# Upsides on margin for BGRIM, GULF, and PJM for BCPG

- Hikes in PJM's 2027/28 capacity payment/spark spread to boost BCPG's growth

- Lower gas cost and subsiding regulatory risks favor BGRIM and GULF

- Top picks are BGRIM on margin upside, GULF on IPP upside and BCPG on PJM

### PJM's spark spread widened in tandem with hiking capacity payment

The spark and dark spreads, common metrics for estimating the profitability of natural gas- and coal-fired electric generators, have both increased over the past two years. The spark spread for gas-fired generators, increased from USD21/MWh in 2023 to USD28/MWh in 2025. The narrowing of the two spreads indicates that the economics of coal plants have improved relative to that of natural gas plants since 2023. In 11M25, the dark spread averaged USD21/MWh, and the spark spread averaged USD28/MWh.

### +1.3% increase in PJM's capacity payment to USD333.4/MW-day in 2027/28

On 17 Dec-25, PJM Interconnection announced the capacity payment of USD333.44/MW-day for 2027/28 Base Residual Auction (BRA), up 1.3% from 2026/27 BRA of USD320/MW-day, for 134.5GW of unforced capacity generation (UCAP) and demand response to meet projected electricity needs for 67m+ residents in 13 states and DC. Yet the higher-BRA supply, is still short of PJM's reliability requirement by 6.6GW, meaning that the committed supply is less than demand to meet the required 20% reserve margin, meeting only 14.8%. Forecasted peak load for 2027/28 will be 5.3GW higher than 2026/27's level, thanks to 5.1GW demand increase from data center. PJM's energy mix for power generation stands at 43% gas, 21% nuclear, 20% coal, 5% demand response, 4% hydro, 2% wind, 2% oil and 1% solar.

### 96% of demand growth (5.1GW) in PJM's 2027/28 period from data centers

It is no surprise that even with higher BRA capacity payment for 2027/28, almost no new capacity showed up as projects in PJM are still struggling to be built due to permit delay, financial difficulty, gas turbine shortages, and regulatory environment challenges. As the 96% (5.1GW) of 5.3GW PJM's total demand growth in 2027/28 will come from data center but the shortfall is projected to shrink in 2027/28 PJM's period as 1) planned retired power plants will be delayed; 2) wind farms that were unable to participate in the capacity auction before will be delivering electricity in the winter, the time when PJM faces the highest risk for demand-supply shortage.

### BCPG's share price drop offers an attractive buying opportunity

BCPG, the major beneficiary of PJM's higher capacity payment and spark spread for gas-fired power plants in U.S., has seen its share price plunge due to investors' concern on the potential involvement in the money-laundering case. We however think the concern is overreacted and by Mar-26 when Thai regulator will announce the investigation outcome, we think the overhang will likely subside, allowing BCPG's share price to reflect its strong fundamentals of strong net profit upsides from PJM.

### Top picks: SPPs for BGRIM; IPP for GULF; PJM for BCPG

Our top picks for Thai power companies will be BGRIM and GULF on the margin upside on tariff stabilization and BCPG on PJM's upside, on top of Thai utility sector's attractive investment choices in Thai stock market considering that 1) the regulatory environment improves after the change in the Minister of Energy; 2) the growths from U.S. AI industry in PJM and ERCOT; and 3) the upsides on margins and demands.
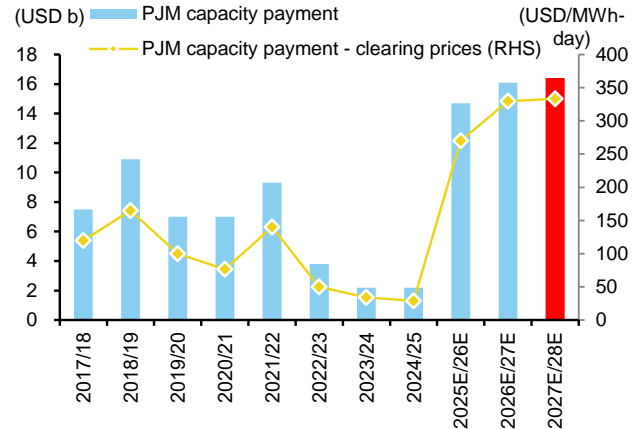
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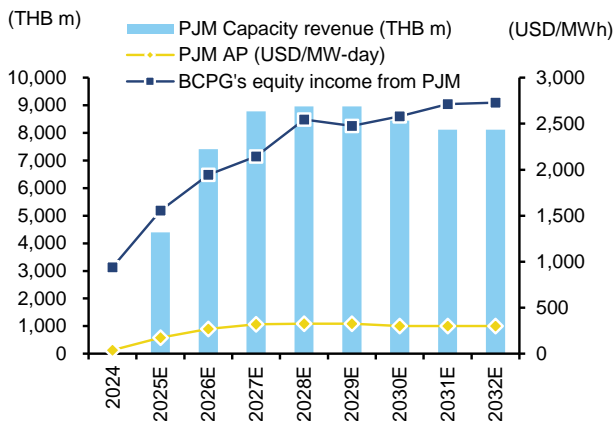**Exhibit 1: PJM's spark spread and dark spread (Jan-21 to Nov-25)**



Daily PJM Western Hub spark spread and dark spread (Jan 2021–Nov 2025)
dollars per megawatthour
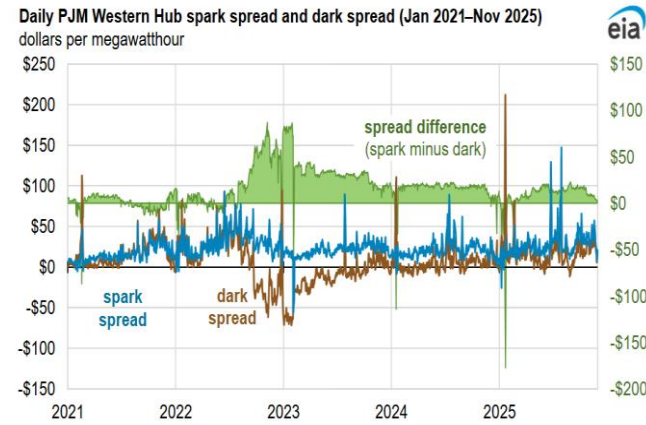
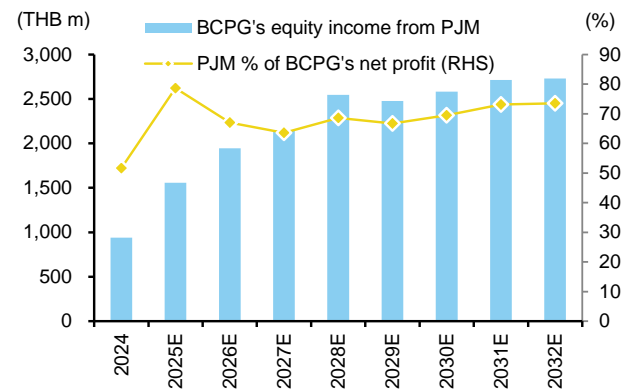Sources: EIA

**Exhibit 2: PJM's capacity payment**



Sources: PJM

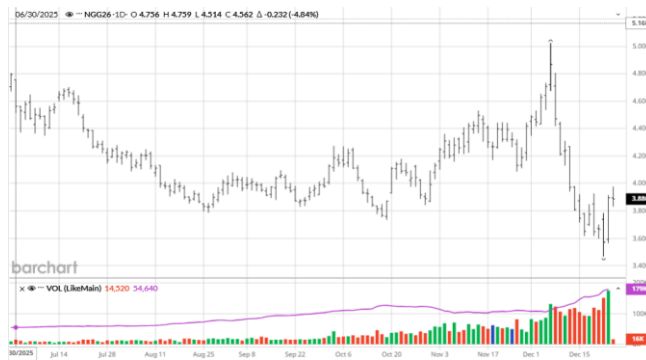**Exhibit 3: PJM's capacity payment, revenue, and equity income to BCPG**



Sources: BCPG; PJM; Globlex Research

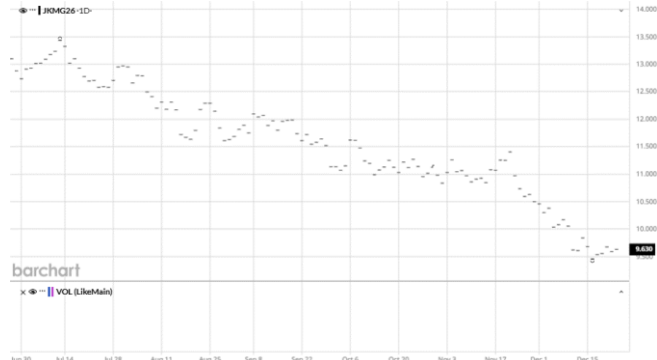**Exhibit 4: BCPG's net profits from PJM**



Sources: BCPG; PJM; Globlex Research

**Exhibit 5: Henry Hub spot gas price in U.S.**



Sources: Barchart.com

**Exhibit 6: LNG JKM swap futures South East Asia Feb-26E (JKMG26)**



Sources: Barchart.com

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## Analyst Certification

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# RECOMMENDATION STRUCTURE
## Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

**BUY:**      Expected return of 10% or more over the next 12 months.
**HOLD:**      Expected return between -10% and 10% over the next 12 months.
**REDUCE:**  Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.
* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

## Sector Recommendations

**Overweight:**        The industry is expected to outperform the relevant primary market index over the next 12 months.

**Neutral:**        The industry is expected to perform in line with the relevant primary market index over the next 12 months.

**Underweight:**        The industry is expected to underperform the relevant primary market index over the next 12 months.

## Country (Strategy) Recommendations

**Overweight:** Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Neutral:** Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Underweight:** Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.