

**REGULATORY UPDATE FOR FEBRUARY 19, 2026
(FEBRUARY 11, 2026 – FEBRUARY 18, 2026)**

I. STATE REGULATORY AGENCIES

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC OR COMMISSION)¹

New Commission Appointments

On February 18, Governor Newsom announced the appointment of CPUC President Alice Reynolds to the California Independent System Operator Board of Governors, and appointed Commissioner John Reynolds as the new Commission President. Christine Harada was appointed as a new Commissioner.

Proposed Decisions (PD) and Resolutions

Resolution E-5411. This Resolution addresses San Diego Gas & Electric Company's (SDG&E) request for review of the Commission staff's denial of SDG&E Advice Letter (AL) 4475-E, through which SDG&E sought to open a memorandum account to track actual incremental administrative and/or procurement costs during a mass involuntary return of customers to Provider of Last Resort service. While the Commission declined review of the Commission staff's denial of SDG&E's request to immediately open a memorandum account, the Commission clarified that the AL to be submitted in the event of an involuntary return will be classified as Tier 1.

Resolution E-5452. This Resolution approves, with modifications, the request from Southern California Edison (SCE) to establish a new vehicle-grid integration (VGI) program within its existing Low Carbon Fuel Standard (LCFS) Implementation Plan. On April 29, 2025, SCE filed AL 5536-E, requesting to (1) include a new VGI program in SCE's existing LCFS Implementation Plan, and (2) exempt the requirements of Public Utilities Code section 851 as it applies to the LCFS holdback credit sales. The VGI proposal consists of two major components. First, the proposal presents the Orchestrated Charging and Advanced Resiliency for Distribution (ORCHARD), which would integrate a software layer into SCE's Distributed Energy Resource Management System that would optimize customer EV charging times. ORCHARD would offer each participant an annually declining incentive, starting at \$50 for the customer's first year of enrollment and fully withholding the incentives by the customer's fifth year of enrollment. Second, the proposal would offer rebates to some participants to cover the costs associated with installing bidirectional charging equipment.

¹ Per CPUC Rules of Practice and Procedure Rule 14.3, comments on proposed decisions are due 20 days after issuance of the proposed decision, and reply comments are due five days thereafter. Comments on draft resolutions are due 20 days after the draft resolution appears in the CPUC's daily calendar, per Rule 14.5.

Resolution E-5447. This Resolution approves Pacific Gas & Electric (PG&E) AL 7653-E. PG&E requests Commission approval of a non-standard Engineering, Procurement and Construction (EPC) Agreement with STACK Infrastructure, Inc. (STACK) under the exceptional case provisions of Electric Rules 15 and 16. The EPC Agreement is part of the contractual framework supporting the energization of STACK's new 90 MW data center load in San Jose and governs STACK's construction of the Ringwood Switching Station and the subsequent transfer of that facility to PG&E. The scope of AL 7653-E is limited to approval of the EPC Agreement for the customer-built Ringwood Switching Station. AL 7653-E does not cover cost estimates, cost allocation and responsibility, or refunds to STACK. Those issues were addressed in PG&E's prior AL 7569-E and were approved with modification in Resolution E-5420, adopted by the Commission on October 30, 2025. The Commission already approved the underlying energization project in Resolution E-5420 and adopted a modified refund framework. According to the Commission, AL 7653-E is a smaller-scope follow-on Advice Letter seeking approval only of the EPC Agreement.

Resolution E-5440. This Resolution adopts, with modifications, the proposals of PG&E, SCE, and SDG&E ("IOUs") to establish Integration Capacity Analysis (ICA) remediation plans and baseline reporting pursuant to D.24-10-030. Advice Letters PG&E 7686-E, SCE 5614-E, and SDG&E 4710-E contain separate proposals from each IOU on remediation plans and baseline reporting for their respective ICAs. The Resolution additionally establishes requirements for tracking and reporting issues with ICA that have been identified by the IOUs, parties, and prior orders of the Commission. Per the Resolution, the progress of the ICA remediation plans and all additional reporting will be included in the Biannual ICA Reports and Quarterly ICA Workshops also established under D.24-10-030.

Application (A.) 25-06-007 (Application of SCE to issue, sell, and deliver one or more series of debt securities and guarantee the obligations of others in respect of the issuance of debt securities, the total aggregate principal amount of such indebtedness and guarantees not to exceed \$10,125,000,000 and to execute and deliver one or more indentures; to sell, lease, assign, mortgage, or otherwise dispose of or encumber utility property; to issue, sell and deliver in one or more series, an aggregate amount not to exceed \$1,405,000,000 par or stated value of preferred equity, and guarantee the obligations of others in respect of the issuance of that preferred equity). This decision grants SCE authority pursuant to California Public Utilities Code §§ 816, 817, 818, 821, 823, 830, and 851 to, among other things, issue debt securities (not exceeding \$9.850 million) and preferred equity (not exceeding \$1.155 million) par or stated value. According to the PD, SCE may use the proceeds from the debt and preferred equity to finance its capital expenditures and refinance its maturing long-term debt during the projected years.

Application (A.) 24-06-001 (Application of SDG&E for Approval of: (i) Contract Administration, Least-Cost Dispatch and Power Procurement Activities in 2023, (ii) Costs Related to those Activities Recorded to the Energy Resource Recovery Account, Portfolio Allocation Balancing Account, Power Charge Indifference Adjustment Undercollection Balancing Account, Transition Cost Balancing Account, Local Generating Balancing Account, and Modified Cost Allocation Mechanism Balancing Account in 2023, and (iii) Costs Recorded in Related Regulatory Accounts in 2023). This decision grants, with the modifications, the

Application of SDG&E for approval of its Energy Resource Recovery Account Compliance for Record Period 2023. SDG&E, in discussion with the intervenors to this application, agreed to update its valuation of its Resource Adequacy portfolio, to correct its accounting of its Renewables Portfolio Standard compliance position, and to allocate the revenue from certain battery energy storage systems to a broader set of customers. This decision adopts those proposed changes. Additionally, the decision finds that SDG&E's prudently managed activities resulted in recording a net undercollection of \$214.580 million (though this number excludes the amounts in two accounts whose balances are confidential). Finally, the decision authorizes SDG&E to recover the stranded costs from its Green Tariff Shared Renewables programs from all ratepayers via the Public Purpose Programs charge.

Application (A.) 24-04-017 (Application of LS Power Grid California, LLC for a Certificate of Public Convenience and Necessity Authorizing Construction of the Power Santa Clara Valley Project). This decision grants LS Power Grid California, LLC's request for a certificate of public convenience and necessity authorizing the construction of the Power Santa Clara Valley Project. This decision also certifies that the Final Environmental Impact Report for this project meets the requirements of the California Environmental Quality Act and that the benefits of the Power Santa Clara Valley Project outweigh and override the significant and unavoidable impacts for the reasons stated in Appendix A to the decision. Finally, this decision establishes a maximum cost cap of \$1,592,760,000 and grants LS Power Grid California, LLC exemptions from certain CPUC affiliate transaction rules and reporting requirements.

Application (A.) 25-06-012 (In the Matter of the Application of Southern California Gas Company Regarding Year 31 (2024–2025) of Its Gas Cost Incentive Mechanism). This decision approves SoCalGas's request for a shareholder reward of \$8,374,056 for Year 31 (2024–2025) of the company's Gas Cost Incentive Mechanism performance. According to the PD, the Public Advocates Office at the CPUC verified that SoCalGas's recorded procurement annual actual costs were \$42,142,370 below the benchmark, which results in a reward of \$8,374,056 to SoCalGas's shareholders and a ratepayer savings benefit of \$33,768,315 in lower gas costs.

Resolution E-5433. This Resolution approves, with modifications, PG&E AL 7667-E, which requests Commission approval of an agreement to support the energization of a new 49 MW data center and computing lab load in Sunnyvale, as requested by Sunnyvale Technology Partners LLC c/o Menlo Equities (Menlo Equities). The Resolution provides that this agreement facilitates the construction of new transmission facilities to serve Menlo Equities' load. The Commission approves the AL with modifications, finding the agreement necessary and largely appropriate to energize this new load.

Application (A.) 09-09-022 (In the Matter of the Application of SCE for a Certificate of Public Convenience and Necessity for the Alberhill System Project). This decision grants SCE's request for a certificate of public convenience and necessity to construct the proposed Alberhill System Project. According to the PD, the Alberhill System Project will serve public convenience and necessity to over 600,000 customers living in the Valley South System, an area subject to extreme heat events in Southern California. The Alberhill System Project, per the PD, will increase the Valley South System's capacity to meet customer load.

Voting Meeting

The CPUC will hold a voting meeting in Santa Maria, California, on Thursday, February 26, 2026, at 11:00 a.m. PT. The energy-related items on the [agenda](#) are below:

Item 2. Resolution G-3617. This Resolution addresses Southwest Gas Corporation (SWG) AL 1338-G, filed on July 29, 2025, which requests Commission approval of one biomethane procurement contract pursuant to the Renewable Gas Standard, as established in Decision (D.) 22-02-025.

Item 4. Application (A.) 21-06-021 (Application of Pacific Gas and Electric Company for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2023). This decision closes this proceeding, finding that submission of additional evidence of PG&E energization costs to be tracked in its Electric Capacity New Business Interim Memorandum Account was achieved in Rulemaking (R.) 24-01-018 and that any unresolved D.24-07-008 issues can be appropriately addressed in R.24-01-018.

Item 7. Resolution E-5446. This Resolution approves two SDG&E mid-term reliability (MTR) contracts for a total of 92 MW of nameplate capacity. The contracts are for two power purchase tolling agreements for stand-alone battery storage systems, procured as a result of SDG&E's Tranche 3 request for offer. Specifically, the approved contracts include a 44 MW, four-hour battery energy storage system and a 48 MW eight-hour battery energy storage system. According to the Resolution, SDG&E procured these resources to help meet its MTR requirements. This Resolution approves the requested relief in AL 4755-E and AL 4755-E-A.

Item 8. Rulemaking (R.) 10-05-004 (Order Instituting Rulemaking Regarding Policies, Procedures and Rules for the California Solar Initiative, the Self-Generation Incentive Program and Other Distributed Generation Issues). This decision denies the Petition for Modification (PFM) of D.11-09-015 filed by Bloom Energy Corp. The PFM seeks to increase the 25% annual export cap applicable to projects receiving Self-Generation Incentive Program funds. The decision finds that the PFM provides an insufficient justification for why it could not have been filed within one year of the effective date of D.11-09-015 as required by Rule 16.4(d) of the Commission's Rules of Practice and Procedure.

Item 14. Resolution E-5434. This Resolution approves PG&E's request, with modifications, in AL 7378-E Request for Extension of Time for Phase I and 7378-E-A Modification to Phase II Scope regarding Pilot #3, the Vehicle-to-Everything (V2X) Microgrid Pilot. This Resolution grants PG&E an extension of time for Phase I until June 30, 2026, to complete demonstration activities and data collection. This Resolution also approves PG&E's modification of Phase II to a Hybrid Support Model. Under this model, PG&E will close new participant enrollment, return customer incentives to ratepayers, and provide technical consulting support for V2X readiness at Microgrid Incentive Program sites using non-pilot resources.

Item 40. Rulemaking (R.) 25-06-019 (Order Instituting Rulemaking to Continue Oversight of Electric Integrated Resource Planning and Procurement Processes). This decision requires load-serving entities under the Commission's integrated resource planning purview to

undertake additional reliability procurement between 2029 and 2032, to pursue any viable projects that can still qualify for federal tax credits or other incentives, as well as to continue the momentum of annual procurement activity that began under the MTR and supplemental MTR requirements in D.21-06-035 and D.23-02-040, respectively. The new procurement required is 2,000 MW of net qualifying capacity (NQC) by 2030 and an additional 4,000 MW NQC by 2032, with no more than half of the total NQC per tranche eligible to come from storage resources. This procurement will be generally subject to the same compliance and enforcement requirements as the prior MTR orders, except D.25-09-007 flexible compliance provisions will not apply.

Item 41. Investigation (I.) 23-03-008 (Order Instituting Investigation on the Commission's Own Motion into Natural Gas Prices During Winter 2022-2023 and Resulting Impacts to Energy Markets). This decision determines that the following factors contributed to the 2022-2023 gas price spike: (1) prolonged below-normal temperatures and high precipitation levels; (2) interstate pipeline constraints; (3) reduced natural gas flows from the Permian Basin, Canada, and the Rocky Mountain region; (4) reduced natural gas storage supplies; and (5) events occurring before and during bidweek.

Upcoming Workshops and Events

Workshop on High Distributed Energy Resource (DER) Planning (R.21-06-017). The CPUC will host an in-person workshop on Friday, February 20, 2026, from 10:00 a.m. to 3:00 p.m. PT as part of ongoing workshops in Track 3 of the High DER proceeding. This proceeding considers DER planning, siting, and interconnection, among other elements, needed to determine the timing and scope of system investments that facilitate the integration of DERs into the grid. The workshop discussion will focus on the use of Distributed Energy Resource Management Systems and Advanced Distributed Management Systems, dynamic rate alignment, and other issues related to grid operations and improvements on the distribution level. The workshop will be held at the CPUC's headquarters located at 505 Van Ness Avenue, San Francisco. A link for remote viewing will be made available, but in-person attendance is encouraged.

CALIFORNIA ENERGY COMMISSION (CEC)

Joint Agency Workshop on 2025 SB 100 Results

The CEC, CPUC, and California Air Resources Board (CARB) will host a joint two-part workshop to present and discuss the draft electricity resource modeling results and implementation challenges for the SB 100 Joint Agency Report. The public can participate in the workshop, which will be held on Thursday, February 19, 2026, from 9:00 a.m. to 4:00 p.m. PT.

Attendance is available in person or remotely, and additional details are available on the event page, [here](#).

Staff Workshop on Draft Guidelines for the Demand Side Grid Support (DSGS) Program

The CEC staff workshop previously scheduled for Thursday, February 19, 2026 at 1:30 p.m. PT to discuss proposed changes that have been incorporated into the draft DSGS Program Guidelines, Fifth Edition, has been moved. The workshop will now be held on Tuesday, February 24, 2026, from 1:30 p.m. to 4:00 p.m. PT. A copy of the draft guidelines along with the [revised meeting notice](#) and agenda are available on Docket No. 22-RENEW-01, [here](#). Due to the change in workshop date, written comments are now due by 5:00 p.m. PT on March 6, 2026.

Pre-Application Workshop Announced for NEVI – 5th Solicitation

The CEC announced that it will host a pre-application workshop on Wednesday, February 25, 2026, at 9:30 a.m. PT regarding California’s solicitation 5 (South) for funding under the National Electric Vehicle Infrastructure (NEVI) Formula Program. Participation in the workshop is “optional but encouraged” and registration details are available [here](#).

CEC Business Meetings

The next CEC Business Meeting is scheduled for March 12, 2026. The agenda and supporting materials will be available [here](#) 10 days prior to the meeting.

CALIFORNIA AIR RESOURCES BOARD (CARB)

Amendments to Cap-and-Invest and Mandatory Reporting Regulations

On January 13, 2026, CARB posted preliminary regulatory proposal documents for the Regulation of the California Cap on Greenhouse Gas (GHG) Emissions and Market-Based Compliance Mechanisms (Cap-and-Invest Regulation, formerly Cap-and-Trade Regulation) and Mandatory Reporting Regulation for public review ahead of a formal comment period. CARB staff posted these materials to the [Cap-and-Invest Regulation webpage](#) and [Mandatory GHG Reporting Regulation webpage](#). CARB will be submitting these rulemaking materials to the California Office of Administrative Law (OAL).

On May 28, 2026, CARB has stated it will conduct a public hearing to consider proposed amendments to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions. CARB has stated these amendments are needed to support the Cap-and-Invest Regulation, to ensure that reported GHG emissions and product data are accurate and complete to support California’s GHG reduction programs, and to further clarify the regulation and reporting requirements.

Climate Risk Disclosure Laws Update

On February 26, 2026, CARB will conduct a public hearing to consider approving for adoption the proposed California Corporate GHG Reporting and Climate-Related Financial Risk

Disclosure Initial Regulation. The related Notice of Public Hearing (Notice), Staff Report, and proposed regulatory text were sent to the OAL on December 9, 2025. These materials are currently available on CARB's [webpage](#). OAL published the Notice on December 26, 2025, commencing a 45-day public comment period that ended on February 9, 2026. Given the holiday season and the strong interest in this program, staff provided extra time for public review of materials prior to the start of the 45-day formal comment period.

NEW YORK INDEPENDENT SYSTEM OPERATOR (NYISO)

Proposed Legislative Bill on Data Center Permitting Moratorium

The New York State Senate proposed a [bill](#) that would impose a moratorium on data center permits to be issued in the state for a minimum of three years and 90 days. If passed, the New York Public Service Commission would be required to issue a report on the rate impact of data centers, and the New York Department of Environmental Conservation would issue a generic environmental impact statement on data centers.

New York Concludes Offshore Wind Solicitation Without Awards

The New York State Energy Research and Development Authority (NYSERDA) ended its 2024 Offshore Wind Solicitation without offering awards for any projects. On September 9, 2024, the NYSERDA received 25 proposals from four developers in response to its solicitation, but on February 13, 2026, NYSERDA announced it would not grant any awards “due to federal actions disrupting the offshore wind market and instilling significant uncertainty into offshore wind project development.” On February 10, 2026, NYSERDA released a [Request for Information](#) (RFI) to solicit industry feedback on potential initiatives to further offshore wind project readiness. Responses to the RFI are due March 10, 2026, by 3:00 p.m. ET.

MINNESOTA PUBLIC UTILITIES COMMISSION (MPUC)

At its February 19, 2026, weekly agenda meeting, the MPUC will consider: (1) reconsideration of the decision to approve the acquisition for the limited purpose of reopening the record to gather information on Minnesota Power's plans for possible data centers in its service territory (Docket No. E015/PA-24-198); (2) approval of Greater Minnesota Gas's proposed conservation rider rate change (Docket No. G002/M-25-405); (3) approval of Xcel Energy's Petition for its 2024 annual update of remaining lives and depreciation rates for electric and gas production and gas storage facilities, and for its transmission, distribution, and general accounts (Docket No. E,G002/D-23-356); and (4) undertaking a Rulemaking to Amend Minnesota Rules Chapter 7825, which contains the Commission's formally adopted procedures governing utility financial filings, depreciation studies, capital structure approvals, and other regulatory requirements (Docket No. E,G999/R-26-81).

PACIFIC NORTHWEST (OPUC, WUTC, BPA)

Bonneville Power Administration (BPA)

On February 12, 2026, BPA held its quarterly business review for the first quarter of fiscal year 2026, including a supplemental technical workshop. The Q1 projection for end-of-year agency net revenues is \$21 million below the target of \$509 million, primarily driven by a decrease in expected Transmission Services revenues due to customers deferring transmission service requests. Power Services is currently on track to achieve its end-of-year net revenue target of \$283 million. BPA's Quarterly Business Review webpage is [here](#). On February 13, 2026, BPA held a workshop related to its Post-2028 Residential Exchange program, to discuss changes to the Incremental Average System Cost Methodology draft and redlines and receive comments and responses from stakeholders. The presentation is [here](#). The Residential Post-2028 Exchange Program webpage is [here](#).

Washington Utilities and Transportation Commission (WUTC)

The Washington legislature continues to consider a pair of bills, SB 6171 and HB 2515, that would require Emerging Large Energy Use Facilities (ELEUFs) to purchase their energy and pay for needed infrastructure through new tariffs or contracts developed by the state's utilities. Under the bills, starting in 2031, ELEUFs commencing operation after July 1, 2026, must certify to the state that 80% of their energy used to serve their load came from renewable or non-emitting resources, and that they purchased the electricity and renewable energy certificates to substantiate that certification is a "single transaction." The laws require ELEUFs to serve their load using 100% renewable or non-emitting resources beginning in 2035. There has been no movement on SB 6171 in the Senate. However, the Washington House introduced a [second substitute](#) to HB 2515 on February 14, 2026, where it was subjected to a vote and passed the chamber. HB 2515 advanced to the Senate, where it was first read on February 17, 2026, and referred to the Senate Committee on Environmental, Energy & Technology, and will be the subject of a public hearing on February 20, 2026. The committee materials are [here](#).

Oregon Public Utility Commission (OPUC)

At its February 19, 2026, public meeting, the OPUC will consider PacifiCorp's 2025 Integrated Resource Plan/Clean Energy Plan (Docket No. LC 85 – OPUC Staff memo is [here](#)). Additionally, on February 17, 2025, Portland General Electric (PGE) announced its acquisition of most of PacifiCorp's utility assets, totaling \$1.9 billion, and including two wind farms, a natural gas-fired power plant, 4,500 miles of transmission and distribution lines, and approximately 140,000 customers. The deal would eliminate PacifiCorp's retail presence from Washington. Conversely, the transaction would expand PGE's current customer base of nearly one million, concentrated largely in the Portland metropolitan area, by roughly 15%, expanding its service territory to include parts of eastern and central Washington. Local coverage is [here](#).

II. FEDERAL ENERGY REGULATORY COMMISSION (FERC)

D.C. Circuit Affirms FERC Order Barring Energy Efficiency Resources (EERs) from PJM Capacity Auction

The D.C. Circuit [affirmed](#) FERC's order approving amendments to PJM's tariff that prohibit EERs from participating in PJM's capacity market auctions. FERC stated in its prior

order that barring EERs would reduce consumer costs without compromising reliability, but Affirmed Energy, LLC filed suit, claiming that FERC violated the filed-rate doctrine by retroactively divesting EERs of their right to participate in capacity market auctions and that FERC's order was arbitrary and capricious. The D.C. Circuit found that FERC's order did not retroactively violate the filed-rate doctrine as it applied solely to future capacity market auctions and that FERC sufficiently weighed and explained its reasoning.

February 2026 Commission Meeting

FERC will hold its [February 2026 Commission meeting](#) on February 19, 2026, covering administrative, electric, gas, and hydro matters on its docket.

U.S. DEPARTMENT OF ENERGY (DOE)

Executive Order for Department of Defense to Purchase Coal Power

President Trump signed an [executive order](#) ordering the Department of Defense, in coordination with the DOE, to approve long-term power purchase agreements or similar contracts with coal-fired energy production facilities to serve "Department of War installations and other mission-critical facilities."

III. INDEPENDENT SYSTEM OPERATORS (ISO) AND REGIONAL TRANSMISSION ORGANIZATIONS (RTO)

CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO)

Stakeholder Initiatives: Upcoming Meetings and Deadlines

Extended Day-Ahead Market (EDAM) Congestion Revenue Allocation Phase 2. The CAISO will host a virtual stakeholder meeting on Monday, February 23, 2026 from 1:00 to 4:00 p.m. PT to continue discussions on Phase 2 of the EDAM congestion revenue allocation initiative. During Phase 1, the CAISO and stakeholders evaluated enhancements to the congestion revenues allocation design for EDAM to support a congestion hedge associated with the exercise of firm transmission rights through the market. In Phase 2 of this initiative, stakeholders will evaluate potential near-term enhancements to the design and a long-term design for congestion revenue allocation in EDAM. The meeting participation link can be found [here](#).

Large Load Considerations. The written comment deadline for the Large Load Considerations [issue paper](#) and information session has been moved to February 25, 2026.

Western Energy Markets Regional Issues Forum. The Western Energy Markets Regional Issues Forum's hybrid in-person/virtual meeting will take place at the CAISO in Folsom, California, on March 16, 2026. The discussion is focused on the CAISO's 2026 Market Policy Initiative Catalog and Roadmap Process. Registration details can be found [here](#).

Resource Adequacy (RA) Modeling and Program Design: Tracks 1 and 3A Updated Tariff Language. The CAISO posted updated tariff language for RA modeling and Program Design Tracks 1 and 3A, incorporating stakeholder feedback received during the January 26, 2026 stakeholder meeting. The updates include defining the reserve margin for each month. Further, the modifications include adding sections for reports on capacity status, general qualifying capacity methodologies, effective load carrying capability, unforced capacity, average generation, performance to dispatch, reduction in demand per dispatch, and default criteria for specific resource classes. The modifications can be found [here](#).

PJM INTERCONNECTION LLC (PJM)

Proposed Changes for Synchronized Reserve Penalties

PJM [proposed](#) changes to stakeholders that would increase the penalties Synchronized Reserves would pay for non-performance. If a resource with a Synchronized Reserve assignment fails to fully convert the procured Synchronized Reserves to energy during a Synchronized Reserve Event, the resource must pay for the Synchronized Reserve Credits for the MW shortfall at the real-time Synchronized Reserve Market Clearing Price. PJM's proposal would set the per MW penalty rate at the greater of:

- The average of the daily penalty rates calculated from the prior year (\$1,910/MW based on 2025 data); or
- The maximum system marginal energy price in the 30 minutes following the Synchronized Reserve deployment when the shortfall occurred.