July 14, 2026

FOR IMMEDIATE RELEASE

PJM Auction Manufactures Scarcity on Paper and Sends Customers the Bill

COLUMBUS, Ohio – The Ohio Manufacturers' Association (OMA) today said PJM Interconnection's latest capacity auction shows how speculative demand forecasts and restrictive market rules can manufacture scarcity on paper while forcing electricity customers to pay the price.

The auction for the 2028-29 delivery year cleared at the applicable price cap of $325 per megawatt-day. PJM procured 138,318 megawatts of capacity, about 6,813 megawatts short of its stated reserve-margin target.

That shortfall does not mean the region has only 138,318 megawatts available. PJM reports capacity using derated values that may not reflect a power plant's full contribution during peak conditions. PJM lists 202,288 megawatts of eligible installed capacity across its footprint.

Meanwhile, forecasted demand increased by another 1,375 megawatts, driven largely by utility projections for future data center load.

The results are expected to produce approximately $16.4 billion in revenue for power plants, unchanged from the previous auction but $14.2 billion higher than in recent years.

"PJM is manufacturing scarcity on paper," said OMA President Ryan Augsburger. "It counts uncertain future demand as though it is guaranteed, raises the amount of capacity it says the region needs, limits the generation available to serve that demand and then presents the resulting gap as proof that customers must pay more."

PJM's projected reserve shortfall appears driven by rapidly increasing electricity-demand forecasts that become more speculative farther into the future. At the same time, viable generation remains delayed or excluded through PJM's interconnection and market processes.

The auction added a paltry 525 megawatts of net new generation, the lowest amount to clear a PJM capacity auction in the past 10 years, while hundreds of thousands of megawatts remain awaiting interconnection. More than 6,000 megawatts of new natural gas, solar and battery resources cleared, but those gains were largely offset by reductions in coal generation and demand-response resources.

"This is not simply a question of whether enough power exists," Augsburger said. "It is a question of what PJM chooses to count, how high it sets the target, what it prevents from competing and how those decisions are used to justify billions of dollars in additional customer costs."

OMA said the answer begins with transparency and independent scrutiny of the forecasts used to determine how much capacity customers must purchase.

Ohio Senate Bill 457, the bipartisan Electricity Forecast Integrity Act, would require independent review of utility load forecasts and greater disclosure of the assumptions behind projected electricity demand. OMA said the proposal could provide a model for other states confronting rapid load-growth claims tied to data centers and other large users.
.
OMA also called on the Federal Energy Regulatory Commission and Congress to exercise greater oversight of PJM's forecasting, interconnection and capacity-market practices as customers continue to absorb sharply higher costs.

"At some point, federal regulators and lawmakers must ask why customers keep paying more while PJM's own assumptions and bottlenecks continue to produce the same result," Augsburger said. "Customers should not be handed the bill for a paper shortage created by assumptions they cannot examine and delays they did not cause."

###

The Ohio Manufacturers' Association is Ohio's largest statewide business association composed solely of manufacturers. Established in 1910, the OMA's mission is to protect and grow Ohio manufacturing. It represents manufacturers of all sizes in every subsector of the industry. Manufacturing is Ohio's largest economic sector, employing approximately 690,000 Ohioans and contributing more than $138 billion annually to the economy. Visit ohiomfg.com, or follow us on LinkedIn, X, Facebook and YouTube.

Dave O'Neil
Director, Communications and Marketing
(614) 302-7990
doneil@ohiomfg.com