

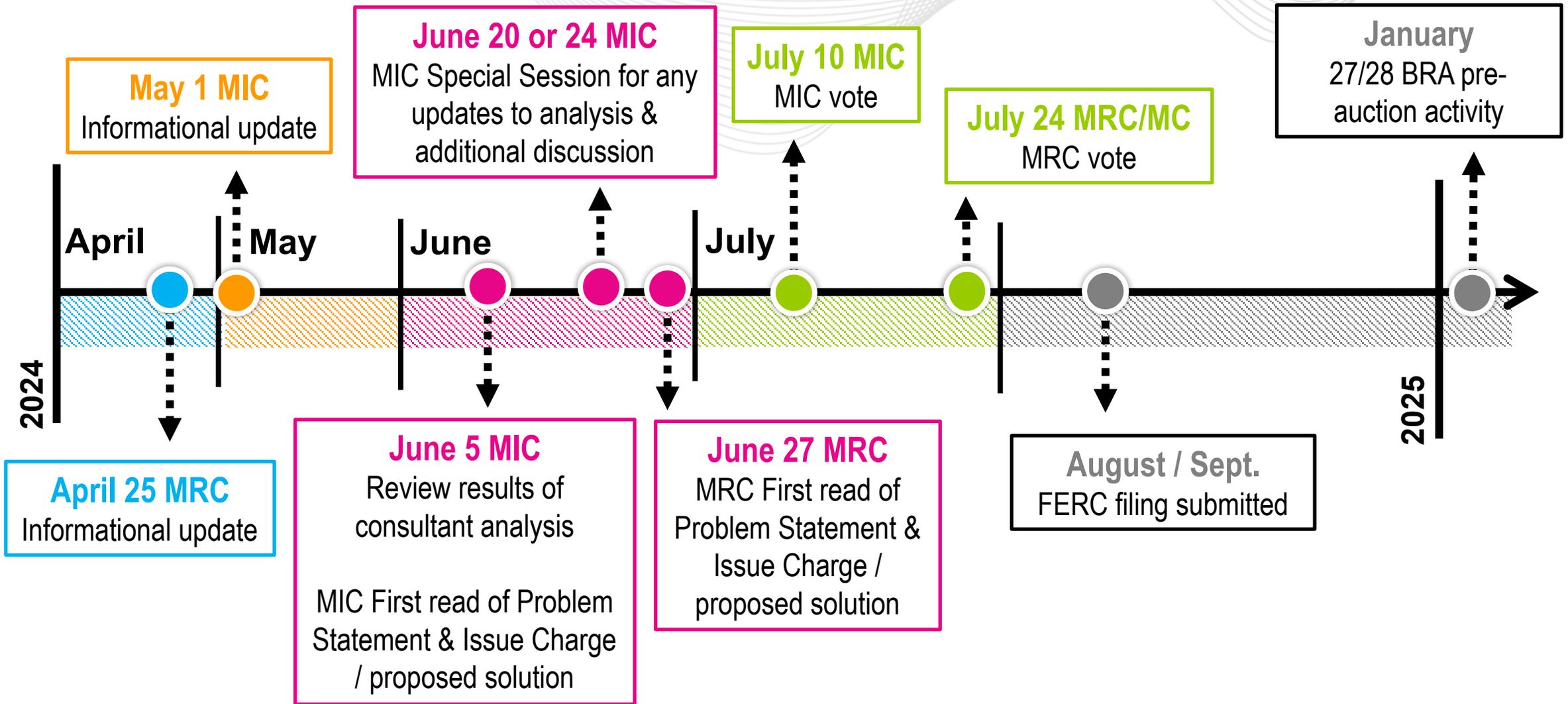


# Re-evaluation of Financial Parameters used in Cost of New Entry (CONE) for 2027/28 BRA

Pat Bruno  
Market Design Dept.

Markets and Reliability Committee  
April 25, 2024

- Most recent Quadrennial Review of the capacity market was filed September 30, 2022, and later accepted by FERC on February 14, 2023, to be effective with the 2026/27 BRA
- A key parameter reviewed in the Quadrennial Review process is the estimated Cost of New Entry (CONE) for the Reference Resource, which is used in setting prices on the demand curve
- Since the last review, there has been significant movement in economic indicators, particularly interest rates, that can impact the financial parameters used in the calculation of CONE
- PJM is retaining an independent consultant to review the financial parameters and assumed cost components and escalation rates used in the prior study for calculating CONE of the Reference Resource
- PJM plans to schedule time at the June 5 MIC meeting to discuss the results of the consultant's analysis with stakeholders and any proposed updates to CONE values under the "Quick Fix" stakeholder process with a targeted implementation of the 2027/28 BRA



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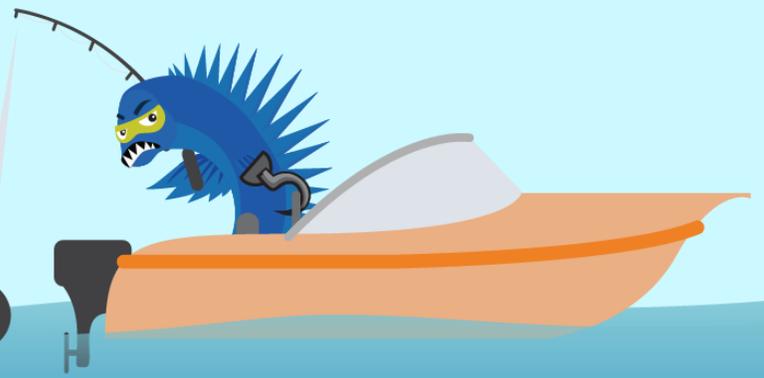
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