Capacity Markets Under Fire as Winter Readiness Lands and Texas Flips Its Governor

October 31 - November 6, 2026

Executive Summary

North American wholesale power markets experienced a meteorologically quiet but strategically consequential week, as mild early-November conditions kept real-time prices subdued across virtually every footprint while attention shifted decisively toward winter preparedness and market-design conflict. Grid operators in the East and Midwest published winter outlooks that underscored a now-familiar tension: ample nameplate capacity set against forecast peaks that continue to climb under data-center-driven load growth. PJM projected roughly 182,400 megawatts of available capacity against a forecast peak near 147,500 megawatts, a level that would set a new winter demand record if realized, while MISO reported about 134.7 gigawatts of committed winter capacity against a 113.4 gigawatt forecast peak. Each operator paired its surplus headline with explicit warnings about thinning reserve margins, steep evening ramps, and winter-storm risk. With no significant heat or cold event inside the window, the operational story nearly everywhere was one of calm, leaving the week's signal to come from regulators, stakeholders, and the ballot box.

The more durable developments were structural and legal. Two complaints filed at the Federal Energy Regulatory Commission within days of each other, Exelon's challenge to PJM's three-year-forward Base Residual Auction and Invenergy's complaint over MISO's treatment of merchant high-voltage direct-current capacity, crystallized a shared grievance that today's capacity constructs are mispricing and misallocating the cost of serving large new loads. In New England, the NEPOOL Markets Committee advanced a sweeping capacity-market overhaul toward separate winter and summer auctions even as roughly 1,500 megawatts of offshore wind reached full output and ISO New England opened its markets to distributed energy resource aggregations. In the West, CAISO's quarterly benefits report reinforced the Extended Day-Ahead Market's growth narrative just as the competing SPP Markets+ initiative settled into a pre-decision lull ahead of Bonneville Power Administration's looming market choice. Overlaying it all, Texas voters delivered a political shock on November 3, electing Gina Hinojosa governor over incumbent Greg Abbott and setting the stage for a harder line on data-center interconnection and a reshaped state utility commission.

CAISO

The California ISO moved through the week without a publicly reported system-wide emergency, as mild early-November conditions produced unremarkable shoulder-season pricing. Day-ahead energy at the major hubs settled in roughly the mid-$40s to high-$50s per megawatt-hour, with no heat events, flex alerts, or demand records anywhere in the period. The operational calm was consistent across the balancing area, and the absence of price drama reflected genuinely quiet fundamentals rather than any masked stress, leaving the week's substantive activity to the regulatory and governance agenda that has increasingly come to define the ISO's near-term trajectory.

That agenda centered on the framework for connecting very large loads to the grid, the ISO's signature response to surging data-center and artificial-intelligence demand. Following the board's recent approval of a 50-megawatt large-load connection construct, the week brought a November 4 comment deadline on revised tariff language as the ISO prepares to file the framework at the Federal Energy Regulatory Commission later in the month. The initiative offers a single, flexible interim service while the rules are finalized, and it places California among the growing set of markets attempting to accommodate hyperscale demand without shifting undue cost onto existing ratepayers, a theme echoing through nearly every footprint this week.

WEIM/EDAM

Attention across the broader Western footprint turned to the performance of the ISO's regional markets, as fresh quarterly figures reinforced the narrative that the Extended Day-Ahead Market is delivering measurable value. Reporting during the week highlighted cumulative EDAM benefits of roughly $33 million since the market's spring launch, with the third quarter alone contributing the bulk of that total, while the longer-running Western Energy Imbalance Market added several hundred million dollars in quarterly benefits and approached roughly $9.6 billion in cumulative value since inception. The figures landed as Portland General Electric settled in as an active EDAM participant, deepening the market's footprint and liquidity.

The growth narrative carries strategic weight because it unfolds against the unresolved competition between EDAM and the rival SPP Markets+ day-ahead offering for the loyalties of Western utilities. With several additional entities committed to join EDAM in the coming years, the market's expanding benefits tally functions as a scorecard in that contest, even though the week itself produced no new entrant announcements, FERC actions, or governance milestones. The competitive storyline was effectively dormant during the period, but the quarterly results quietly strengthened EDAM's standing as the pivotal Western decisions approach.

ERCOT

ERCOT's operational week was unremarkable, with mild autumn conditions and no system-wide energy emergency; peak demand touched roughly 63,000 megawatts on November 1, modestly above forecast but well within seasonal norms as weekly load drifted lower. The defining development for Texas, however, was political rather than operational. On November 3, Democrat Gina Hinojosa defeated incumbent Governor Greg Abbott, an upset that ended a long stretch of Republican control of the governor's office and immediately reframed the policy outlook for the nation's largest competitive power market.

The result carries direct implications for grid policy. Hinojosa campaigned on a harder line toward data-center interconnection, pledging to extend scrutiny of large-load additions until the Legislature acts and to insist that hyperscale users bear their own system costs rather than shift them onto residential customers, positions that would reinforce and potentially harden the existing pause on new data-center connections. Because the governor appoints all five members of the Public Utility Commission of Texas, several of whose seats remain unconfirmed, the election also reshapes the commission that oversees pending matters including the Permian Basin Reliability Plan's 765-kilovolt transmission dockets, where routing and cost questions remain contested. Hinojosa takes office in January alongside a changed legislative landscape, and market participants spent the week recalibrating expectations accordingly.

SPP

The Southwest Power Pool's Integrated Marketplace operated without a publicly identified region-wide emergency during a quiet, weather-benign week, and no notable price records or congestion events surfaced in the footprint. With the RTO's marquee annual gathering of its board and members committee still roughly two weeks out, the period was light on market-operations news and centered instead on the long-running challenge of interregional coordination with neighboring systems.

The week's substantive item was a renewed commitment by SPP and the Midcontinent ISO to improve their joint Coordinated System Plan study process, following yet another cycle in which the two operators failed to agree on shared interregional transmission projects. The persistent difficulty of advancing seams projects, despite clear reliability and economic rationales, remains a structural frustration at the boundary between the two largest central-U.S. markets, and the fresh pledge signals intent to break the logjam even as concrete projects remain elusive. Beyond that coordination effort, SPP's week was genuinely thin, with the bulk of its stakeholder calendar falling outside the reporting window.

SPP Markets+

SPP's Markets+ initiative, the day-ahead construct being developed for Western participants, remained in its implementation phase and therefore generated no live daily real-time prices or operational data during the week. The period amounted to a pre-decision lull, with no stakeholder-meeting outcomes, FERC orders, or governance actions originating from the effort itself inside the reporting window.

The most relevant in-window signal came from a competitor: CAISO's quarterly report on EDAM and Western Energy Imbalance Market benefits sharpened the contrast between the two Western day-ahead options precisely as the most consequential pending choice, the Bonneville Power Administration's market direction, moves toward a draft decision expected in early December. Bonneville's

deliberations, together with broader questions about governance frameworks and participant liquidity, will largely determine the Markets+ trajectory, and the quiet week did little to alter a competitive landscape increasingly framed around EDAM's demonstrated momentum. For now, Markets+ remains a work in progress awaiting its defining moments just beyond the horizon.

MISO

The Midcontinent ISO's market operated without a widely reported system-wide emergency, and the week's weather was mild enough to keep real-time prices subdued after the late-October heat that had briefly pushed prices sharply higher in prior days. Framing the period was MISO's winter readiness assessment, which reported roughly 134.7 gigawatts of committed winter capacity against a forecast peak near 113.4 gigawatts. The surplus headline was paired with pointed cautions about tightening reserve margins, steep evening ramps as solar output fades, and the ever-present risk of a severe winter storm overwhelming nominal adequacy.

The week's most consequential regulatory development was a complaint Invenergy filed at the Federal Energy Regulatory Commission challenging MISO's treatment of merchant high-voltage direct-current transmission in its capacity market. The complaint argues that MISO counts the capacity value of such lines when sizing its procurement requirements but neither accredits nor compensates their owners, and it points to the Grain Belt Express project as a resource capable of delivering well over a gigawatt of accredited capacity under an appropriate methodology. The filing is of a piece with a broader wave of capacity-market challenges sweeping the eastern RTOs, all rooted in the strain that rapid, large-load growth is placing on constructs designed for a slower-moving resource mix. MISO's own stakeholder calendar was otherwise light, limited to a procedural voting-tool workshop.

PJM

PJM's week was dominated by winter preparedness and capacity-market conflict rather than by any operational stress, as mild conditions kept the grid comfortable. The ISO released its winter outlook projecting roughly 182,400 megawatts of available capacity against a forecast peak near 147,500 megawatts, a level that would set a new winter demand record if realized, and it explicitly warned that the margin between supply and a possible extreme-weather peak continues to narrow as data-center load drives demand steadily higher. The Transmission Expansion Advisory Committee also convened during the week, updating stakeholders on reliability analysis as the ISO works through an expanding slate of upgrade needs.

The headline regulatory event was Exelon's complaint at the Federal Energy Regulatory Commission contending that PJM's three-year-forward Base Residual Auction is no longer just and reasonable and asking the Commission to authorize a prompt capacity auction held much closer to the delivery year. The challenge, which lands just ahead of a planned capacity-reform workshop, reflects mounting frustration that the forward construct is producing volatile, elevated prices without delivering timely new supply. Generators and developers reinforced the supply-side theme during the week: PSEG and Constellation detailed a planned uprate at the jointly owned Salem nuclear station to support large-load and data-center commitments, and the SOO Green HVDC Link and a nuclear developer signed a letter of intent to explore delivering firm nuclear output into PJM via the planned underground line. Together the filings and announcements underscored a market straining to match surging demand with firm, deliverable capacity.

ISONE

ISO New England enjoyed a normal autumn operating pattern with no weather-driven stress, but the week was unusually eventful on the market-design and resource fronts. Effective November 1, the ISO opened its wholesale energy, capacity, and ancillary-services markets to distributed energy resource aggregations in compliance with FERC Order No. 2222, allowing aggregated batteries, solar, demand response, and controllable electric-vehicle charging to participate for the first time. Days later, the NEPOOL Markets Committee advanced a sweeping package of capacity-market reforms, including revised accreditation and a shift from a single annual commitment period to separate winter and summer auctions, a structural change aimed at better aligning capacity payments with the seasons in which resources actually deliver.

The region also marked a milestone in its clean-energy buildout, as roughly 1,500 megawatts of offshore wind reached full output during the week with both Revolution Wind and Vineyard Wind 1 confirmed at commercial operation. The additions arrive despite the federal and permitting headwinds the sector has faced, and they meaningfully reshape the New England supply picture heading into winter. Running beneath these developments was a continuing tension over interconnection economics, as the ISO defended its transitional cluster-study cost methodology before federal regulators by attributing high

network-upgrade estimates to shrinking headroom on an increasingly constrained transmission system.

NYISO

The New York ISO had a genuinely quiet week in market terms, with no weather-driven events, committee outcomes, or FERC actions of note inside the reporting window, and no new seasonal assessment yet published. The developments that did surface were infrastructure-driven and spoke to the state's deepening tension between resource adequacy and its statutory decarbonization goals. Chief among them was an application by National Grid Ventures to repower its Long Island generating stations with roughly 1,550 megawatts of new gas-fired capacity, a proposal that sits uneasily alongside New York's mandate for a zero-emissions grid by 2040.

The repowering bid, which would run through the ISO's interconnection process with a target in-service date in the mid-2030s, crystallizes the downstate reliability debate: how to maintain firm capacity as older units age while honoring an aggressive clean-energy trajectory. Separately, on the Canadian side of New York's import corridor, Hydro-Quebec moved to sell a segment of its new transmission line feeding the state to a Mohawk council, a transaction that underscores the growing role of Indigenous partnership and cross-border supply in the region's long-term adequacy plans. Beyond these items, the week offered little in the way of NYISO-originated market activity.

AESO

Alberta's market operated without a publicly reported system-wide emergency, though its restructured energy market transition clearly dominated the week's agenda. On November 6, the AESO opened the second engagement window on its restructured energy market ISO rules, releasing documents and opening registration for stakeholder sessions scheduled later in the month, the marquee step in a multi-year redesign that will reshape how energy and capacity are priced in the province. Market operations themselves were moderate, with the Alberta pool price averaging in the low-$40s per megawatt-hour on October 31 before climbing above $100 on November 1, including a brief evening scarcity spike above $550 as the province also shifted off daylight saving time.

Alongside the market-design work, a governance friction surfaced when the AESO issued a formal rebuttal to the provincial Market Surveillance Administrator, which had earlier found that the operator inadequately monitored generators' primary-frequency-response compliance and failed to refer suspected violations. The exchange highlights the heightened oversight accompanying Alberta's market overhaul, as the operator, the regulator, and market participants recalibrate their roles under the coming rules. With the substantive restructured-market stakeholder sessions falling just after the reporting window, the week functioned as a staging point for an intensive stretch of design work to come.

IESO

Ontario's renewed wholesale market continued normal operations throughout the week, and the Independent Electricity System Operator produced little in the way of in-window news, with its headline capacity auction still several weeks away. The developments that took effect during the period were largely rollovers of previously announced measures: new winter regulated-price-plan rates for households and small businesses took effect November 1, and a six-month, 600-megawatt firm import arrangement with an external generator began the same day, part of the operator's effort to shore up supply during winter facility maintenance.

Those measures reflect the IESO's continuing focus on near-term resource adequacy as Ontario navigates rising demand and an aging fleet, even as the more consequential market events, most notably the annual capacity auction and its clearing prices, remain ahead on the calendar. No in-window procurement awards, technical-panel outcomes, or verified provincial market-operations data points surfaced during the period, making it one of the quieter weeks in the IESO's recent cadence. The operator's agenda nonetheless points toward an active late-November stretch as the capacity auction approaches and resource-adequacy planning intensifies.

Disclaimer

The Weekly Market Reports are prepared solely for informational purposes based on data and public communications available as of the publication date. While every effort is made to ensure accuracy and completeness, the summaries may omit developments that emerge after compilation or rely on sources that are subject to revision. No representation or warranty—express or implied—is made regarding the accuracy, timeliness, or suitability of the information provided, and nothing herein constitutes financial, legal, or operational advice. Recipients should perform their own due diligence and consult qualified professionals before making any decisions based on these reports. The author and publisher expressly disclaim any liability for actions taken in reliance on the content.