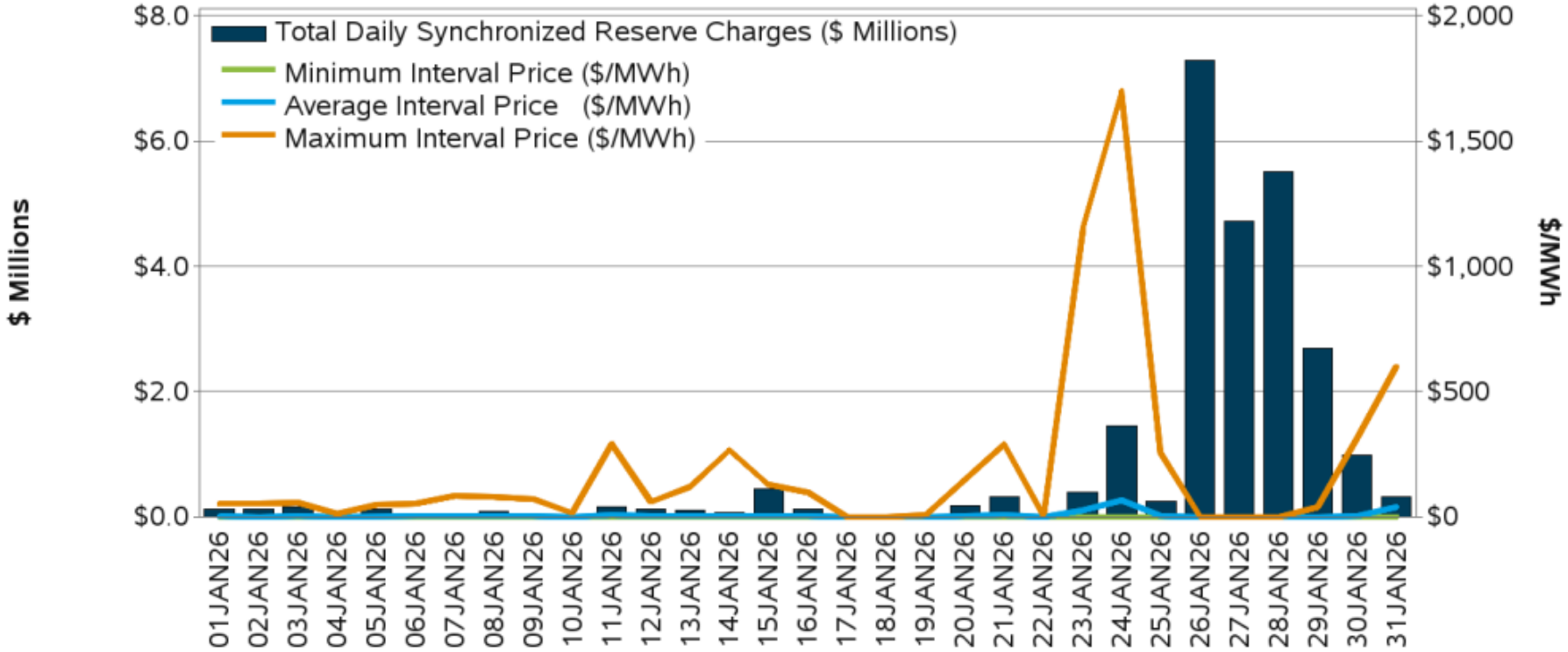
DR Participation in PJM Synchronized Reserve Markets



Regulation Market Daily Prices and Charges



Synchronized Reserve Market Daily Prices and Charges



Contact

Jennifer Warner-Freeman

Jennifer.Freeman@pjm.com

Member Hotline

(610) 666 – 8980

(866) 400 – 8980

custsvc@pjm.com

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