Representative Craig Williams Energy Articles

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Pennsylvania Has Arrived at an Energy Cliff

I am often asked what can be done in the legislative space about our surging electricity bills. That is a very complicated subject, so I have decided to write for you a series of articles to explain what is suddenly happening to our market and what solutions are being considered. This first article is about some basic concepts to set the stage.

It is very important to know that our evolving technology and the manner in which our current energy market operates are most of the explanation. Of course, those markets are also heavily influenced by policy decisions, which we will tackle in these articles.

For context, I am heavily involved in the discussions about next steps to address exploding consumer prices from which I draw my knowledge and pass along to you:

- I sit on the Energy Supply Task Force (ESTF) of the National Conference of State Legislatures (NCSL), where I have worked for the last five years. The ESTF is meeting again in November, and I expect this will be our main topic of conversation.
- I represent NCSL on the Executive Committee of the National Council of Electricity Policy (NCEP) (a Department of Energy and National Association of Regulatory Utility Commissioners initiative and organization), where again this is a core issue now. I will be a guest speaker on energy supply issues and agency responses in December.
- I currently sit on the House Energy Committee and also the House Consumer Protection, Utilities and Technology Committee, where I am the Republican Chairman of the Utilities Subcommittee. We are addressing these issues in both committees with varied emphasis and results.
- Based on my background as an energy attorney, I taught National Energy Policy at the University of Pennsylvania for years as a visiting professor.

Here is some of my recent activity on this issue:

- Two weeks ago, I participated in a legislative discussion at PJM Interconnection LLC, our regional transmission organization which coordinates the movement of wholesale electricity in the 13 states and District of Columbia in our region. We specifically discussed the recent capacity auction and what policies we need to address the electricity deficit.
- I traveled last week to participate in a national meeting on our growing energy supply problem, exchanging ideas with some of the nation’s leaders on the issue (where I also spoke directly with Senator McCormick about the scale of the problem).
- I am engaged with a multi-state group of legislators developing a recommendation for PJM in response to federal rulemaking on this issue. I am now on the Steering Committee of that group.

• I visited the Crane Clean Energy Center in Dauphin County (formerly Three Mile Island) to see their work on reopening the plant under a 20-year agreement with Microsoft.

In short, I am working very hard to help you and us find a well-reasoned, balanced solution.

I find that reducing the problem to one sentence often helps with finding answers. Here is my attempt:

We do not have enough electricity to meet the expected demand.

Even a casual observer can see that our tech-heavy society with its streaming services (as one example) and emergence of large data centers is driving demand up like a rocket ship. If electricity supply (meaning "generation") does not increase dramatically, that means that demand will badly outstrip supply. Remember one of the basic principles of economics says that increased demand on limited supply means that price will go up. And that is exactly what is happening.

Here is one significant example expressed as simply as possible. We have a "capacity" market which pays electricity generators for their commitment to being online when their electricity is needed (not payment for the energy they actually produce). PJM administers the auction for our capacity market. For the 2025/2026 auction year, capacity prices jumped from $28.92/MW-day to about $269.92/MW-day. Even if the nomenclature of the market is hard to understand, it is not hard to see that an almost 10X price increase is going to be paid by consumers. The auction price for the 2026/27 delivery year was about $329/MW-day, another huge increase. One estimate forecasted a 10-20% increase in residential electricity bills as a result.

Governor Shapiro sued PJM over those auction prices, and a settlement established a temporary cap on the capacity price. It is still in the range of 10X more. And that is a one-time trick. We have to address the long-term policy problem.

So, why has the capacity price exploded? We answered that question: our anticipated demand far exceeds our available electricity generation. We know that because the local utilities are responsible for predicting their anticipated demand, which PJM then uses to calculate capacity needs for the region.

Of course, the knee-jerk reaction in the Pennsylvania House was to require the Public Utility Commission (PUC) to establish a regulatory litigation process to challenge the utility estimates as though we can strong-arm a different conclusion. That will result in negotiated estimates with the PUC, consumer advocates, environmentalists and other parties to the litigation, which will then start a new pricing war over the lack of accuracy and certainty in the demand estimates. In

other words, if we can no longer rely on professional estimates because of a litigated process, the market will build in a risk cost.

This is but one example of the tensions around policy solutions on market realities.

Next week, I will write about how Microsoft and a Pennsylvania nuclear generator have addressed their electricity needs. Here is a teaser: it is a form of Bring Your Own Generation in the case of data centers, but consumers could still be left paying for transmission and distribution costs.

It is a tough problem, and I work on it every day!

November 7, 2025

Energy Update: Anticipated Market Forces on Prices and Expected Business Response

Last week we discussed the reasons behind the fast-approaching energy cliff, which is already increasing our electricity prices as reflected in our escalating bills. The problem of energy affordability is not a future hypothetical; it is here.

Recall that we reduced the problem to this simple sentence:

We do not have enough electricity to meet the expected demand.

As we previously said, our tech-heavy society with its streaming services (as one example) and the emergence of large data centers is driving demand up like a rocket ship. If electricity supply (meaning "generation") does not increase dramatically, that means that demand will badly outstrip supply. Remember one of the basic principles of economics says that increased demand on limited supply results in price increases. And that is exactly what is happening. We gave several examples of the nearly ten-fold increase in one auction of the capacity market.

I recently toured the Crane Clean Energy Center ("CCEC") in Dauphin County (previously Three Mile Island), owned by Constellation. You may have seen CCEC in the news recently as Constellation and Microsoft entered into a 20-year power purchase agreement to reopen the viable nuclear power plant. That plant was previously decommissioned for economic reasons. (The plant which suffered a meltdown remains shuttered and will not re-open.) The parties agreed on bearing the costs of reopening the plant, and we were told that Constellation expects to reopen in 2027. This will deliver for Microsoft almost a gigawatt of clean energy for their data center needs. (For transparency, I used to work for Exelon more than a dozen years ago, before

their merger with Constellation.)

As we discuss the economics puzzle of the energy crisis we face, this is the most important puzzle piece: because CCEC was a previously decommissioned plant, it may be brought online relatively quick. The mechanical renovations are well underway, the refueling is scheduled, and the regulatory approvals are greatly accelerated because the plant was previously approved and operational.

In the energy policy world, we call this effort by Microsoft **Bring Your Own Generation ("BYOG")**. Rather than competing with current electricity customers for a share of the PJM electricity pool, these data companies agree to bring their own separate sources of electricity generation to the grid. There is no requirement that the data center be sited next to the generation source, so there is still an open issue about who will pay for the data-center transmission and distribution infrastructure build out. That is a regulatory issue on which I am working now in a larger multi-state legislative working group and will write about that later.

Here is the problem: there are not very many decommissioned nuclear plants which may be brought back online to serve the needs of data centers through BYOG. In fact, there are not enough decommissioned plants of any generation source to meet the expected demand.

That means that, under the BYOG model, data center companies would need to build (through energy companies) brand new generation plants somewhere in the PJM territory. (For our purposes, we will only talk about our energy market. There are others in the country where the economics are very different due to the policy/regulatory environments.) Some plants, like natural gas, take years to build (likely 5 to 7 years in the current regulatory state). Nuclear power takes decades to build due to safety and regulatory requirements, which is why we have built so few new nuclear plants over the last 50 years or so.

The timeframe needed to build new generation coupled with the immediate need for massive electricity is the whole reason why capacity prices are spiking. It is the problem we need to solve immediately.

The nightmare scenario for the residential or small business electricity consumer is when generation companies use their existing generation assets to enter into long-term power purchase agreements with data centers, thereby taking that power (effectively) off the consumer grid. With that move, the already limited supply of electricity becomes even more limited, and prices shoot up further. That is one of the current regulatory realities we are rapidly discussing at the state, regional and federal levels.

And affordability is the omnipresent issue in all of these discussions. I am involved in many

conversations about how we might pass laws and regulations which protect consumers from price increases by limiting or curtailing the use of electricity for data consumption. For regulatory delimiters or restrictions, we have to ask what is lost. For example, one source I have reviewed says that Amazon Web Services (AWS) accounts for 30% of the global cloud infrastructure, serving more than 4 million businesses on four continents. More than half of those are in North America. Customer growth as increased 357% in five years. Source.

So, as a policy matter, if we curtail power to these companies by way of removing reliable power from AWS (for example), what services are we willing to lose? NASA is on the AWS platform, as is Netflix. I recently learned the hard way when I could not buy tickets online from Amtrak that they are on the AWS server during their recent outage.

We are already demanding data services in ways we are not aware. As a result, the emergent need for new generation to power those services is already here.

Next time, we will discuss how state policy impacts (positively and negatively) the problem of electric generation resource adequacy.

November 14, 2025

Energy Update: Ending RGGI and Reopening Pennsylvania for Energy Growth

Over the last two weeks, we have discussed how your electricity bills have been impacted by the capacity market and why, as a matter of economics, we must increase electricity supply immediately. In short, our capacity market is reflecting through price the anticipated need for substantially more electricity than we currently generate. Because we are short on electricity, through simple demand-supply economics, price is going up. We are already seeing that in our electric bills.

Note: let's take a pause to dispel a myth. Even though your electric bills come from your utility (for most of us, PECO), they do not set either the energy or capacity prices. They are obligated to pass those prices directly to you with no interference and no markup. In fact, even the Pennsylvania Utility Commission encourages consumers to shop for their electricity on the retail market. And even that payment is placed on your utility but does not actually go the utility.

We left off last week with a promise to talk next how policy decisions impact your electricity costs. I had some insight that we might address in the budget that very issue. And we did.

This next discussion simplifies a complicated market predicated on load forecasting, but the simplification will help with understanding. Like many items on the futures commodity market,

futures prices respond to news. Perhaps you remember the 80s move “Trading Places”? The pivot in that movie was the release of the crops report for oranges, which had an immediate impact of the commodity futures price on oranges.

Energy works roughly the same way. Long-term wholesale contracts for energy mitigate future costs and the capacity market is trying to anticipate the electricity load need. And it all responds to news, especially as it relates to production and cost.

The news of the day is that Pennsylvania will no longer put an estimated $1 billion tax on electricity generated in the Commonwealth using natural gas. The General Assembly and the Governor ended Pennsylvania’s participation in the Regional Greenhouse Gas Initiative (RGGI) with astounding bipartisan votes. In fact, only one senator and one representative in the total of Delaware and Chester counties voted against exiting RGGI. That is an amazing statement about Pennsylvania’s energy and economic future.

Let’s again, quickly dispatch one silly argument already being made in retort: “well, there was never really a tax, so we didn’t do anything.” While it is true that the executive orders of Governors Wolf and Shapiro were tied up in the courts as being an unconstitutional tax without legislative approval, that policy decision to enter us into a cap-and-trade tax lingered like a dark cloud over the Commonwealth. This is called regulatory risk in the business world and prevented (as a business decision) new gas-fired generation from coming online, which is now among the cleanest and cheapest power we may create.

Ending RGGI opens the door to new investment. It signals to the energy sector that Pennsylvania is no longer penalizing power generation. Companies may now evaluate projects based on market fundamentals rather than a tax deterring investment in our state. This correction alone gives us a fighting chance to increase generation before demand overwhelms the grid. That means jobs, revenue, and endless future business opportunities in Pennsylvania.

Most importantly, this is positive energy news. That means the markets should respond. Which in turn, should we get electricity generation which follow these policy moves, you should get relief on your electricity bills.

That is the calculus made by the Governor and Senate and House Democrats and Republicans.

November 21, 2025

Energy Policy: Pennsylvania’s Economic Opportunity!

As I have previously written, I sit on national boards and committees which are addressing the need for more electricity generation, brought on in part by the emergence of big data centers.

This week, I met with my Electric Supply Task Force (ESTF) of the National Conference on State Legislatures in Washington, D.C. and also with my Executive Committee of the National Council on Electricity Policy. The conversations are all the same: how are we going to build more electricity generation; how are we going to safeguard ratepayers from cost impacts; and how will we address reliability with ever-increasing competition for electricity resources?

I hope you find this part comforting. All of my discussions with national experts and advocates (they are not the same thing) are largely repeating what I have been writing to you. So, you are getting real-time insights into the policy debate.

Over the last few weeks, we have discussed the growing imbalance between electricity supply and electricity demand. That imbalance has already driven capacity prices higher, which is why your electric bills reflect rising costs. In Pennsylvania, we resolved one major policy barrier when we ended our participation in RGGI. That decision removed a tax risk that stood as a black cloud over new generation in our state for years. Today, I want to explain the next major challenge and the major opportunity attached to it.

Again, we are in a period of enormous, expected demand for electricity. Contrary to what our instincts might tell us about electricity growth over the years, demand has actually been very flat for decades. That flat growth is primarily what allowed us to grow load very little and replace small quantities of our load with renewables. But now, every online retail transaction, medical record system, streaming service, school platform, financial network, and government database (including NASA) runs through data centers. The largest companies in the world are building them at a pace that has already outstripped the available power supply in several states. Pennsylvania now stands at the center of that national conversation, perfectly poised to take full economic advantage.

If done correctly, that economic benefit would be reflected in your electric (and perhaps gas) bill. **That has become my policy mission on your behalf in all of these venues.**

Unlike many other states in our regional power market, Pennsylvania has the natural resources to support new generation. We have the workforce, the geographic advantage, and the industrial infrastructure to compete for the next decade (or more) of electric generation investment. That investment brings long-term jobs, tax revenue, construction contracts, and billions of dollars in private capital. It also helps stabilize electricity costs for consumers when it results in new generation built here rather than elsewhere.

The challenge is simple. Data centers and electrification require massive, uninterrupted power. If Pennsylvania does not build new power plants fast enough, companies will compete with us – the consumer – for limited electricity supply. That scenario pushes residential and small business

bills higher.

The only responsible solution is to increase supply. If we do not build it, someone else will. That is an inescapable conclusion. As I pointed out in one of my meetings, those barking loudest about data centers go home and watch streaming TV or doom scroll social media – data-heavy consumer conveniences. The choice is not about curtailing data. The choice is whether data centers move to China using coal-fired electricity generation plants or do we build out the infrastructure here at home.

If we position ourselves correctly, Pennsylvania may capture a corner on the electricity generation market. We are already one of the largest electricity exporting states in the country. We are the behemoth in our regional grid. (I will write later about what I have learned about Wyoming and how they are driving their data center market.) New generation lowers the pressure on the capacity market. Lower capacity pressure translates directly to lower long-term costs for families. Put simply, when we build more power, consumers benefit – we all benefit.

I will write next week about what neighboring states, who are energy poor, are contemplating. We have a chance to do it better because of our electricity production.

December 5, 2025

Energy Policy: Federal Rulemaking to Address Consumer Electricity Costs

I have joined a coalition of state elected officials across the PJM region to demand that PJM take a position on joining large load customers to our grid.

If you have been following my series on energy, you know that we have covered a lot of waterfront about why our electricity prices have suddenly spiked.

Here is a very brief recap of the discussion thus far: *

• According to the U.S. Energy Information Administration (EIA), electricity demand has remained relatively flat for the last 25 years in part because of our national emphasis on energy efficiency. Our electricity generation reflects our demand, and generation has consistently fluctuated between 300-400 gigawatts, spiking during our summer need for air conditioning and then returning to a baseline. It has been a very predictable market.
• During that time, coal generation has trended down consistently; nuclear has been completely flat (because we have not built much new nuclear); hydroelectric has remained flat; wind and solar have grown somewhat relative to the total generation mix; and natural gas generation has grown substantially. (Source: EIA)

• **“If demand has remained flat, then why am I seeing a big jump in my electric bills?”**
  o It is largely due to the **capacity market** and not the cost of actual power. The capacity market is the price we pay for the promise of future power: we pay power plants to promise that they will be available in the future, even if we don’t need them every hour of every day.
  o Think of the electricity **capacity market** like paying a fire department. We are not paying the fire department for how many fires they actually put out next year. We are paying them to **be ready**, with trucks fueled and people awake, so that *if* your house catches fire, someone actually shows up.
  o Electricity works the same way. We don’t just need power plants that generate electricity today. We need enough power plants **ready** for the worst-case moments, like a surge in demand, summer heatwaves or a polar vortex.
  o So, the capacity market is payment for a promise to have electricity available. The price of that "promise" fluctuates on what forecasters estimate will be our future demand.
• And there reveals the problem: forecasters are now accounting for substantial increases in demand based on electrification and the societal demand for data – and therefore, data centers. The price **increase** of the capacity-promise in **one auction** was almost ten times (10x) the previous price. It is pure supply and demand: there is not enough generation online to serve all of the needs, so the price to reserve the capacity-promise shot up.
• Those costs are passed along directly to us consumers by the utilities with no optionality for them to avoid passing along the costs.
• The simple economics problem suggests we need new generation immediately. **We do not have enough electricity to meet the expected demand**.
• Part of the reason we do not have enough electricity generation in Pennsylvania is because the last two Governors entered us into the Regional Greenhouse Gas Initiative (RGGI) by executive order. RGGI would place a carbon tax on natural gas generation. That tax eats into the profit of generating electricity, so new natural gas generation was largely not built in Pennsylvania. Those executive orders were rejected by the Commonwealth Court, but the Pennsylvania Supreme Court has been sitting on the issue. So, while RGGI has not been implemented in Pennsylvania, the regulatory uncertainty has caused natural gas companies to pass on new generation. They were simply waiting for a favorable economic environment.
• The General Assembly recently voted in an overwhelmingly bipartisan vote (through the budget) to end our involvement in RGGI, and the Governor has signed that into law. It is a huge economic win for Pennsylvania.

While all of this was happening, I have been working in several groups to address consumer electricity costs brought by the spike in capacity prices.

As you have read before, I like to reduce problems to their simplest forms. Here are my sequenced questions (which we all in the policy world are trying to answer):

• If we do not have enough generation to meet demand, who is going to build it?
• Who is going to pay for that new generation build?
• Who is going to pay for those large customers to connect to the grid (transmission and distribution)?
• If we are going to limit the kinds of generation that may be built, can we possibly build enough to meet the expected demand? What will that do to our electricity prices?

• If we cannot build enough fast enough, what happens to grid reliability for consumers?

The U.S. Department of Energy (DOE) directed the Federal Energy Regulatory Commission (FERC) to engage in rulemaking to set rules for interconnecting data centers and other large loads to the transmission grid. That has sparked a large debate about whether the federal government has jurisdiction over our regional grids and the processes for setting electricity (utility) prices at the state level.

The idea was to push regions to plan earlier, assign costs more fairly, and stop pretending these giant demands appear out of thin air. DOE's pitch was basically: *let's get ahead of the tidal wave before it hits the beach.*

PJM initiated its own process to respond to the proposed rulemaking by FERC. I was a part of proposals to PJM. But at their meeting to review the proposals, PJM did not accept a single one. They agreed the problem exists, but they rejected all the solutions on the table because none of them, in PJM's view, protected their states' cost structures or gave PJM enough control to manage reliability without opening the door to massive cost-shifting. PJM acknowledged the challenge, then voted down every plan because each one came with political, financial, or governance risks they refused.

I joined a letter from a multi-state legislator coalition (based in part on my membership in the Energy Supply Task Force of the National Conference of State Legislatures) that demanded that PJM take a position, but they did not do so before the deadline for FERC submissions.

The next capacity auction is next summer. We need a solution before it arrives.

Next, we will discuss some of the possible solutions. Teaser: As of now, I favor solutions which involve BYOG (Bring Your Own Generation) by the large-load customers. Wyoming has the cleanest version of this plan already in place, and they are building dozens of new data centers and boosting their state's revenues as a result.

January 9, 2026

Protecting Pennsylvania Ratepayers as Demand Grows

Over the past few months, I have written about why electricity prices in Pennsylvania and across the PJM region are rising and why this problem is already affecting households and small businesses. Below is a brief summary of the core points we have covered thus far, organized in a sequenced progression.

• Electricity demand is forecasted to rise rapidly for the first time in decades, driven by data centers, vehicle electrification, and a technology-dependent economy, while electricity generation has not kept pace.
• Because supply is not keeping up with expected demand, the market is responding through

sharply higher prices, consistent with basic economic principles.
• The most visible signal of this imbalance is the surge in PJM capacity prices, which pay generators to be available in the future. Those prices increased nearly tenfold in once recent auction.
• Those capacity costs are passed directly to consumers by utilities, which do not set the prices and do not profit from them, explaining why higher bills are appearing now.
• Large electricity users, particularly data centers, are entering the market at a scale that can strain the grid and further increase prices if they rely on the same limited supply as consumers.
• The only durable solution is to increase electricity supply, not to attempt to regulate or litigate away demand projections.
• Ending Pennsylvania's participation in RGGI reduced regulatory uncertainty and reopened the door to new generation investment, while approaches such as requiring large customers to bring their own generation offer a way to protect consumers.

These conclusions lead directly to the next phase of the discussion. If new generation is required, we must decide who builds it, who pays for it, and how large new loads connect to the grid without shifting costs onto families and small businesses.

Without writing like a technocrat about rulemaking processes and the nuances of the various positions, let me say this easily and frankly: the whole issue is about who is going to pay for the various pieces of the new generation build?

> **In December, I spoke on a panel addressing the National Council on Electricity Policy nationwide. My emphasis was again precisely this issue: who will pay?**

Let's imagine a scenario where a large-demand customer wants to build a facility in the middle of Pennsylvania a hundred miles away from the nearest electricity generation plant. If the long-term power agreement between Constellation and Microsoft is any indication, one of these customers could consume the power of an entire nuclear power plant. So, new generation ***must*** be built to accommodate them and us (the ratepayers).

The argument advanced by the large power generators (those who make the electricity) is that they should be free to negotiate long-term power purchase agreements with whomever they want. Afterall, the power arguably belongs to the company and its shareholders, as it is not a public asset in a deregulated state like ours.

Think of the arrangement between a large data user like a social media giant and a very large power producer. Both have financial resources seemingly facing exponential growth. As a business matter, nothing would make them happier than entering into long-term agreements for

the large consumer to purchase all the power they need from one generator for the next twenty years at a negotiated price. Such an arrangement mitigates market risks for the generator, and it mitigates reliability, regulatory and market risk for the large consumer. In fact, the large consumer would certainly pay a premium price today to have business certainty into the future.

And as an aside, recall that Three Mile Island Unit 1 closed in September 2019 for economic reasons (not safety). Cheap natural gas, which sets the price of power, suppressed wholesale power prices. The market did not value always-on nuclear power, so, Unit 1 was shut down. Constellation (the now-owner of Unit 1) entered into a long-term power purchase agreement with Microsoft to restart Unit 1 via the renamed Crane Clean Energy Center. (Important side note: Unit 2 has been shut down since the incident in 1979 and is in long-term decommissioning. It is under separate ownership and is not being reopened.)

So, there are economic reasons for both large generators and large consumers to reach long-term agreements, stabilizing their costs and mitigating long-term risk.

But we have not built enough dispatchable power generation in the last ten years (meaning power that it will be on and available in any circumstance). We have increased solar capacity by about 7-8 times in the last decade, to the point where we have added tens of gigawatts (GW) to the grid. That truly is a lot of power and a significant step forward. For reference, one nuclear power plant generates over 0.8 GW. But it is not always available, meaning it is not reliable. Non-dispatchable renewables have a role in offsetting some large generation when they are available, but they will not solve the large-scale demand needs of the near future

So, we consumers and small businesses would be in competition with the large consumers for the available reliable power, unless one thing happens: we build new reliable, dispatchable power. The question again, my friends, is who will build it, and who will pay for it?

That is the entire debate expressed very simply.

I have teased my position in recent weeks, so here it is. I favor a hybrid of Bring Your Own Generation (BYOG). The BYOG idea is that large consumers are responsible for all the costs of providing their own generation and the costs of connecting themselves to the grid (including the transmission and distribution buildout). That keeps all the costs off the ratepayers. I had the pleasure of sitting next to a senior State Senator from Wyoming (and the former Adjutant General of that state) at my last meeting of the NCSL Energy Supply Task Force. He told me about their model, which is running now like a successful second Gold Rush. They implemented BYOG, and the data center companies jumped at the chance. He said they are in the midst of building about three dozen data centers in eastern Wyoming.

It is a far more expensive solution for the large consumer, but it offers regulatory certainty in a political landscape (like ours) filled with nuanced, competitive uncertainty. Large consumers need the power now, and they are – in Wyoming – willing to pay a premium for it (just as they are willing to pay a premium to reopen closed nuclear plants). It also ensures that large consumers bear the risk that they will not use all the power they claim to need. Imagine building it and those customers never arrive. We would be left holding the financial bag. Make those who need it bear the risk, not ratepayers.

The result is an economic power generation gold rush for consumers of the state.

Our difficulty with BYOG in Pennsylvania is that we are a deregulated state. Wyoming is a regulated state, which means the local utility also owns and manages power generation and passes those costs along to all ratepayers. Pennsylvania deregulated its generation in 1996 with the Electricity Generation Customer Choice and Competition Act. We created a favorable market environment for new generation in our state, because the market drives generation investment instead of utilities.

I want large consumers to invest in Pennsylvania by way of new power generation in our Commonwealth. We have the resources for it, which are now largely stagnant. I want our own power Gold Rush.

Republicans and Democrats alike in the General Assembly and the Governor came to the same conclusion when we ended the Governor's executive order entering us into RGGI. Since those orders were subject to litigation, the program was never implemented in our Commonwealth, but it hovered like a giant regulatory-risk dome over our ability to produce new generation. That risk is now eliminated, so we can reap the economic benefit of what comes next.

Next week, I will participate in a Policy Hearing at the Maryland House of Delegates on these issues of cost allocation. Maryland and states like them are very much a part of our problem in Pennsylvania, since they have collapsed their own ability to provide power for their ratepayers. Now, we and other energy-rich states provide for them. Since we belong to the same regional grid, we pay the price. I will write more about that next week.

January 16th 2026

Regional Energy Policies Drive Higher Electricity Costs Across the PJM Grid

I am participating in a regional energy policy hearing in Annapolis with legislators from Pennsylvania, Maryland, New Jersey and Virginia to identify practical solutions for the energy affordability crisis.

The hearing focuses on the PJM Interconnection, the regional electricity market that serves 13

states and the District of Columbia. PJM operates a single, interconnected grid. Decisions made in one state affect electric bills across the entire region. No state acts in isolation. That means poor policy decisions about making electricity in one state impacts all the states, raising the rates on everyone. With the pending electricity scarcity currently priced into our bills, the impact on us in Pennsylvania is dramatically more than it should be considering how much electricity we currently produce (and later could produce).

A core issue before the hearing involves supply and demand. Electricity demand continues to grow, driven by large new users and broader electrification, while generation growth lags behind. When supply fails to keep pace, prices rise. Those increases flow directly into monthly electric bills for families and small businesses. But – again – some of the scarcity is driven by policy in other states to prevent significant new electricity generation from coming online, and we pay the price – unnecessarily.

Energy affordability affects every household budget and every local employer. I will continue pressing for solutions that realize Pennsylvania's value in being a huge power exporter. Pennsylvania ratepayers should realize that more of that economic benefit.

I will share more after the hearing.

January 30, 2026

Sparking Urgency to Protect Pennsylvania Electricity Ratepayers

A lady recently contacted our office very upset by her electricity bill. She said her most recent bill was over $700, which is almost as much as her mortgage. I spoke at an event where I asked the room how much they were paying, and $700 was the low amount. That is frankly ridiculous for a state which is a huge electricity exporter to other states.

I have been making that point very loudly in several venues. Let me tell you where and what I am advocating in Pennsylvania.

I was invited to participate in an energy policy hearing with the Maryland House of Delegates on electricity affordability and regional grid reliability. One of the witnesses was a spokesman for PJM, and as we have discussed many times, the capacity market is now the single biggest driver of the price spikes showing up in our electric bills. Weather and short-term demand certainly matter, but the long-term structural problem is that capacity prices have exploded, because the region does not have enough generation to meet the demand that is coming. (Remember, the capacity market is a promise guaranteed by a payment for generators to be available in the future when called upon. They can make a lot of money on the market right now, so they are insisting on premiums to be reserved for future power.)

Pennsylvania sits in a very different position than many of our neighbors. We produce more electricity than we use, and we export that power through PJM. Maryland, by contrast, adopted some of the most aggressive emissions-reduction mandates and renewable portfolio standards in the region, joined RGGI and predictably drove coal generation offline. Natural gas investment was discouraged as well, and while nuclear remained online, no new nuclear was added to replace what was lost. The result is simple: Maryland now imports a large share of its electricity from states like Pennsylvania while claiming the benefits of a cleaner grid. They did not eliminate demand. They eliminated their ability to meet it. And they meet their demand with our natural gas generation.

The capacity market did the accounting. When states retire generation faster than they replace it, capacity prices rise for everyone. Now PJM has temporarily capped those prices, and the practical effect is that Maryland gets a huge discount on the capacity price they should pay for its own lack of generation, while Pennsylvania consumers pick up part of the bill. We did not cause the problem, but we are absolutely paying for it. That is not sustainable, and it is not fair. Pennsylvania should not be subsidizing the consequences of other states' bad policy decisions, especially when we are working every day to protect reliability and affordability for families here at home.

I participated in a joint hearing of the House Energy and Consumer Protection, Technology & Utilities (where I sit as a Utilities Subcommittee Chair) Committees last week on this same issue, where PJM testified again. I asked the same question I asked them in Maryland: is it time for Pennsylvania to leave PJM? Is it time for Pennsylvania to put a price fence around our power generation – taking care of Pennsylvanians first – and charge a premium for below-capacity states? As I said to that panel, it is time for other states to bear the costs of their own decisions and for Pennsylvanians to benefit from the excess electricity produced from our natural resources.

With that backdrop, let me say plainly where I think we need to go next.

Hyper-scalers (like data centers) are looking for regulatory certainty in determining where to build. Pennsylvania sits in a fairly unique position relative to our ability to produce a ton of electricity. But our policy environment has discouraged that development. I have heard estimates that, while we sit in an energy surplus now, we will be in a deficit by the end of the decade, because we are not building. It is almost too late.

1. We need a simple-to-follow law. Every large load customer (and here we are talking about these hyper-scalers, like data centers, not our industrial partners) should **Bring Your Own Generation (BYOG)**. That means they are adding generation to our grid, not simply competing

with us ratepayers for scarce resources. That competition for limited generation now for future power is the biggest cause of your bill increases. Let's eliminate that scramble in Pennsylvania now as a matter of policy.
2. These hyper-scalers need to **pay their own way** down to the last dollar. That means they pay to connect to the transmission and distribution systems as required; they pay for any infrastructure buildouts needed from our utilities. That means the transmission companies and our utilities get paid without us – the ratepayers – subsidizing those costs. Hyper-scalers in other states are already willing to meet those demands if they have certainty.
3. Our Pennsylvania merchant generators (the unregulated companies making electricity) are making a ton of money right now. Some of them are entering into long-term power purchase agreements with hyper-scalers with the power we usually purchase through our utilities (on our default service's behalf). They do not like BYOG, because the economics are rewarding resource scarcity (when supply is limited and demand goes up, prices go up). I will be running legislation to require our utilities as default-service providers to adjust their procurement schedules to include **long-term power purchase agreements** just like the hyper-scalers, so that we ratepayers have long-term price security. A typical term is one to two years currently. We need contracts of the same magnitude as the hyper-scale long-term contracts to keep our power in the consumer market. Generators should prefer that economic certainty too. Combined with BYOG, the promise of additional generation, regulatory certainty and long-term agreements for ratepayers will reduce and stabilize prices in Pennsylvania.

Pennsylvania produces electricity for much of the region. Our ratepayers deserve to benefit first from that strength. I will continue leading efforts to expand supply, assign costs fairly and protect families from unreasonable electric bills driven by regional policy failures.

February 13, 2006

Governor's Budget Address Takes Aim at Energy Affordability and Misses the Target of What We Need in Pennsylvania

The Governor's budget address put energy affordability front and center, and Pennsylvania needs that focus. Families across our region face electric bills that have reached unacceptable levels. We require immediate action to lower costs, not policies shifting more burden onto households and small businesses.

Pennsylvania is the core of the 13-state PJM electricity grid. According to 2024 U.S. Energy

Information Administration data (the most recent data available), Pennsylvania is the largest net electricity exporter within PJM – and it is not even close. The next closest state – Illinois – has a power surplus which is roughly half of ours. Meanwhile, states like Virginia, which is the world's leading data center developer, require 35 TWh more of electricity than it produces. States like Maryland, who have driven power off the grid with their policies, also consume huge amounts of Pennsylvania power.

So, why are our prices continuing to climb? Because Pennsylvania ratepayers are competing with big data for tomorrow's power and subsidizing our neighboring PJM states for today's power. As I have said repeatedly, the only answer is tremendous growth in our electricity production. And we all can benefit.

The Governor hit on energy issues at least three times in his budget address. He got some policy ideas right. Others he got fundamentally wrong, which we saw play out in a regressive bill advanced in the Energy Committee that same week.

Here is where the Governor was spot on:

• We are in an AI-supremacy battle with China, and we must not lose. My addition to his comments is that our economy and national security cannot permit our data to be housed in China. The reason it might go there is China's willingness to build power faster than any country in the world, and its desire to have the business of data hyper-scalers.
• Pennsylvania is the second-largest energy producer in the United States. I add, as stated above and as is more relevant to our energy affordability, we are the biggest producer by far in PJM, our regional grid operator. **It is far past time for Pennsylvania ratepayers to benefit from being a huge exporter to neighboring states, especially when that production is driven by our state's natural resources.**
• Newly built data centers in Pennsylvania should Bring Your Own Generation (BYOG). I agree – full stop. Here, I am talking mainly about the hyper-scalers, which will consume the equivalent electricity of small cities. **The piece missing from the Governor's analysis (and the analysis of many, to be fair) is that we are already competing with these hyper-scalers for tomorrow's electricity today. It is the prime driver of our higher costs. Our excess generation is being bought up on the wholesale market, leaving us to compete for dwindling future supply.**
• Data Centers coming to Pennsylvania will need to respect our state constitutional right to a clean environment. I agree – full stop.

Here is where the Governor fell short (or perhaps needs an informed conversation around

these issues):

• The Governor claimed that he sued PJM to "stop the price increase" they were about to impose. The Governor makes that claim often in social media too. It is – at best – partially true. If you have been following our energy discussion, then you know that the capacity price for Pennsylvania in the first explosive auction increased over 800%. As a result of that auction price, the Governor did in fact sue PJM to prevent future prices from escalating that much again. In settlement, PJM agreed to a temporary capacity price cap. **But the agreed-to cap was after the capacity price for the previous auction hit your bill.** We will be paying that price for some time.
  o The FERC settlement capped prices for the next period at **ANOTHER** big increase (although not what the market price would have required).
  o Your prices are increasing, and we will be paying that increased price indefinitely through negotiated price-collar levels.
  o No one "stopped the price increase," which is why your bill is still so astronomical.
  o Your new "price-collar" capacity price is going up again, while Maryland's will come down to match the common price across the states. We are subsidizing Maryland's (and other net importing states) energy costs through our utility bills.
• The Governor also said that PJM needs to speed connections for new generation. This statement is a great recognition that we need more electricity supply in Pennsylvania. But what he is parading is an old, tired trope that PJM is holding up thousands of requests to connect solar projects. (1) I have asked PJM about the interconnection queue at two separate hearings, and they say it is not true. They have literally thousands of approved projects which have stalled for developer reasons. (2) Even if we built those thousands of solar projects, it would not come close to the power we need. This trope is about finding someone to blame rather than advancing policy to get hyper-scale generation in Pennsylvania.

I strongly believe that the Governor is on the right track. He understands that we need more electricity. But I do not believe he understands the economics of the PJM market and how much leverage we have in Pennsylvania to take care of our own ratepayers first. We have the most. We could have a mountain more. And if we state policymakers make smart next moves, our ratepayers could be the big winners.

Next week we will talk about the bill which passed the Energy Committee on party lines. Knowing full well what the Governor was about to say about our energy needs in the budget address, we went backwards.

February 20, 2026

Energy Committee Advances Partisan Bill to Put You in Direct Competition with Hyper-Scale Data Centers for Limited Electricity Supply

The day before the Governor made energy and our electricity bills a central theme of his budget address, the House Energy Committee passed a regressive partisan bill about data centers along party lines.

If you have been following my energy articles for months now, you know that we have been building an explanation about energy policy a block at a time. In that building-block analysis, we have shown why our consumer electricity prices requires that we build more electricity generation in Pennsylvania as fast as we responsibly can. We must do so before hyper-scale data companies buy our power from beneath us, further driving up our prices. Building more electricity will both reduce our consumer costs, and it will also lead to an economic boom for our state as other states clamor for our excess power.

House Bill 1834, even as amended, takes all of those building blocks of thoughtful analysis and throws them over the edge of an irrational cliff.

Recall, we have not grown large-scale electricity generation in Pennsylvania because those companies do not trust our Commonwealth's regulatory environment. Last year, we intended to send a signal that we are to be trusted by declaring in our budget process once and for all that we had no interest in entering into RGGI, which would intentionally hyper-tax generation out of existence. That bill passed the House 190-13.

The bill just passed by the House Energy Democrats sends us right back to where we left. The bill does not grow electricity generation; the bill does not tell hyper-scale data companies that they must **Bring Your Own Generation**, as many of us have insisted across the country; the bill did nothing to lower your electricity costs. Instead, it said to electric generation companies -- "do not come to Pennsylvania." That is the same as saying, we are happy with our electricity prices.

I am not happy, and I intend to say it loudly, just as I did before the Committee vote.

The bill was advanced as a data-center regulatory bill intended to protect ratepayers from the impact of data centers being built. What it was in fact was the reintroduction of RGGI,

intended to keep new gas-fired generation out of our state.
• The bill assesses a tax of $40,000 per megawatt (MW) peak load up to 25MWs and then $50,000 per MW above 25MW. These taxes are to go to the LIHEAP fund.
• The bill assesses a tax of 0.8 cents per kilowatt-hour of actual use to be paid to the Pennsylvania Energy Development Authoroity to provide grants for small renewable projects (because such projects cannot be built economically on their own).
• The bill assesses a tax on large-scale customers to pay for all of the universal services low-income programs and energy conservation programs in the state.
• Because the bill does not require large-scale consumers to bring their own generation but instead compete with the rest of us for electricity, the bill requires large-load customers to agree to shut off their operations if the grid needs their purchased power.
• In addition to not requiring large-scale customers to bring their own generation, the bill requires those huge power-hungry businesses to consume 25% of their electricity from renewable power. Knowing full well that there is not enough renewable energy in Pennsylvania and that no business will agree to have their businesses powered by intermittent resources, the bill redefines "renewable energy" to include nuclear power.
  o Nuclear power is derived in the fission process from enriched uranium. Uranium comes from uranium ore, which is mined from the earth. After it is spent in a nuclear process, it is housed in a spent-uranium graveyard on the nuclear plant property.
  o It is not a renewable resource. This definitional fiction is a play by pro-RGGI advocates to return us to that policy track.
  o ***Most importantly***, it exacerbates the current problem: it puts Pennsylvania consumers in direct competition for limited nuclear power in our state.

So, I ask you the penultimate question – if you were a hyper-scale electricity generator or hyper-scale data company, would you want to build in Pennsylvania under such a construct. The answer is an unequivocal NO. In fact, this would further inflame our electricity prices on a scale we have not seen before, as we drive over the cliff of an electricity shortage.

The ***bill*** was not entirely wrong. There are portions of the bill which I have been advocating on the national stage. For example, it would guarantee that large consumers pay their own way for grid improvements needed to connect them, not ratepayers.

Notwithstanding the "good" of any individual provision, the economics of this bill are a nightmare for all us ratepayers, as we have proven over the last several months.

I voted NO.

February 27, 2026

My Legislation to Reduce Your Electricity Prices – Almost Immediately!

During the State of the Union, the President made clear that large technology companies must take responsibility for the power they consume. The message was simple: if you are going to build massive data centers, you must help build the electricity and infrastructure to support them. And let me now explain how I intend to leverage this moment to reduce your electricity prices, almost immediately!

If you have been a conscientious fan of this e-newsletter, you know I have been writing about this for months. I sit on the executive committee of the National Council of Electricity Policy, the Energy Supply Task Force of the National Conference of State Legislators, and on a committee of PJM region legislators, each trying to balance the electricity problem of hyper-scale data center buildout and ratepayer protection. I have written to you previously that I favor a Bring-Your-Own-Generation and Pay-Your-Own-Way model.

We learned that is exactly what the U.S. Department of Energy intends. The announcement came in two pieces: (1) a Ratepayer Protection Pledge, and (2) big tech companies providing their own electricity generation, rather than taking from the pool of electricity currently in the consumer market.

While the details were not in the speech, we know that the Ratepayer Protection Pledge essentially commits the large-tech companies to paying for their need for new energy infrastructure rather than passing those costs to ratepayers. For example, when our local utility builds connecting infrastructure to a new location, there is almost always a cost component which we ratepayers absorb. The Ratepayer Protection Plan would make sure those costs do not hit our wallets, instead making the hyper-scale data companies pay their costs entirely. That system already exists in several states where hyper-scale data centers and hyper-scale generation have agreed-to, planned buildouts.

The second component is Bring Your Own Generation, which we have discussed several times here. Rather than drawing from the existing public grid, these large customers are expected to construct their own electricity generation facilities (or restart dormant

facilities, as is the case with TMI). Recall the economics we have discussed: if hyper-scalers draw from our existing power pool, especially by way of decades-long agreements, they quickly consume much of the electricity currently intended for ratepayers and small businesses. The result is an enormous price increase for that scarce supply. That is the chief reason our prices are high now; hyper-scalers have entered those long-term contracts for the current power supply. The market quickly responded with huge price increases. By forcing these hyper-scalers to provide their own electricity, not only would we no longer compete with them for a limited power supply, but they will also certainly produce more than they need. That means the pendulum of available supply swings the other direction: prices fall substantially.

HERE IS THE CATCH: NOT ALL OF THIS MAY BE ACCOMPLISHED BY FEDERAL ACTION. There are components of state law involved here.

I am about to introduce legislation which will do three things in Pennsylvania:

1. Codify the Ratepayer Protection Plan in state law;
2. Require Big Tech or hyper-scale data centers to Bring Their Own Generation; and
3. Require our local utilities to enter into long-term power purchase agreements now, before Big Tech buys more of our power.

I will provide a fuller explanation next week, but as I have written previously, we are competing for limited power with Big Tech right now. The merchant generators of Pennsylvania prefer these long-term agreements, because it mitigates price volatility and guarantees a revenue stream. So, I intend to put ratepayers on an immediate equal footing, where we get the benefit of price mitigation and guaranteed power supply. **The outcome is an immediate price reduction. The combination of Pay Your Own Way, Bring Your Own Generation and long-term power agreements for ratepayers will change the forecasted electricity needs in our PJM region almost immediately.**

The partisan bill advanced out of the House Energy Committee recently, which we discussed here previously, dealt only with ratepayer protection among these three issues. They did not try to solve the economics of available power supply; in fact, the bill made those economics far worse.

This bill is a real solution.

March 6, 2026

My Legislation Will Protect Pennsylvania Ratepayers from Rising Electricity Costs

I am introducing legislation to protect Pennsylvania seniors and families who are facing exorbitantly high electricity bills which have climbed far beyond what many households can bear. The main reason is simple: Big Tech companies are securing enormous amounts of existing electricity through long-term contracts, leaving families and small businesses to compete for what remains. The confluence of huge, expected demand and years of not building new supply means that everyone – including us ratepayers – are competing for a dwindling supply of available electricity. That competition for limited supply shoved prices higher almost overnight.

To address this problem, I am introducing the Pennsylvania Ratepayer Protection Act. The legislation places Pennsylvania ratepayers on equal footing in the electricity market while protecting them from the costs associated with building massive data centers.

This effort also aligns with a broader national discussion about electricity supply. Earlier this year, the President met with the governors of the PJM electricity region, including Governor Josh Shapiro, to address rising electricity costs and the rapidly growing demand driven by artificial intelligence and data center development. That meeting produced a shared set of principles recognizing that new electricity demand must be matched with new generation and infrastructure.

The administration later reinforced that message through a Ratepayer Protection Pledge with several large technology companies. The pledge calls for hyper-scale data centers to Bring Their Own Generation and Pay Their Own Way for the infrastructure needed to connect to the grid. In simple terms, if a company builds a facility that consumes enormous amounts of electricity, it must also help build the power and infrastructure required to support it.

However, much of this framework depends on state law. The Pennsylvania Ratepayer Protection Act would place these principles directly into our Commonwealth's utility laws, so they can be implemented by the Pennsylvania Public Utility Commission.

My bill takes three important steps:

• It codifies the Ratepayer Protection Pledge, so the cost of new grid connections and infrastructure required by large data centers does not fall on Pennsylvania ratepayers.
• It requires hyper-scale data centers to Bring Their Own Generation by constructing or supporting new electricity generation instead of drawing power from the existing supply that serves homes and small businesses.
• It establishes Power Pricing Parity for Pennsylvania ratepayers. Large technology companies have already begun signing long-term power purchase agreements with generators, allowing them to lock up electricity for years into the future. My legislation requires utilities to enter into similar long-term agreements on behalf of their customers so that residents and small businesses can compete for Pennsylvania electricity before it is claimed by Big Tech buyers.

Pennsylvania produces enormous amounts of electricity. Our residents should benefit from that production first. By requiring companies to pay their own costs, build their own generation and allowing ratepayers to compete for long-term power supply, this legislation stabilizes the market and reduces electricity prices for families and businesses across our region.