Market Simulation Update

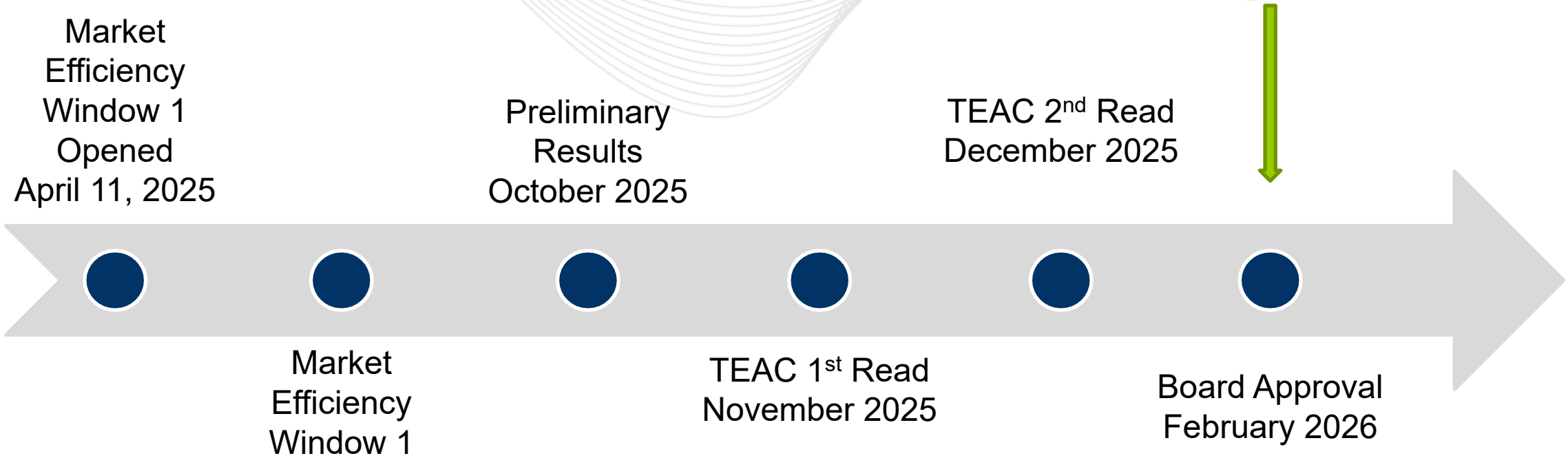
Market Simulation

Transmission Expansion Advisory Committee

February 3, 2026

2024/25 Market Efficiency Window 1 Update

2025 Market Efficiency Timeline

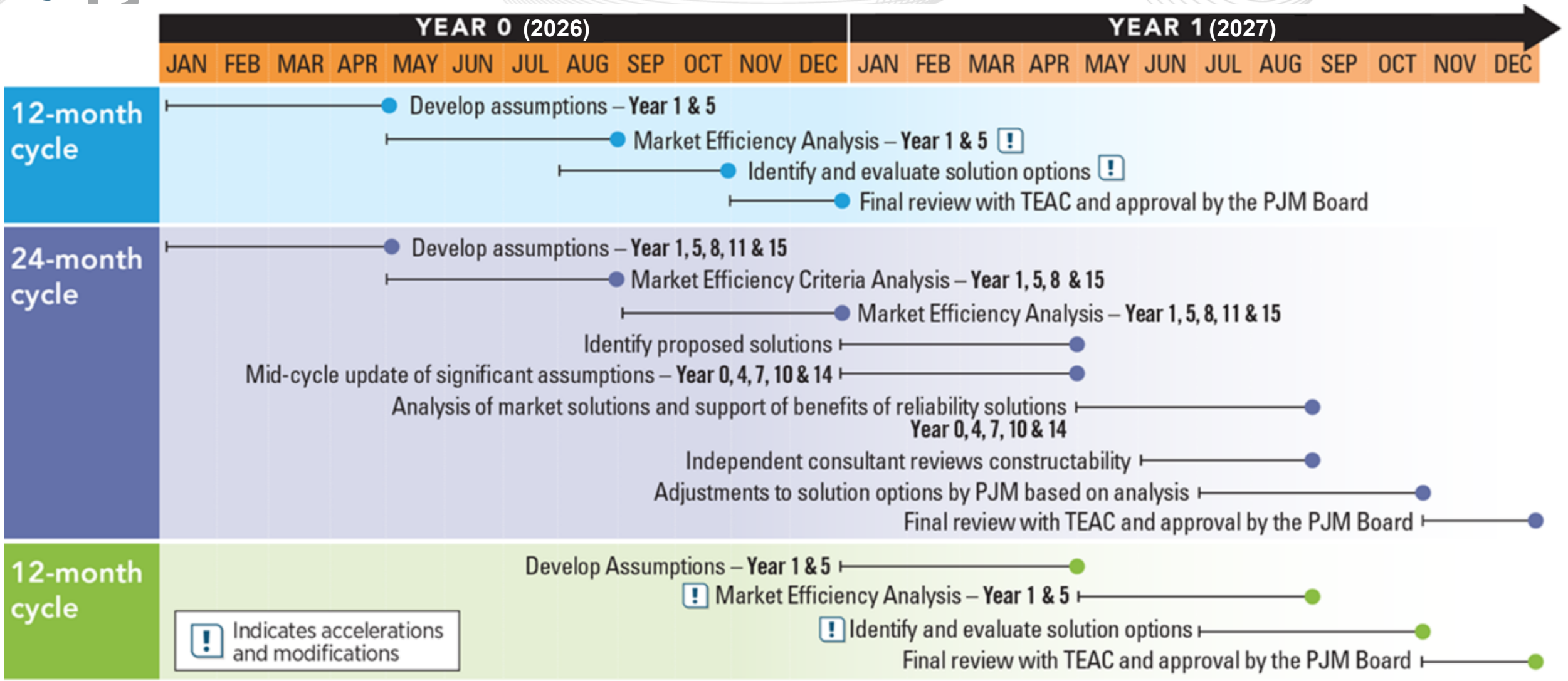


2024/25 ME Window 1 - Status

- 2024/25 Long-Term Market Efficiency Window 1 opened on 4/11/25 and closed 6/10/25.
  - Market Efficiency Base Case, Sensitivity Scenarios, and Congestion Drivers for the window were posted on the Market Efficiency secure page.
- Received 14 proposals from 5 entities.
  - Redacted versions of proposals are posted on the Redacted Proposals page.
- Analysis completed.
  - 1st Read completed during the Market Efficiency Update at the November TEAC.
  - 2nd Read completed during the Market Efficiency Update at the December TEAC.
- Board Whitepaper posted with February TEAC material.

2026/27 Market Efficiency Cycle

2026/27 Market Efficiency Timeline



2026/27 Market Efficiency Next Steps

Step	Target Date
Post Preliminary Base Case	July 2026
Stakeholders Feedback	August – October 2026
Identify Congestion Drivers	September – December 2026
Post Final Base Case and Target Congestion Drivers	January 2027
Long Term Proposal Window	January - May 2027
Analysis of Proposed Solutions	May – September 2027
TEAC Reviews and Board Approval	October - December 2027

2026/27 Market Efficiency Input Assumptions

2026/27 ME Cycle Assumptions Overview

- Study Years
  - 2027, 2031, 2034, 2037, and 2041.
- Model and Input Assumptions
  - Fall 2025 Data Release from Hitachi Energy.
    - Fuel/Emissions price forecasts from Hitachi Energy, Spring 2026 update.
  - Load forecast from PJM 2026 Load Forecast Report.
  - Topology will be based on the final 2031 and 2034 Summer Peak powerflows from the RTEP 2026 24-month cycle.
    - Will include all RTEP baseline projects identified during RTEP 2026 cycle.
  - Generation Expansion will be based on 2026 RTEP Generation Assumptions.
- Financial parameters Discount Rate and Carrying Charge, will be based on the Transmission Cost Planner.

2026/27 ME Assumptions
PJM Peak Demand/Energy Forecast

PJM Peak Load and Energy Forecast

Load	2027	2031	2034	2037	2041
Peak (MW)	160,451	191,017	211,882	228,100	241,416
Energy (GWh)	898,163	1,170,946	1,348,192	1,479,300	1,580,537

Notes: 1.) Peak and energy values from the January 2026 PJM Load Forecast Report Table B-1 and Table E-1, respectively.
2.) Model inputs are at the zonal level. To the extent zonal load shapes create different diversity, modeled PJM peak load may vary.

2026/27 ME Assumptions
PJM Demand Resource Forecast

PJM Demand Resource Forecast

	2027	2031	2034	2037	2041
Demand Resource (MW)	8,147	9,733	10,762	11,501	12,024

Note: 1.) Values from the January 2026 PJM Load Forecast Report Table B-7.

Contact

Facilitator:
Eric Hsia, Eric.Hsia@pjm.com

Secretary:
Joshua Stephenson, Joshua.Stephenson@pjm.com

SME/Presenters:
Nicolae Dumitriu, Nicolae.Dumitriu@pjm.com

Market Efficiency Update

Member Hotline

(610) 666 – 8980

(866) 400 – 8980

custsvc@pjm.com

Revision History

- V1 – 1/29/2026 – Original slides posted.

PROTECT THE POWER GRID

THINK BEFORE YOU CLICK!

Be alert to malicious phishing emails.

Report suspicious email activity to PJM.

(610) 666-2244 / it_ops_ctr_shift@pjm.com