ENERGY COST SURGE 2026: HOW TO AVOID 10X BILLS FROM CAPACITY CHARGES

The Hidden Factor Driving Up 2026 Energy Bills—Starting Now.

EBOOK

Edgecom Energy

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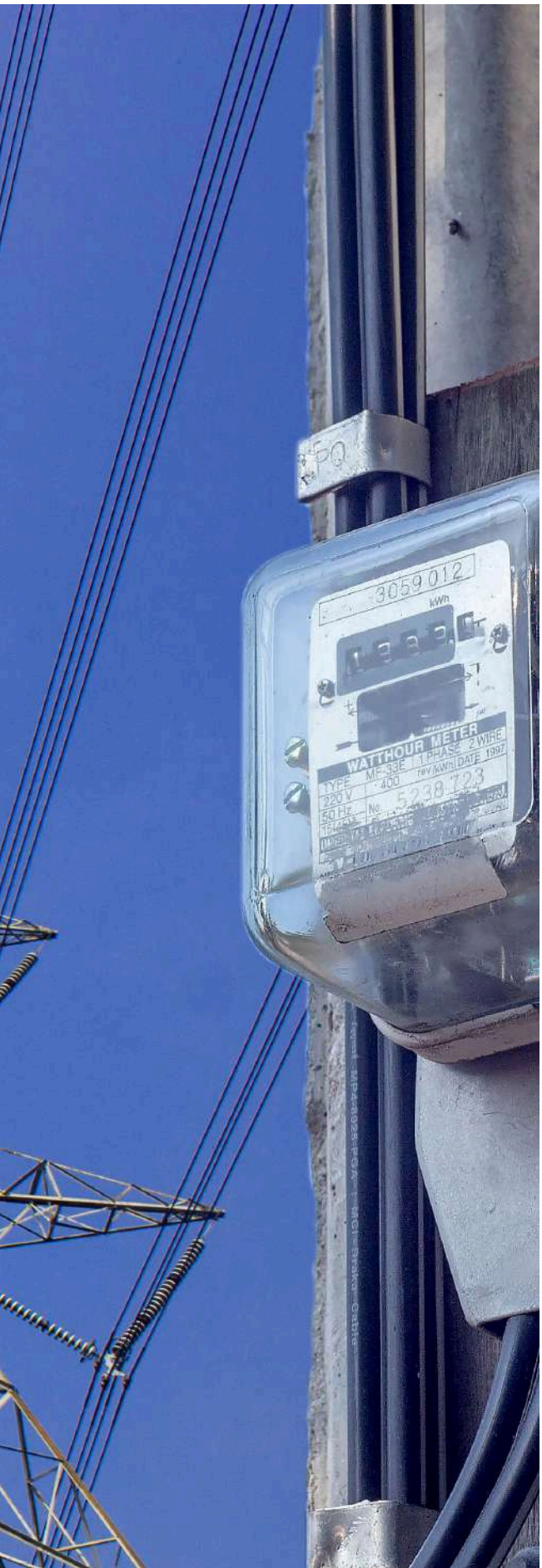


PJM's Most Expensive Hours Will Impact Your Operations

1.INTRODUCTION

Why Coincident Peaks Matter More Than Ever in PJM

Electricity costs are no longer just about how much energy you use. In the PJM market, *when* you use electricity, it can have a far bigger impact on your bottom line. Coincident Peaks (5CP) determine a major portion of your facility's energy bill, which can add up to six- or even seven-figure sums annually. Missing these peaks doesn't just cost you money—*it locks you into higher rates for an entire year*.

As demand rises across the grid due to plant retirements and delays in new generation projects. New PJM regulations on resource adequacy, approved by FERC, tightened capacity accreditation, further reducing the eligible supply. Industrial and commercial energy users can no longer afford to treat energy as a fixed cost. They need precision. Predictability. And proactive action.

Who This Guide Is For

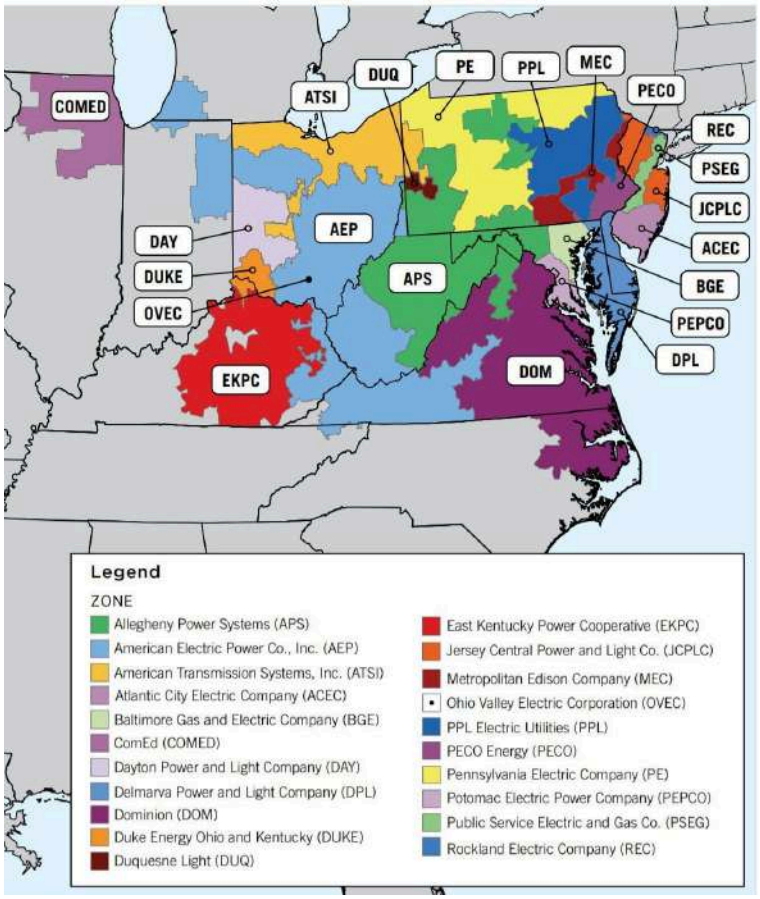
This guide is designed specifically for energy-intensive industries in the PJM region:

If you manage energy operations, sustainability efforts, procurement, or facilities in any of these sectors, this eBook will help you:

- Understand how 5CP charges work
- Avoid the most expensive hours of the year
- Implement actionable strategies to lower demand during critical times

Understanding PJM Zones:

This map shows the different zones within PJM, the regional transmission organization (RTO) that coordinates the movement of wholesale electricity across 13 states and D.C. Each zone typically represents the territory of a local electric utility (like PECO, PPL, or Dominion).



Why do these zones matter?

- They're used to set electricity prices based on local supply & demand (called Locational Marginal Pricing or LMP).
- They guide planning for grid upgrades and reliability.
- They define where transmission costs and revenues are allocated.

In short, PJM zones help ensure that power flows efficiently and reliably across a huge, interconnected grid — and that costs are fairly shared.

Spend Less, Save More

2.UNDERSTANDING PJM AND COINCIDENT PEAK CHARGES

What Is PJM?

TPJM Interconnection is a Regional Transmission Organization (RTO) managing the electricity grid across 13 states and Washington, D.C. It ensures reliability and operates a massive wholesale energy market, facilitating the buying and selling of electricity in real-time and in advance.

The Mechanics of Coincident Peaks (5CP)

Each year, PJM identifies the top 5 peak demand hours across the entire grid, typically between June and September. Your facility's electricity usage during those five hours determines your Peak Load Contribution (PLC) tag, which directly affects how much you pay in capacity charges the following year.

The issue? PJM doesn't announce those hours until *after* the fact. So, if you weren't prepared, your PLC gets set based on uncurtailed demand—locking in high rates for 12 months.

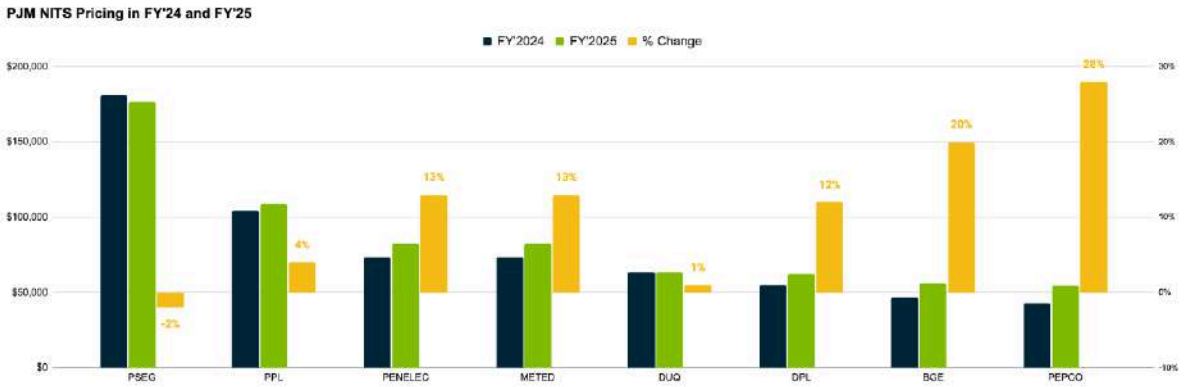
Capacity and Transmission Charges: The Hidden Costs

Many businesses see electricity charges rolled into a single supply bill, but embedded in that total are capacity and Network Integration Transmission Service (NITS) fees. These aren't minor: they can make up 25-40% of your total electricity bill. And they're avoidable.

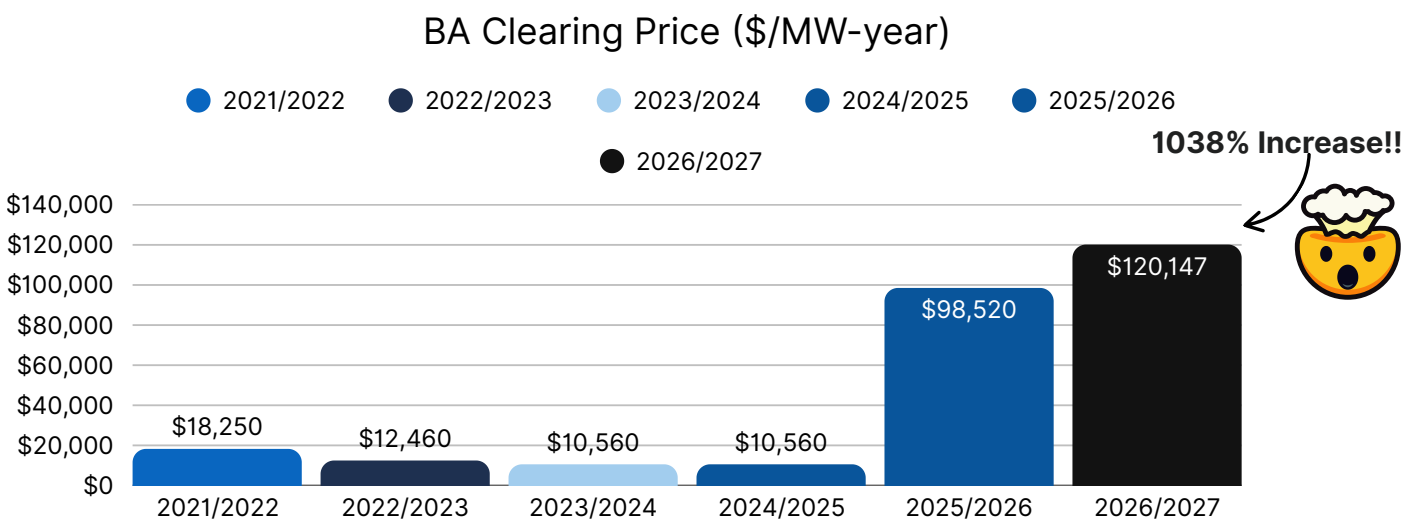
Avoiding just one of these peaks can mean tens or hundreds of thousands of dollars in annual savings.

Watch Now To Learn More

Customers in the PJM region will see increased capacity prices on their electricity bills starting June 1, 2025



NITS charges let transmission owners recover the costs of maintaining and upgrading the grid that delivers power to your facility. **Calculated from your highest peak demand during a set period**, these costs are often blended into your supply bill by your retail provider—so you might not see them broken out, even though they drive up your total cost. ***Simply put: reducing your peak demand directly lowers your NITS charges and cuts your overall energy spend.***



PJM Zonal Charges

Utility	State	Eligibility	PJM Capacity Charges	NITS Charges
Exelon Commonwealth Edison (ComEd)	Illinois	400kW and above	$100,000 per MW per Year	$38,400 per MW per Year
First Energy PA	Pennsylvania	400kW and above	$9,600-$15,400 per MW per Year	$32,500 per MW per Year
PECO	Pennsylvania	100kW and above	$100,000 per MW per Year	$15,960 per MW per Year
PPL	Pennsylvania	100kW and above	$100,000 per MW per Year	$103,000 per MW per Year
DLC	Pennsylvania	200kW and above	$100,000 per MW per Year	$63,600 per MW per Year
JCPL	New Jersey	500kW and above	$225,000 per MW per Year	NA
PSEG	New Jersey	500kW and above	$271,000 per MW per Year	$173,000 per MW per Year
Atlantic City Energy (ACE)	New Jersey	500kW and above	$144,000 per MW per Year	NA
Dominion Energy	Virginia	5000kW and above	$120,000 per MW per Year	$87,600 per MW per Year
BGE	Maryland	600kW and above (Hourly Priced Plan)	$100,000 per MW per Year	$79,000 per MW per Year

Who Pays the Price?

3.INDUSTRY IMPACTS

Greenhouses

Summer air circulation and grow lighting make greenhouses particularly vulnerable during peak season. pTrack® helps operators strategically dial back non-essential loads and plan shading or ventilation changes without risking crop health.

Food & Beverage

Cold storage, refrigeration, and sanitation cycles often overlap with peak hours. With predictive alerts from pTrack®, facilities can preload chilling cycles, stagger operations, or lean on on-site generation to ride through peaks.

Plastics, Packaging & Containers

Extrusion, molding, and high-temperature processes require significant power. Knowing in advance when to shift or sequence loads can drastically reduce your PLC tag.

Automotive

Production lines and painting processes are continuous and sensitive to interruptions. Smart peak prediction allows for proactive load-shifting plans that preserve throughput without risking quality or timelines.

Pulp & Paper

Base loads are high and steady, but strategic deferrals or temporary turndowns in auxiliary processes can still yield major cost avoidance.

Tires & Rubber

From spinning to finishing, power-hungry equipment can be optimized with advanced notice, turning high-margin hours into smart curtailments.

Textiles & Apparel

Mixing, vulcanization, and curing stages are energy-intensive. Scheduling flexibility around peak alerts means your plant doesn't take a financial hit just to keep rubber rolling.

New Pressures, New Costs

4.THE RISING RISK LANDSCAPE IN PJM

Summer Load Growth & Climate Pressure

Heatwaves and humidity are no longer occasional concerns—they're becoming the new norm. With record-breaking summer temperatures driving up air conditioning and industrial cooling demand, PJM's system-wide peaks are reaching new highs, often over 144,000 MW. For facilities with large energy footprints, this increases both the frequency and unpredictability of Coincident Peaks.

Transmission Costs Are Skyrocketing

Transmission owners are passing on the cost of infrastructure upgrades through NITS (Network Integration Transmission Service) charges.

Regulatory Shifts & Market Complexity

FERC and PJM have introduced rule changes that shift more cost responsibility onto end-users. Capacity pricing, congestion charges, and revised peak protocols all contribute to a more volatile and opaque billing environment. What used to be a manageable seasonal concern has become a strategic cost-control priority.

Poor Timing is Expensive

Hitting even one Coincident Peak with your regular load profile can inflate your capacity costs for 12 months. For many large manufacturers, this can mean an additional $100,000 to $500,000 in avoidable fees. Without accurate forecasting, you're left guessing—and guessing wrong comes at a premium.

Edgecom Energy's pTrack® PJM is designed to eliminate that guesswork and offer 98.5%+ accuracy in predicting the five critical peak hours that set your costs.

Solution Spotlight: pTrack® PJM

5. ACCURACY THAT PAYS OFF

pTrack® PJM is Edgecom Energy's AI-powered peak prediction platform tailored specifically for North America's largest and most complex electricity market. It delivers the precision required to hit Coincident Peaks with confidence—while keeping curtailment to a minimum.

Key Features

- **98.5%+ Prediction Accuracy:** Reliably forecast the top five Coincident Peak hours before they happen.
- **Fewer Curtailments:** On average, only 9 curtailment calls per year—minimizing disruption while maximizing savings.
- **Multi-Channel Alerts:** SMS, email, and phone notifications keep your entire operations team in the loop.
- **12-Day Outlook:** Every Sunday, receive a ranked forecast of the top five peak likelihoods.
- **Real-Time Monitoring:** Access your facility's live energy data through a single, integrated portal.
- **Curtailment Notices**: With 6–18 hours of advance warning, you get the time you need to act effectively.

Operational Simplicity

You don't need to overhaul your systems to benefit. Edgecom's platform is designed for quick onboarding, intuitive dashboards, and seamless integration with your existing load management or automation tools.

Flexible for Your Industry

Whether you're running greenhouse operations or managing heavy-duty industrial processes, pTrack® adapts to your priorities and constraints. It gives you the clarity to balance production schedules with peak avoidance.

How Our Clients Cut Costs—and You Can Too

6. REAL RESULTS, REAL CUSTOMERS

Vine Fresh Acres: Zero Misses, Zero Crop Loss

Operating a high-tech greenhouse in one of the most peak-sensitive sectors, Vine Fresh Acres needed a way to avoid costly peaks without risking plant health. With pTrack® PJM, they achieved 100% peak avoidance in 2024 while maintaining optimal growing conditions. The system's timely alerts allowed them to reduce lighting and non-critical HVAC loads at just the right times—no guesswork, no production loss.

"Edgecom Energy has been point-on. They've been 100% accurate as far as predicting these peaks."

— Jake Neufeld, Co-Owner, Vine Fresh Acres

Bock North America: Six-Figure Savings

As an industrial manufacturer, Bock North America faced significant energy loads and razor-thin timing windows to act. By leveraging pTrack® PJM's forecasts and alert system, they aligned their shift operations and curtailed during the most expensive hours. The result? Projected savings of $100,000 to $120,000 in one year—without disrupting output or delivery timelines.

"This year, our savings are on track to reach between $100,000 and $120,000."

— Brandon Hastie, Industrial Engineer, Bock North America

These are just two examples of how Edgecom Energy clients are translating insights into measurable ROI. When the system tells you exactly when and how to act, the savings follow naturally.

Cuts Costs and Locks in Savings

7. HOW PTRACK® WORKS

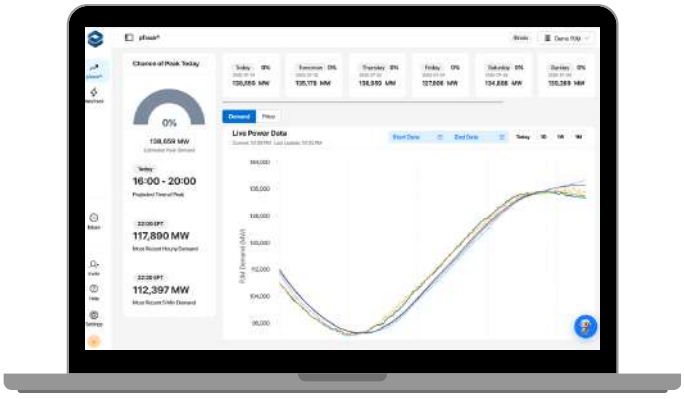
Step 1: Weekly 12-Day Outlook

Every Sunday, users receive a 14-day forward-looking forecast that ranks the top five likely Coincident Peak (CP) hours. This proactive view helps teams plan production and curtailment strategies well ahead of time.

Step 2: Standby Notifications

- **Day Before Standby Notice:** Sent at least 18 hours in advance.
- **Day-Of Standby Notice:** Sent a minimum of 6 hours before a potential peak.

These early alerts give facilities the flexibility to coordinate operational changes with minimal disruption.



Step 3: Curtailment Notices

If conditions escalate, a Curtailment Notice is issued no later than 4 hours before the predicted CP window. This final alert gives users precise timing to shed load and avoid peak charges.

Step 4: Real-Time Monitoring

The integrated Edgecom platform shows live energy consumption across your facility, allowing you to verify reductions in real time and adjust your curtailment response dynamically.

Step 5: Post-Peak Insights

After each event, you can review performance metrics and savings estimates within the platform. These insights fuel continuous improvement, helping you refine strategies season after season.

Edgecom Energy's system was designed with operational leaders in mind: clear notifications, accessible data, and zero guesswork. It's a system you can count on, backed by proven results.

Cut demand when it matters most

8. LOAD MANAGEMENT TACTICS FOR PJM

Behind-the-Meter Battery Optimization

Battery Energy Storage Systems (BESS) can charge during off-peak hours and discharge during predicted CP events. When paired with pTrack®, facilities gain the intelligence to deploy batteries at the precise time when demand reduction yields the highest return.

Real-Time Load Shedding

Facilities can prepare pre-approved curtailment plans that prioritize non-essential loads. From lighting to auxiliary motors, automatic or manual shutdowns can be activated based on pTrack® alerts.

Operational Shifts & Staggering

Manufacturers and processors can reschedule production runs, adjust shift timing, or stagger process-heavy tasks away from peak hours. With 18+ hours notice, teams can plan efficiently without compromising delivery schedules.

Generator Dispatch

On-site generation, such as diesel or natural gas gensets, can be used selectively to lower grid draw during peak periods. When properly timed, this strategy offsets demand charges without incurring excessive fuel costs.

HVAC and Environmental System Adjustment

HVAC systems account for a large portion of load in many commercial and industrial buildings. Pre-cooling or adjusting setpoints during pTrack® warning periods can provide significant demand reduction without compromising comfort or compliance.

Integrated Automation and BMS

Facilities that use a building management system (BMS) or SCADA platform can automate curtailment actions triggered by pTrack® alerts. This reduces manual effort and ensures consistent, reliable execution during each peak window.

Turning rising risks into strategic savings

9. THE BUSINESS CASE FOR ACTION IN 2026

Higher Costs Are Already Here

Starting June 1, 2025, PJM customers will face increased capacity and transmission charges. These costs are already baked into retail supply contracts and will disproportionately impact facilities with unmanaged peak demand. Taking action now can offset or even eliminate these rising charges.

Miss One Peak, Pay All Year

A single missed Coincident Peak hour can lock you into inflated rates for 12 months. For a large manufacturer, this mistake could mean a six-figure increase in electricity costs. Proactive peak management isn't just smart—it's financially essential.

Fast ROI, Measurable Results

Most Edgecom Energy customers see a full return on investment in the first year. Some save more than $350,000 per MW of curtailed demand. With minimal infrastructure investment and rapid onboarding, pTrack® PJM is one of the few energy solutions that pays for itself almost instantly.

Stakeholder Alignment Is Key

Executives, facility managers, and operations leaders all benefit when energy strategies produce bottom-line savings. pTrack® 's dashboard and reporting tools make it easy to demonstrate value to internal stakeholders, from sustainability teams to CFOs.

2026 Is the Year to Act

With record-setting heat projections and surging grid demand, the stakes are higher than ever. Delaying action by even one season can mean missing out on hundreds of thousands in savings. The time to prepare isn't next year—it's today.

Harnessing AI for Superior Energy Efficiency

10. NEXT STEPS

1. Register to our free webinar: Navigating Coincident Peak Price Pressures in the PJM Market.

This urgent session will unpack the key drivers behind rising CP charges, the evolving risk landscape, and actionable strategies to manage costs through precision forecasting, load shaping, and real-time response.

2.Book a Complimentary CAPA Assessment

Get a custom Coincident Peak Avoidance (CAPA) strategy tailored to your facility. Understand where your risk lies and how much you can save in the next peak season.

3. Start Monitoring in Under 48 Hours

Edgecom Energy's pTrack® PJM can be deployed quickly —no expensive equipment upgrades, no complicated integrations. Just data, intelligence, and results.

4. Show the ROI

Use pTrack®'s intuitive dashboard and reporting suite to demonstrate savings and performance across departments. Build internal support and drive energy strategy with confidence.

5. Enter to Win a Free Savings Assessment

All ebook readers are eligible to enter a draw for a complimentary PJM savings consultation and forecast demo. Don't miss your chance to save more.

Let's eliminate uncertainty. Let's cut costs. Let's outsmart the peak—together.

About
EDGECOM ENERGY

Outsmart rising energy costs with an all-in-one energy management solution.

Edgecom Energy provides commercial and industrial energy consumers with an all-in-one energy management solution to outsmart rising energy costs. Our platform uses AI and combines real-time facility and grid analytics to deliver advanced insights and enable better decision-making, reducing costs and emissions while maximizing grid incentives.

Book a Demo Today!

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