



Re-evaluation of Financial Parameters used in Cost of New Entry (CONE) for 2027/28 BRA

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Market Design Dept.

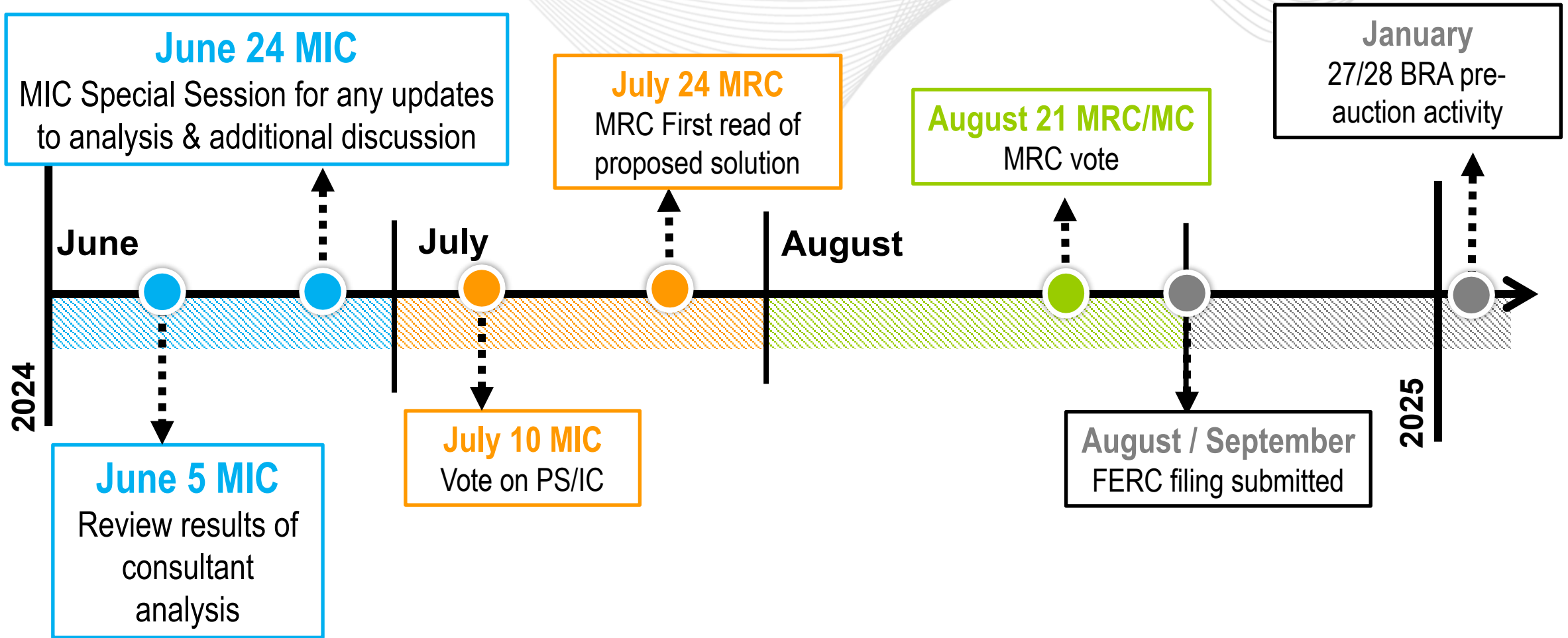
Market and Reliability Committee
August 21, 2024

Summary of proposed updates

CONE Component	2022 Quad Review Value	Proposed Updated Value
ATWACC	8.85%	10.0%
ATWACC adjustment	NA	NA
Bonus Depreciation	20% for 26/27	0% for 27/28 and subsequent years
CONE Escalation	CONE×BLS Escalation	<i>CONE</i> ×BLS Escalation

	CONE Area 1	CONE Area 2	CONE Area 3	CONE Area 4	CONE Area 5
Current Values (26/27)	\$543/MW-day	\$529/MW-day	\$542/MW-day	\$547/MW-day	\$553/MW-day
Proposed Values (27/28)	\$630/MW-day	\$605/MW-day	\$619/MW-day	\$612/MW-day	\$643/MW-day

- All proposed changes are in the OATT § 5.10 and conforming M18 changes
- CONE value will be escalated for subsequent Delivery Years based on the current language for BLS escalation



1	2	3
<p>Proposed updated CONE values will become effective with the 27/28 BRA</p>	<p>No proposed changes to escalation methodology for subsequent delivery years</p>	<p>Updates will not delay current RPM auction schedule</p>

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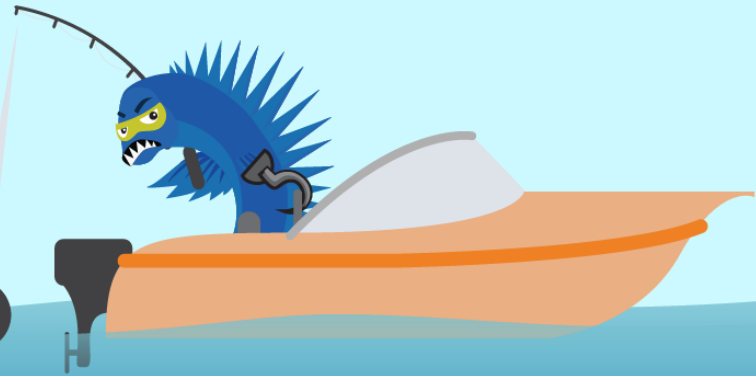
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Appendix

- <https://www.pjm.com/-/media/committees-groups/committees/mic/2024/20240624-special/item-02-1--brattle-atwacc-and-annual-automatic-update-methodology.ashx>
- <https://www.pjm.com/-/media/committees-groups/committees/mic/2024/20240624-special/item-02-2---brattle-pjm-cone-updates.ashx>