

ELECTRICITY PRICES TO RISE EFFECTIVE JUNE 2025



Effective June 2025, 13 states in the mid-Atlantic and DC are expected to face a situation where electricity demand will surpass available generation capacity.

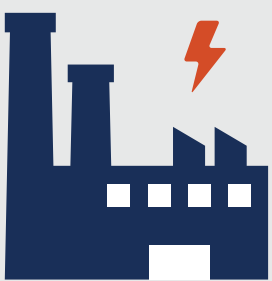
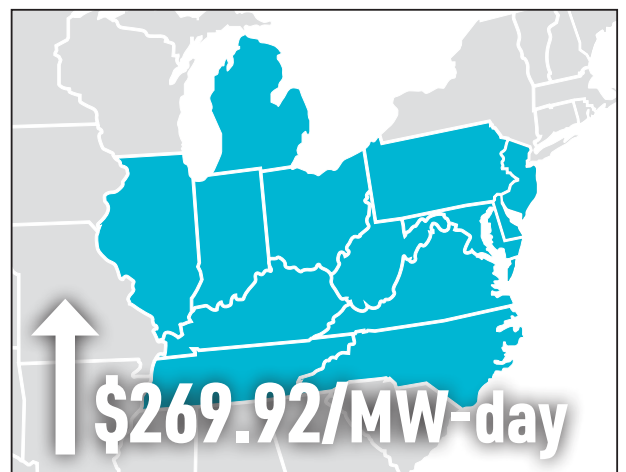
The price increases are unavoidable, however, there are methods to lessen the impact. Now is the time to explore your options.

To support clients, MD Energy Advisors will distribute email updates leading up to the price increase in June 2025. While this introductory email might be a little longer, the rest will be a few tips to on how to mitigate the cost of the unavoidable rise in electricity prices.



First, the facts.

On July 30, 2024, the PJM capacity auction secured generation to meet electricity demand for June 2025 – May 2026. PJM includes 13 states (DE, IL, IN, KY, MD, MI, NC, NJ, OH, PA, TN, VA, WV) and the District of Columbia. The auction resulted in significantly higher capacity rates (\$269.92/MW-day compared to current rate of \$28.92/MW-day) which was a clear signal that there is not enough generation to meet anticipated electricity demand.

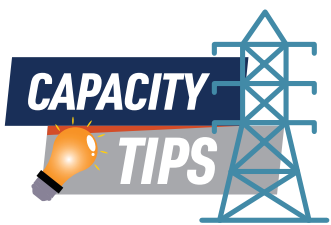


So, what is the definition of capacity?

According to the U.S. Energy Information Administration, capacity is the maximum amount of electric power (electricity) that a power plant can supply at a specific point in time under specific conditions*. Your capacity costs are determined by the amount of electricity that you use in the five peak hours as determined by PJM. This is called your capacity tag (KW).

What does an increase in capacity costs mean for you?

Let us give you just an idea about how this impacts a building with a capacity tag of 795 kW...it's an estimated incremental annual increase of \$69,000!



You can't control the price of capacity, but you can control your KW used to set your capacity. Mindful usage during potential peak days can be impactful on your overall capacity costs. Remember peak hours are typically between the hours of 3pm - 7pm.

Find out how @MD Energy Advisors can help to support a lower incremental increase.



To connect with a MD Energy Advisors teammate regarding capacity, please contact **Christine Ciavardini**, Client Relationship Manager, at cciavardini@mdenergyadvisors.com or 610-737-2257.