



2750 Monroe Blvd  
Audubon, PA 19403

January 03, 2024

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 2023 now reflects the actual index of 1015. The year 2024 has been updated with an estimated index of 1061, which represents an inflation factor of 4.6% compared to 2023. 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 2024 index. These values are shown in the attached table.

These escalation indexes should be used in the calculation of generating unit Maintenance Adders, in accordance with the Variable Maintenance Cost, Section 2.6 in the Cost Development Guidelines, Manual 15.

Sincerely,

Heather Reiter  
Chairman, Cost Development Subcommittee

HR  
Attachment

Chronology of Maintenance Adder Escalation Index Numbers

YEAR	INDEX	ESCALATION FACTOR
2004	465	2.283
2005	493	2.153
2006	515	2.061
2007	546	1.944
2008	596	1.781
2009	578	1.836
2010	604	1.757
2011	631	1.682
2012	645	1.646
2013	653	1.625
2014	672	1.579
2015	700	1.516
2016	714	1.487
2017	711	1.493
2018	745	1.425
2019	760	1.397
2020	779	1.362
2021	861	1.233
2022	953	1.114
2023	1015	1.046
2024	1061 (est.)	1.000