



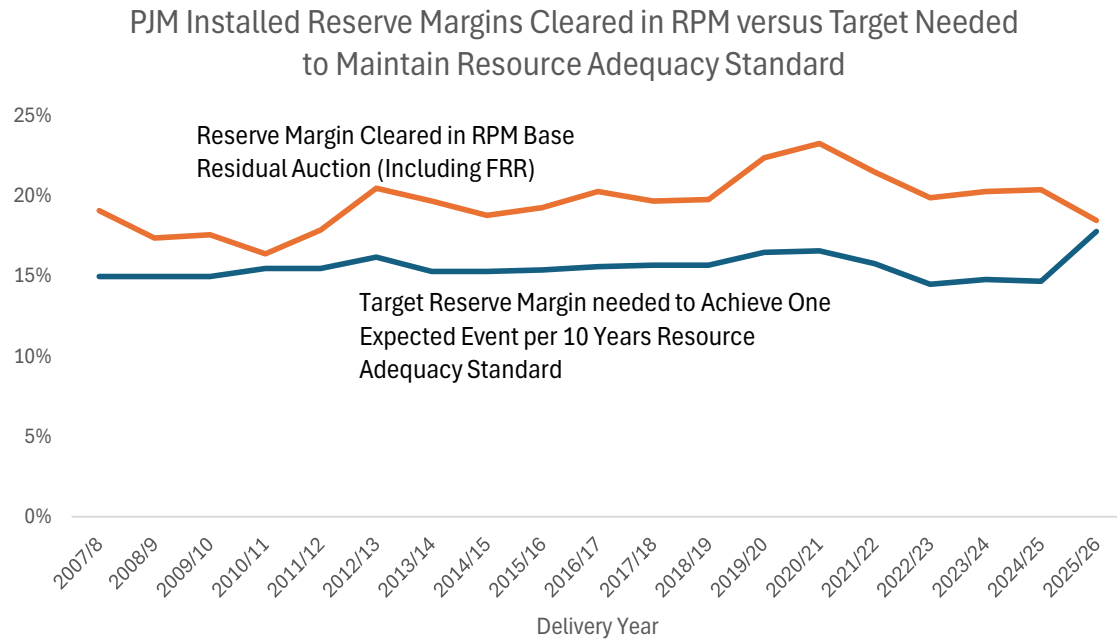
Perspectives on AI Demand, Resource Adequacy, and Co- Location

Matthew Price
General Counsel, Constellation

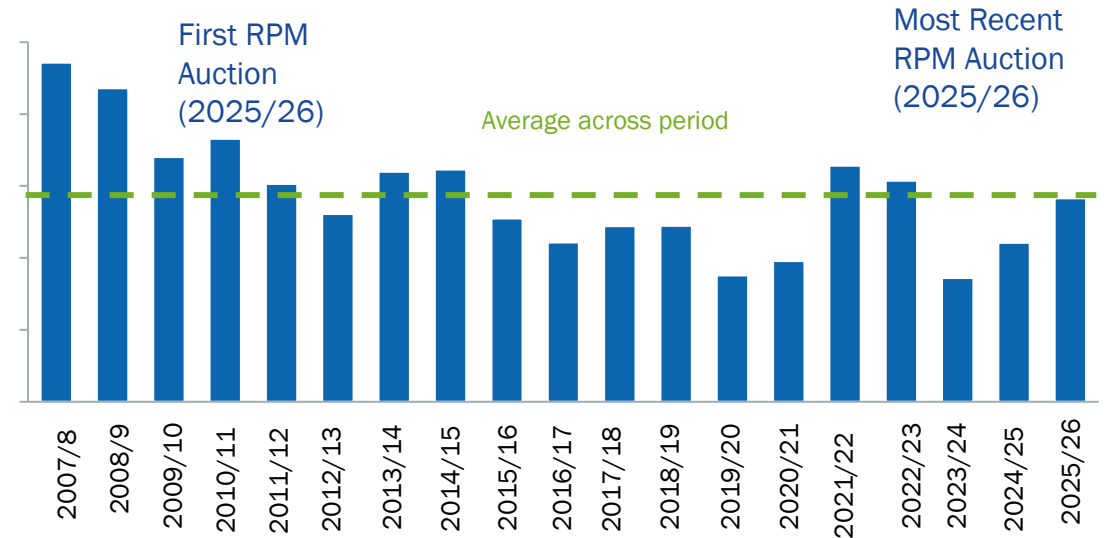
May 12, 2025

PJM Has a Track Record of Ensuring That Supply Exceeds Demand – But Prices Fluctuate

On an inflation-adjusted basis, prices resulting from the most recent capacity auction are lower than 15 years ago²

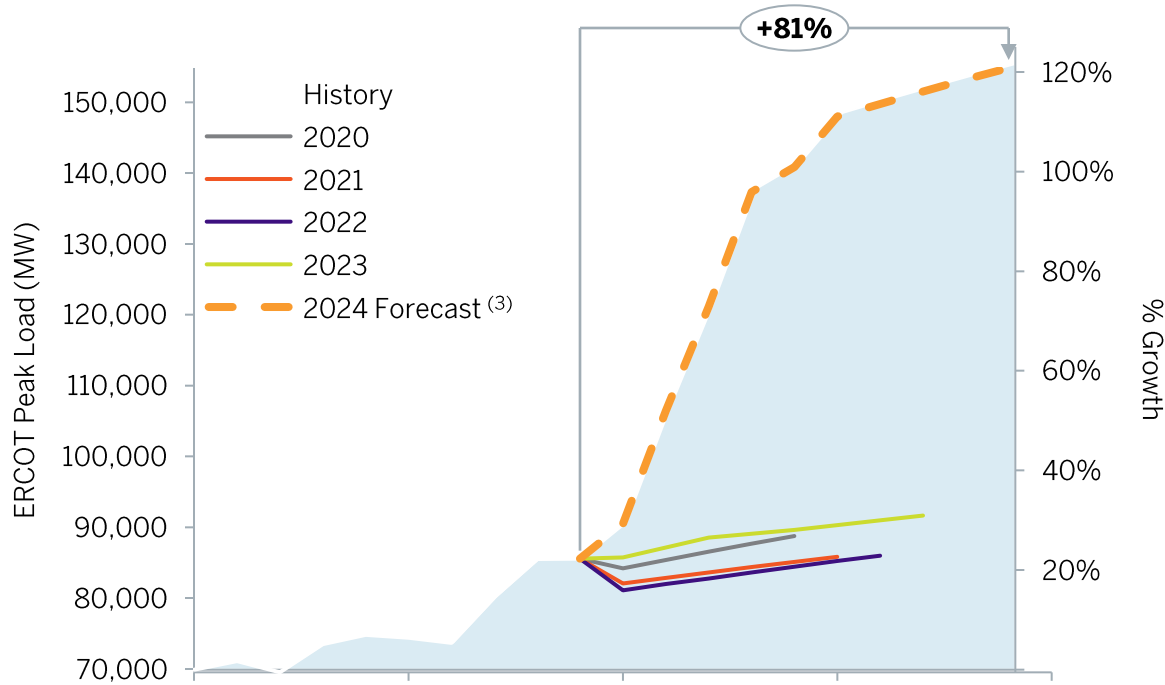


Combined PJM Energy and Capacity Price (2025 \$/MWh)

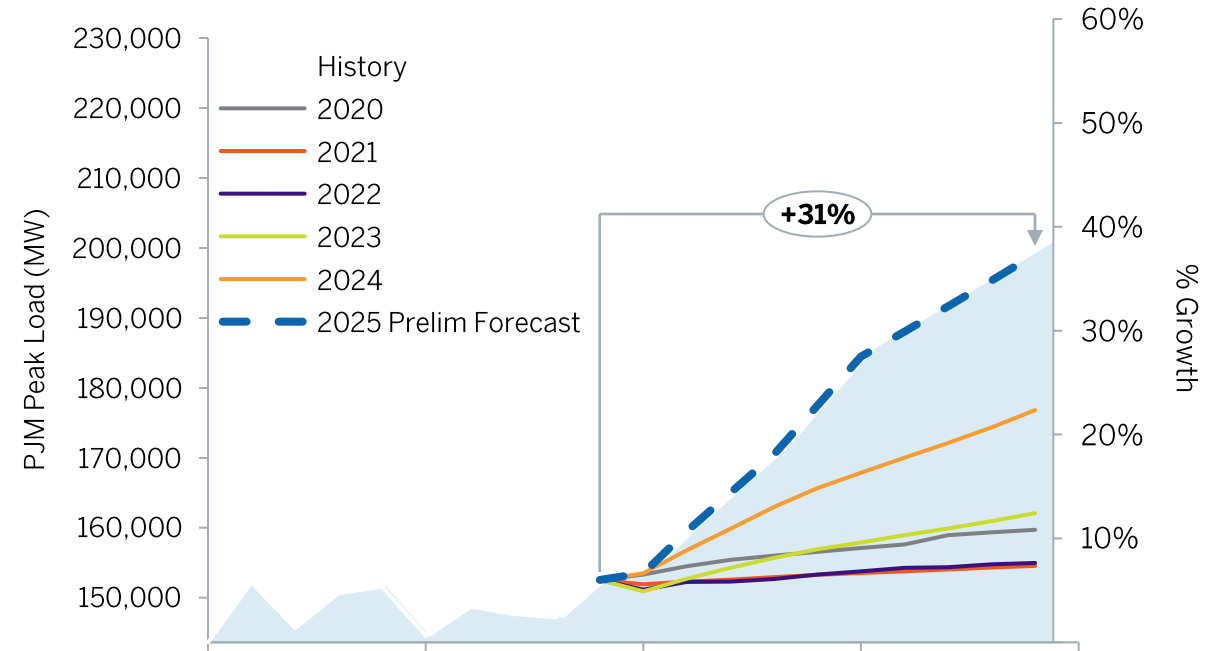


Unprecedented Demand Growth “Projected” for the U.S.

ERCOT Peak Load Growth Projection (MW) (1)



PJM Peak Demand Forecasts Keeps Growing (MW) (2)



ERCOT forecasts peak load growth of over 80% between 2024 and 2034

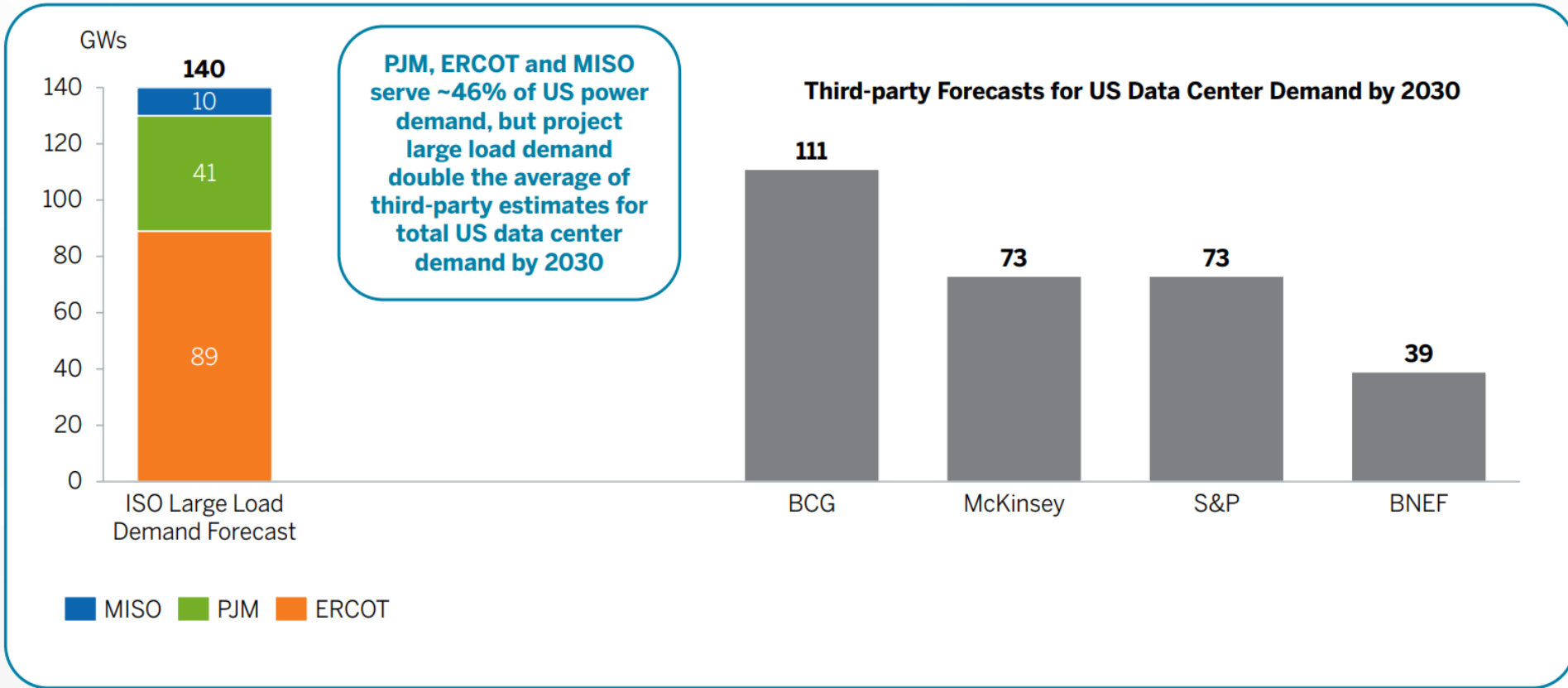
PJM forecasts peak load growth of over 30% between 2024 and 2034

(1) Source: ERCOT. <https://www.ercot.com/gridinfo/load/forecast>.

(2) Source: PJM 2025 Load Forecast (Preliminary Accepted Requests). As of 11/2024. <https://www.pjm.com/planning/resource-adequacy-planning/load-forecast-dev-process>.

(3) 2024 forecast uses a different methodology and now requires ERCOT to include all large loads in their forecast regardless of status due to HB 5066

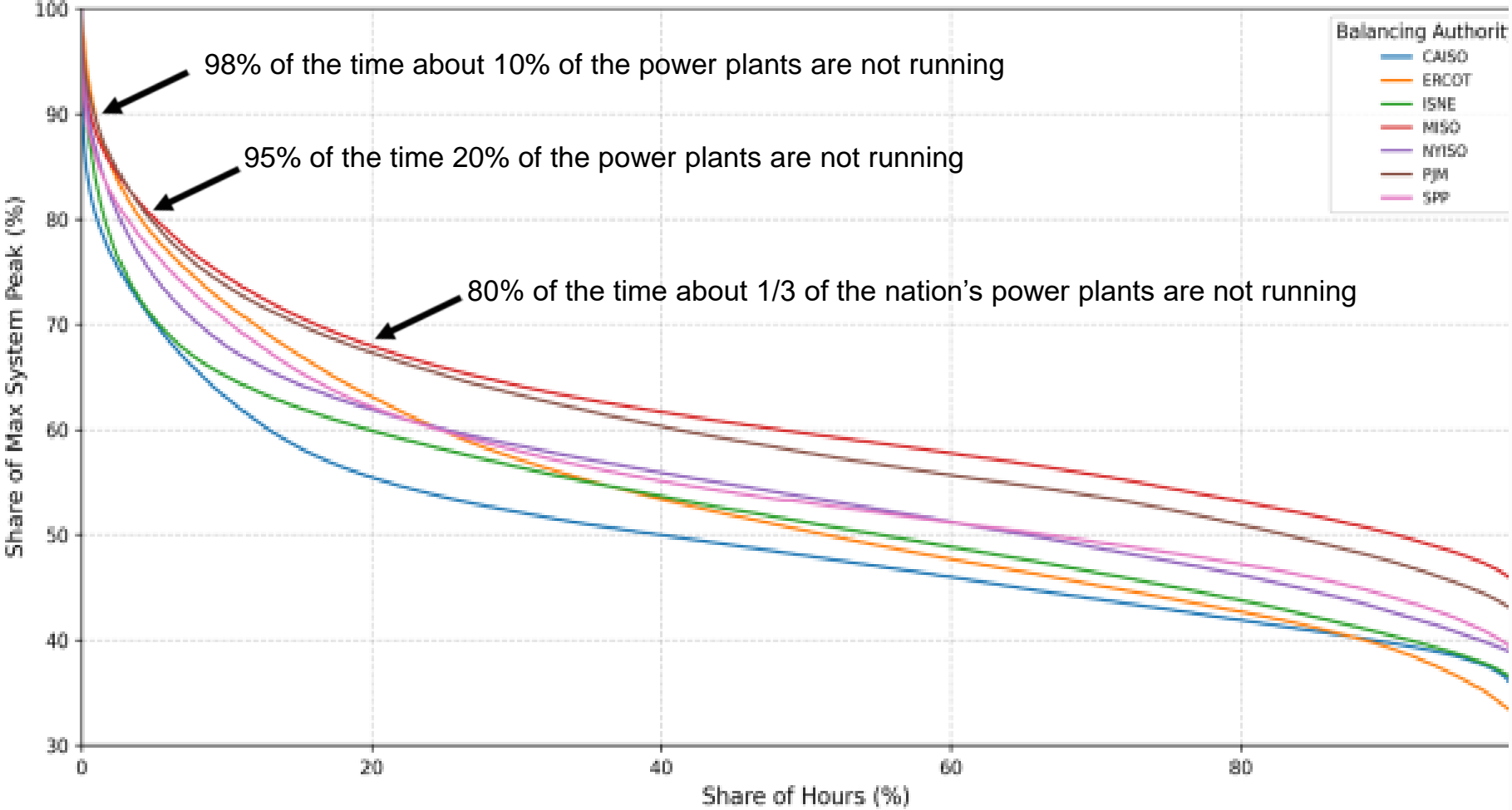
Data Centers Pursuing Multiple Jurisdictions for the Same Project



Sources: MISO, PJM, ERCOT, BCG, McKinsey, S&P and BNEF; adjusted for capacity factor



Making the Most of the Existing Grid



Source: Rethinking Load Growth – Assessing the Potential for integration of Large Flexible Loads in US Power Systems – Duke Nicholas Institute for Energy, Environment, and Sustainability – February 2025, p.7

Some Benefits of Co-Location

- Speed
- Efficient placement of load on transmission system
- Reduces need for system upgrades and related costs
- System efficiency – e.g., line losses
- Resource adequacy is a red herring

Closing Thoughts

- **Return to Fundamentals**
- **How to separate hype when there is value in being hyperbolic**
- **Stable regulatory structures help foster investment**
- **Using existing headroom lowers costs**