

Pennsylvania Governor Josh Shapiro Files Lawsuit Against PJM to Prevent Energy Price Hikes, Fight for Pennsylvania Consumers

Shapiro Administration appeals to energy regulators to stop PJM from raising costs by over \$20 billion on 65 million customers, including 13 million Pennsylvanians

Governor Shapiro and his Administration continue their work to fix PJM's broken process for building more power generation to ensure reliable, affordable energy for Pennsylvanians

December 30, 2025

Harrisburg, PA – Today, the **Shapiro Administration** took action to save consumers over \$20 billion over the next two years, standing up to defend Pennsylvanians against unnecessary increases in their electricity bills. **Governor Josh Shapiro** filed a complaint with the Federal Energy Regulatory Commission (FERC) against PJM Interconnection, criticizing flaws in PJM's capacity auction design that threaten to impose significant new price increases.

Left unaddressed, PJM's next capacity auction scheduled for July 2025 could result in over \$20 billion in unnecessary energy costs for Pennsylvanians and consumers across the region. Because PJM is not currently allowing new power plants to request connection to its grid, and due to other flaws in its capacity model, PJM capacity auctions are leading to record-high costs without safeguarding reliability.

Governor Shapiro and his Administration are committed to getting more power projects built in Pennsylvania as part of an "all-of-the-above" energy strategy that creates jobs, reduces emissions, and ensures safe, reliable, affordable power for Pennsylvanians for the long term.

[Read the full complaint here.](#)

This action continues Pennsylvania's long legacy of energy leadership in the United States. The Commonwealth is a leading producer of energy and the nation's largest exporter of electricity – nearly a century ago, Pennsylvania helped to found PJM, and today still serves as a generation backbone for the region. Pennsylvania power flows to homes and businesses throughout the northeast and mid-Atlantic.

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“Here in Pennsylvania, we are proud of our legacy as an energy leader and net energy exporter, powering homes and businesses across the United States,” said **Governor Shapiro**. “As the demand for energy continues to increase, my Administration is taking action to demand PJM fix its broken processes and adopt common sense reforms that will allow us to produce more power and meet record-high electricity demand, while keeping costs low for hardworking families. My Administration stands ready to support PJM in implementing these reforms to ensure safe, reliable, and affordable power for consumers for the long term.”

As the nation's largest regional transmission organization, PJM – founded and headquartered in Valley Forge, PA – coordinates wholesale electricity for 65 million people across 13 states and Washington, D.C. PJM operates a capacity market, which means that operators are paid to commit to providing energy in the future. Over the last several years, demand for energy has risen rapidly but PJM has been slow to allow new power sources onto its grid – and as a result, PJM capacity prices have skyrocketed.

PJM's 2025/26 capacity auction, held in July 2024, resulted in costs of \$14.7 billion – an over 800 percent increase from the prior year – with costs expected to rise further and be paid by customers in Pennsylvania and in other states across PJM. PJM recently admitted to FERC that its auction prices are too high, but its response has been to offer half-measures and promise future fixes in the years ahead. That may leave consumers footing the bill for over \$20 billion in unnecessary price increases. Pennsylvanians cannot afford PJM's delays and should not have to foot the bill for its unwillingness to make the reforms necessary to avoid unnecessary price hikes.

As the complaint describes, "it is currently physically impossible for new resources to respond to high [auction] signals and enter PJM's marketplace." Under these conditions, PJM's auction rules are misfiring, producing record price increases that do not benefit consumers or assure grid reliability. In fact, PJM's rules are so poorly suited for this moment that consumers may be expected to pay prices that rise a staggering 30,000 percent above the industry's metric for the highest reasonable price for reliability.

The Shapiro Administration's complaint offers specific proposals that can fix PJM's capacity market immediately, before the next auction in July 2025. If FERC orders PJM to adopt these changes, consumers will save more than \$20 billion, right-size the capacity market's maximum price to stabilize the market, and avert potentially the most expensive capacity auction result in the history of U.S. energy markets.

This complaint follows over a year of engagement with PJM. Governor Shapiro has [repeatedly](#) pressed for solutions that address increasing costs, urging PJM to:

- [Reopen their closed interconnection queue](#) to get new projects online, like the restart of Three Mile Island in Pennsylvania;
- [Rely on member states to help determine which projects are ready](#) and to speed up project approvals like the Governor has done in Pennsylvania;
- [Implement new best practices established by FERC](#) in order to be better prepared in extreme weather scenarios and ensure affordable, reliable power year-round; and
- [Lower capacity price caps, among other reforms.](#)

The Shapiro Administration's "all-of-the-above" energy strategy will create jobs, reduce emissions, and ensure safe, reliable, affordable power for Pennsylvanians for the long term. On top of his proposed reforms for PJM, [Governor Shapiro's energy plan](#), if adopted by the General Assembly, will help to cement Pennsylvania's place as one of the world's top energy producers and insulate consumers from rising utility costs as a result of global instability and foreign wars.

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