



2750 Monroe Blvd  
Audubon, PA 19403

January 02, 2025

To: Cost Development Subcommittee

Re: Maintenance Adder Escalation Index Numbers / Escalation Indexes

Dear Members:

PJM has completed the annual update of Maintenance Adder Escalation Index Numbers. The annual escalation factors are derived from the July Handy-Whitman Index, Table E-1 "Cost Trends of Electric Utility Construction; North Atlantic Region", line 6, "Total Steam Production Plant." The year 2024 now reflects the actual index of 1056. The year 2025 has been updated with an estimated index of 1105, which represents an inflation factor of 4.68% compared to 2024. This inflation factor was calculated by taking the average of the inflation factors over the last 10 years. New escalation factors were then derived for the past 20 years based on the estimated 2025 index. These values are shown in the attached table.

These escalation indexes are used in the calculation of a generating unit's Maintenance Adders in [Cost Agent](#), as well as the annual update to [VOM default values](#), both of which are in accordance with the Variable Operating and Maintenance Cost, Section 2.6 in the Cost Development Guidelines, [Manual 15](#).

This notice is informational in nature and no action is required by market sellers.

Sincerely,

Heather Reiter  
Chairman, Cost Development Subcommittee

HR  
Attachment

### Chronology of Maintenance Adder Escalation Index Numbers

YEAR	INDEX	ESCALATION FACTOR
2005	493	2.242
2006	515	2.146
2007	546	2.025
2008	596	1.855
2009	578	1.912
2010	604	1.830
2011	631	1.752
2012	645	1.677
2013	653	1.693
2014	672	1.645
2015	700	1.579
2016	714	1.548
2017	711	1.555
2018	745	1.484
2019	760	1.455
2020	779	1.419
2021	861	1.284
2022	953	1.160
2023	1015	1.089
2024	1056	1.047
2025	1105 (est.)	1.000