

Periodic Review of Default Gross CONE and Gross ACR Values

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Disclaimer: While materials are current at the time of publishing, applicable requirements may change. PJM Governing Documents control.

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.

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.

6/3/26

6/16/26

Jul 26

Aug 26

Sep '26

- Overview of process for updating values

- MIC special session
- Detailed methodology and highlight any changes from prior review

- MIC review
Draft CONE values and range of ACR values
- MRC first read
Draft CONE and ACR values

- Advisory Vote at the MRC/MC
Final CONE and ACR values

- File changes at FERC no later than 10/1

PJM selected overnight capital costs (Capex) and fixed operating and maintenance costs (FOM) from Assumptions to the Annual Energy Outlook 2026: Electricity Market Module (April 2026) from the U.S. Energy Information Administration

[Table 3 - Cost and performance characteristics of new central station electricity generating technologies](#)

- Financial assumptions for the 2030/2031 CONE values are the same values used in the approved 2025 Quadrennial Review.
- CT, CC, and BESS values from the approved 2025 Quadrennial Review will be used.

Financial Assumptions

Expected Life	20 Years
Debt Ratio	55%
Debt Rate	5.8%
Equity Rate	16.0%
Total Tax Rate	27.7%
ATWACC	9.506%
Inflation Rate	2.2%

Financial assumptions developed during 2025 Quadrennial Review were used to determine Gross CONE from the overnight capital and fixed O&M costs.



Summary of Changes from prior update of Gross CONE values

- Brattle study used to adjust overnight cost to installed cost for technologies updated from public data
- Bonus depreciation realization timing leveraged Brattle study for CC, CT, BESS, and similarly situated technologies.
 - 3 years for BESS (Brattle study), Solar Tracking, Solar Fixed, Onshore and Offshore Wind
 - 7 years for CT (Brattle study)
 - 10 years for CC (Brattle study), Coal, and Nuclear
- PJM intends to update the tariff (OATT DD.5.14 h-2) based on recent tax law change where bonus depreciation is again eligible at 100%. Specifically, PJM intends to delete the following sentence.
 - “The resultant value shall then be then adjusted further by a factor of 1.022 for nuclear, coal, combustion turbine, and combine cycle resource types or 1.01 for solar, wind, and storage resource types to reflect the annual decline in bonus depreciation scheduled under federal corporate tax law.”

Description and Cost for Reference Resource

Resource Type	Technology Description	Source of Information	Fixed O&M (\$/kW ICAP-Year)	Overnight Capital Costs (\$/kW ICAP)
Nuclear	2x Westinghouse AP1000 pressurized water reactor (2,156 MW)	EIA	163	7,862
Coal	Ultra-Supercritical coal (650 MW)	EIA	50	5,360
Combined Cycle	1,401 MW (GE Frame 7HA.03 CT, SCR, an evaporative cooler, wet compression, and dual-fuel capability)	Approved Quad Review	47	1,432
Combustion Turbine	440 MW (GE 7HA.03 turbines in two trains of a single-shaft CC plant, each with a single CT, HRSG, and steam turbine)	Approved Quadrennial Review	25	1,280
Solar PV – Tracking	Single-axis tracking (150 MW AC)	EIA	24	1,712
Solar PV – Fixed	Fixed tilt (100 MW AC)	EIA, LBNL	28	1,751
Onshore Wind	200 MW 2.8-MW Wind Turbine Generator (WTG)	EIA	35	1,502
Offshore Wind	900 MW 15 MW WTG	EIA	161	3,711
Battery Energy Storage	200 MW (800 MWh for 4-hour duration)	Approved Quad Review	73	1,820

Note - CT, CC and BESS in 2028 \$, All other technologies in 2025 \$.

Resource Types	Gross Cost of New Entry (2026/2027 \$/MW-Day) (Nameplate ICAP)	Gross Cost of New Entry (2030/2031 \$/MW-Day) (Nameplate ICAP)
1. Nuclear	\$2,568	\$4,403
2. Coal	\$1,480	\$2,896
3. Combined Cycle*	\$540	\$814
4. Combustion Turbine*	\$427	\$642
5. Fixed Solar PV	\$298	\$780
6. Tracking Solar PV	\$321	\$659
7. Onshore Wind	\$438	\$786
8. Offshore Wind	\$1,351	\$2,243
9. Battery Energy Storage*	\$502	\$696

* Value based on
2025 approved
reference
resource Brattle
CONE study

Gross CONE will continue to be escalated for each subsequent delivery year based on tariff escalation process

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