

Quadrennial Review Updates

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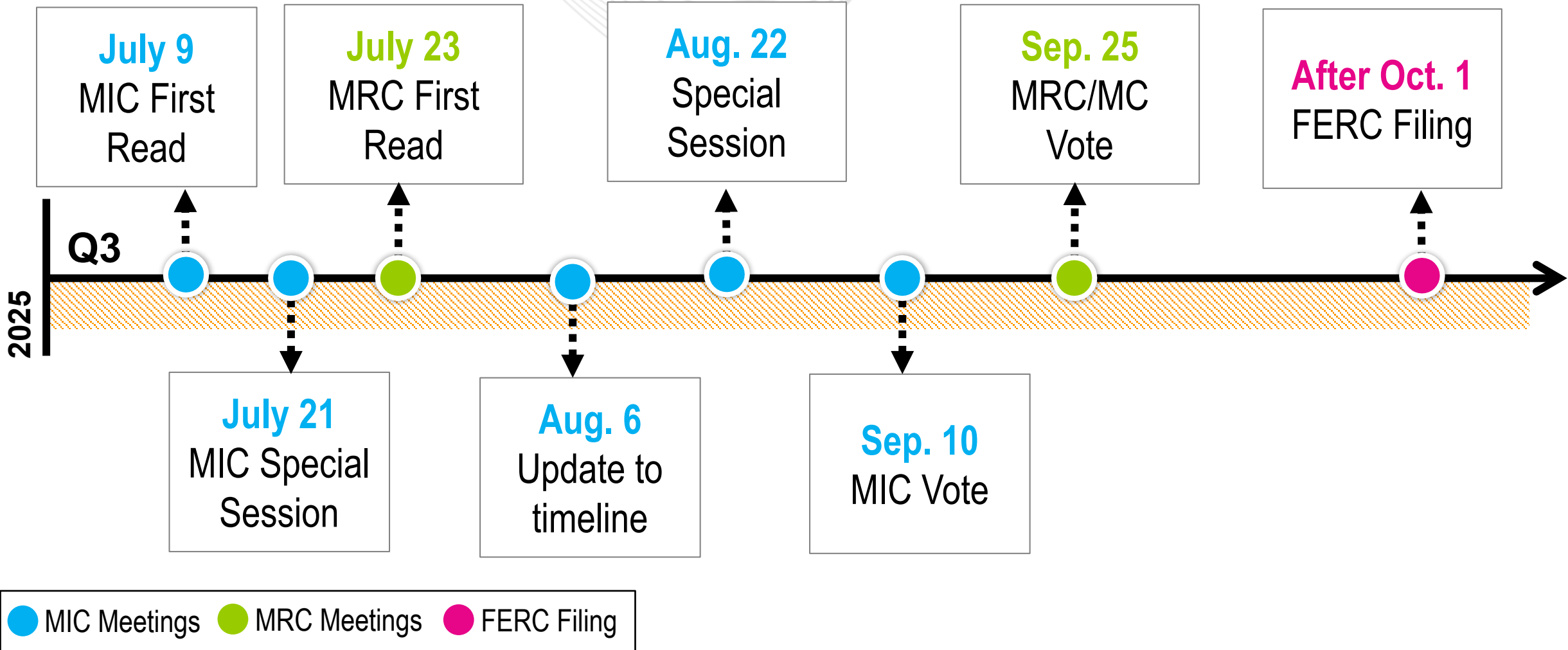
Market Implementation Committee
August 6, 2025

- Brattle along with Sargent & Lundy have been working to updated the CT and CC CONE values to reflect wet compression, an inlet pressure assumption, and verifying the capital drawdown schedule.
- During this process, GE separately provided updated documentation for the operating parameters of the HA.03 frame – these new values did not closely match the assumptions used for calculating CONE back in April.
- This will impact Gross CONE values by the expected range of \$50-\$60 for CT, and the expected range of \$60-\$70 for CC, but requires updates to the Net EAS parameters and calculations.
- With this additional time, PJM is also asking Brattle to update overnight costs and changes to accounting for depreciation to reflect current conditions.

PJM is in the process of updating Net CONEs and will make public as soon as available

- Brattle with S&L are expecting to deliver updated CONE values to PJM and stakeholders with all changes implements.
- Quadrennial Review package sponsors may wish to update recommendations based on the updated CONE and Net CONE values
- The VRR analysis completed by Brattle is still valid, as the long-run analysis targets specific Net CONE values, and therefore would not need to be updated.
- Given the cost implications, PJM is delaying the Quadrennial Review stakeholder vote by one month to allow additional time

PJM plans on keeping the current auction timeline



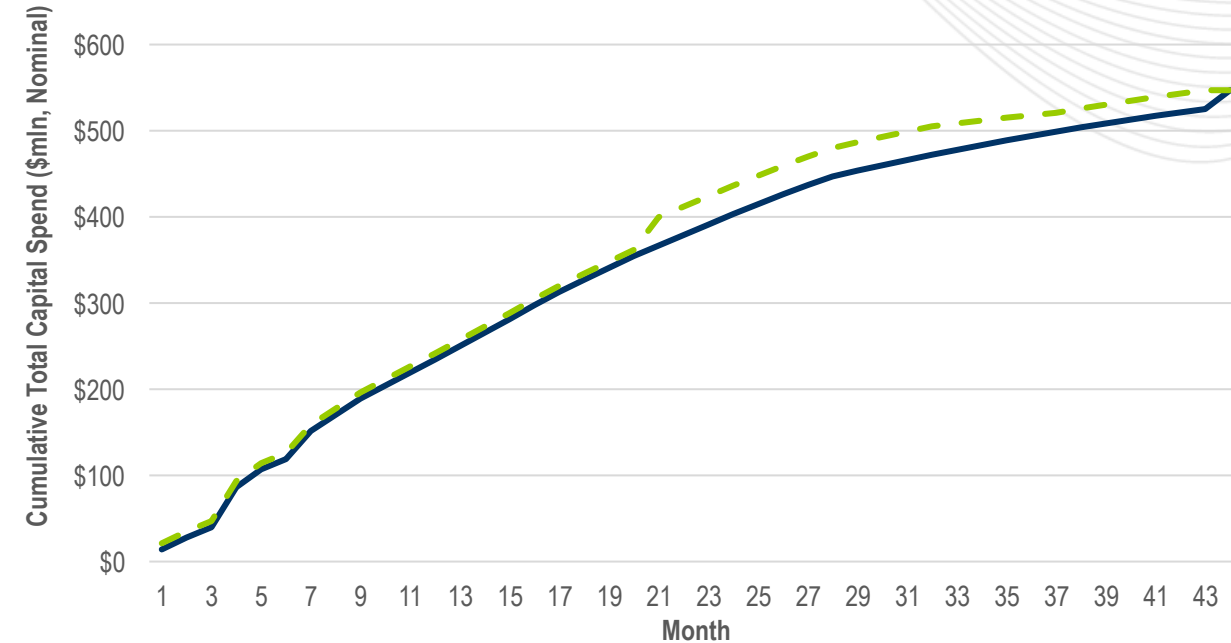
The capital drawdown schedule remains an area of disagreement between calculations of CONE

- PJM, Brattle, Sargent & Lundy, and GE recently met and confirmed that S&L's assumed drawdown schedule closely aligns with an indicative drawdown schedule
- GE provided Brattle and S&L an indicative turbine payment schedule, which is roughly the standard payment term for this technology for a CT or CC
- The GE drawdown schedule is indicative, and individual projects may have slightly different payments
- Brattle has shared the indicative turbine payment schedule with the IMM

Total Drawdown Schedules: Brattle and GE

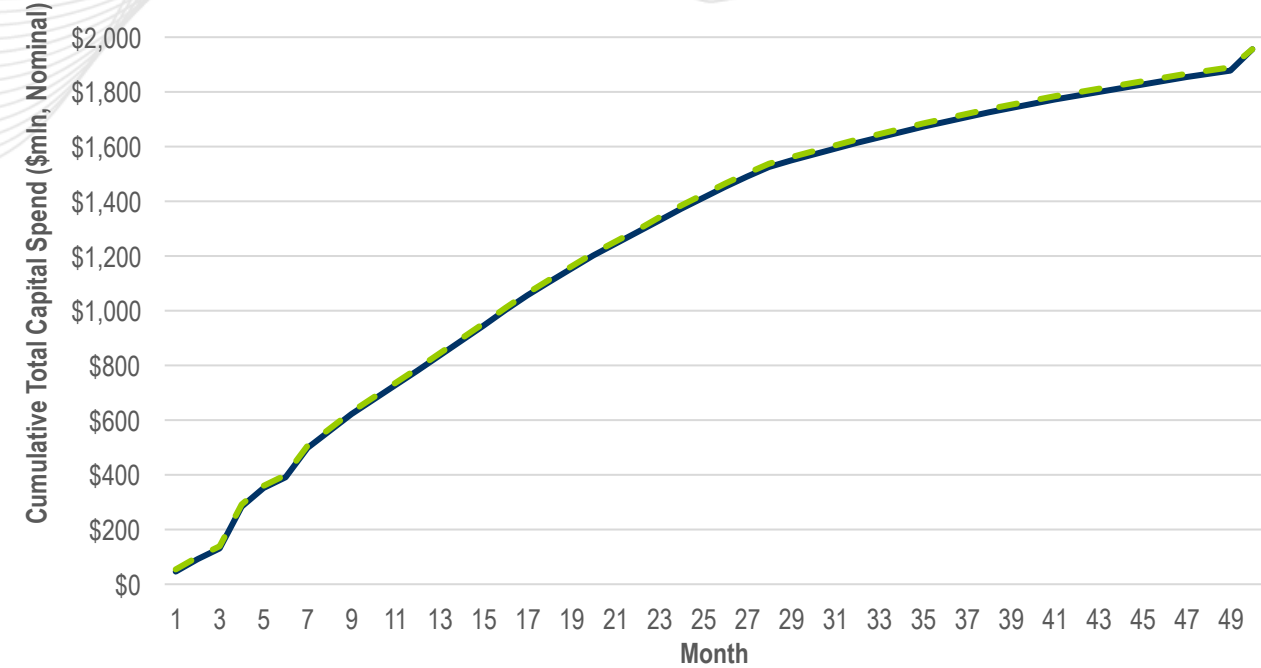
Combustion Turbine (CT), Total Drawdown

— S&L/Brattle — S&L/Brattle with GE Payments



Combined Cycle (CC), Total Drawdown

— S&L/Brattle — S&L/Brattle with GE Payments



- Brattle's indicative turbine payment schedule reasonably aligns with the indicative payment schedule from GE.
- If Brattle exactly matched the GE shape, CT CONE would increase less than ~\$7/MW-day, and CT CONE would increase less than ~\$2/MW-day, because turbine payments are just a portion of the overall capital drawdown schedule
- Owners Furnished Equipment / Overnight Capital Costs are approximately 39% for CT and 28% for CC
- The IMM has indicated a [delayed spend schedule](#), which is a large driver of the differences in CONE values

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Quadrennial Review Updates



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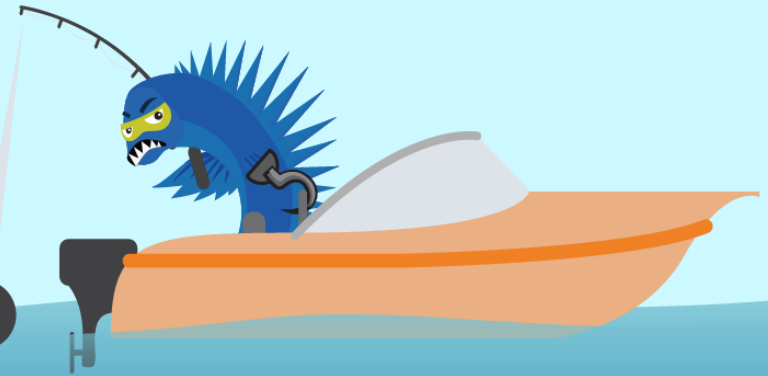
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