

Periodic Review of Default Gross CONE and Gross ACR Values

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June 3, 2026

Minimum Offer Price Rule (MOPR) – Attachment DD § 5.14 (h-2)

Only applicable based on certification process

- New resources calculate a default Net Cost of New Entry (CONE) by using the default Gross CONE and subtracting the default Energy and Ancillary Service (E&AS) revenue.
- Existing resources calculate a Net Avoidable Cost Rate (ACR) by using the default Gross ACR and subtracting the unit-specific E&AS revenue.

Market Seller Offer Cap (MSOC) – Attachment DD § 6.4

- Existing resources calculate a Net ACR by using the default Gross ACR and subtracting the unit-specific E&AS revenue.

Unit-specific request is an option (or is some cases requirement) to calculate MOPR or MSOC.

Beginning with the 2022/2023 Delivery Year, no later than every 4 delivery years, PJM will review and retain or modify the default Gross CONE and default Gross ACR values for MOPR purposes. (OATT Attachment DD § 5.14)

Updated default Gross ACR values are also used for MSOC purposes.

PJM is obligated to follow this process under the tariff but will take through the stakeholder process for input and an Advisory Vote at the MRC and MC



**New Default ACR and CONE value applicable for 30/31 DY
(leverage same process used for last update)**

Gross CONE	PJM will update from public sources and analysis used in the reference resource and VRR curve periodic review.
Gross ACR	PJM retained The Brattle Group (Brattle) and Sargent & Lundy (S&L) to analyze and update.



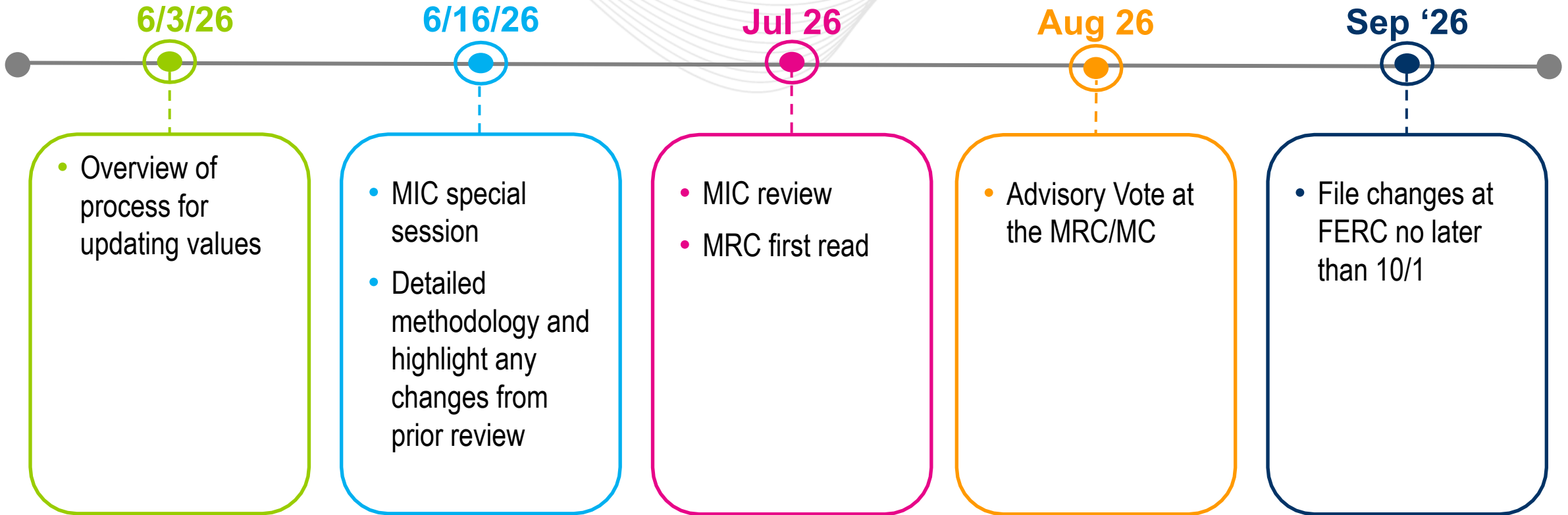
Potentially realign the schedules in the future (more effective to update all at once)

Review	28/29	29/30	30/31	31/32	32/33	33/34
1) Reference Resource CONE, EAS and VRR curve						
2) Default Gross CONE and Gross ACR for MOPR and MSOC						

Options for consideration (determine later)

- Accelerate the schedule for #2 from '30 (34/35 BRA) to '28 (32/23 BRA)
- Extend the schedule for one of the reviews to 6 years (align starting 34/35 or 36/37)
- Other?

BRA	DY
5/27	30/31
5/28	31/32
5/29	32/33
5/30	33/34
5/31	34/35





Current (28/29) Default Net CONE Values (26/27 update - adjusted for tariff defined escalation)

Resource Type	Gross ACR \$/ICAP-MW-Day
Nuclear – Single	\$644
Nuclear – Dual	\$585
Coal	\$102
Combined Cycle	\$123
Combustion Turbine	\$57
Steam Oil & Gas	\$70
Solar PV (fixed and tracking)	\$76
Wind Onshore	\$160

Gross ACR will continue to be escalated for each subsequent DY until new values are effective for 30/31 DY.



Current (28/29) Default Net CONE Values (26/27 update - adjusted for tariff defined escalation)

Resource Type	Gross CONE \$/ICAP-MW-Day	Net EAS Revenue Offset	Net CONE \$/ICAP-MW-Day
Nuclear	\$2,820	\$637	\$2,182
Coal	\$1,625	\$110	\$1,515
Combined Cycle	\$596	\$435	\$161
Combustion Turbine	\$435	\$262	\$173
Solar PV (Tracking)	\$344	\$202	\$142
Solar PV (Fixed)	\$320	\$122	\$198
Onshore Wind	\$470	\$269	\$201
Offshore Wind	\$1,449	\$389	\$1,060
Battery Energy Storage (10 hours)	\$538	\$280	\$258

Gross CONE will continue to be escalated and Net EAS values calculated for each subsequent DY until new values are effective for 30/31 DY.

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**Periodic Review of Default Gross CONE and Gross
ACR Values**



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