



Press Release

May 22, 2025

OPC Alerts DC Residents to Upcoming Significant Electricity Bill Increase Due to Unprecedented Wholesale Market Prices

Washington, D.C. – The Office of the People’s Counsel (OPC) for the District of Columbia is alerting Pepco customers to an expected increase of approximately \$20 for the average monthly electric bill beginning in June 2025. Roughly half of the projected hike is driven by a dramatic spike in capacity (wholesale) market electricity prices established through a recent auction conducted by PJM Interconnection.

What Is PJM and Why Does It Affect Your Bill?

PJM Interconnection--initially named to reflect the Pennsylvania, New Jersey, and Maryland markets--is the regional transmission organization that manages the electricity grid for the District and 13 surrounding states; and transports electricity to Pepco before the utility distributes it to local homes and businesses. PJM is responsible for ensuring enough energy is available for grid reliability by conducting capacity auctions. PJM also is responsible for securing commitments from power plants to be online to deliver electricity when demand is highest—typically during the hottest and coldest months. Utilities like Pepco pay for this reserved power, and the resulting costs are passed on to consumers through monthly electric bills.

What’s Driving the Increase?

The most recent PJM auction in July 2024, which covers the 2025/2026 delivery year, resulted in a huge and unprecedented surge in capacity prices—due to a combination of factors that have increased the cost of maintaining reliability. These factors included reductions in supply, persistent delays in bringing new renewable energy online, and growing electricity demand.

OPC's Response

“The Office of the People’s Counsel has been deeply concerned that District residents have been asked to shoulder the cost of a flawed market system,” said People’s Counsel Sandra Mattavous-Frye. *“And we took aggressive action to try to avert increases of this magnitude in the future.”*

Following the auction, OPC and other consumer advocates filed a complaint against PJM before the Federal Energy Regulatory Commission (FERC), advocating for changes to address the systemic flaws in PJM's capacity auction. OPC also participated in related proceedings at FERC and other regional forums to address the advocates' concerns.

PJM subsequently proposed changes, adopting recommendations made in OPC's complaint. We are pleased that FERC has adopted these reforms, which will help prevent another large increase in the next auction in July 2025.

"Even as OPC continues to advocate for affordable prices, I urge Pepco customers to take matters into their own hands--monitor your bills, explore energy efficiency programs, and practice conservation to save energy and money on utility bills," said People's Counsel Mattavous-Frye.

Stay Informed

To learn more about the capacity auction process and what OPC is doing to keep capacity costs down, read OPC's recently released [report entitled Drivers of PJM's Capacity Market Price Surge and its Impacts on Electricity Consumers in the District of Columbia](#).

For updates on this issue and other utility matters, visit opc-dc.gov and follow OPC on social media.

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