

CONE Values for 2027/28, with updated ATWACC, depreciation, and escalation

PRESENTED BY
Sam Newell

PRESENTED FOR
PJM

JULY 3, 2024



For Reference: CONE for 2026/27 corresponding to 2022 Filing

			Combined Cycle			
			EMAAC	SWMAAC	Rest of RTO	WMAAC
Gross Costs						
[1]	Overnight	\$m	\$1,413	\$1,290	\$1,314	\$1,360
[2]	Installed (inc. IDC)	\$m	\$1,541	\$1,408	\$1,434	\$1,484
[3]	First Year FOM	\$m/yr	\$37	\$54	\$48	\$39
[4]	Net Summer ICAP	MW	1,171	1,174	1,144	1,133
Unitized Costs						
[5]	Overnight	\$/kW = [1] / [4]	\$1,207	\$1,100	\$1,148	\$1,200
[6]	Installed (inc. IDC)	\$/kW = [2] / [4]	\$1,316	\$1,200	\$1,253	\$1,309
[7]	Levelized FOM	\$/kW-yr	\$37	\$48	\$45	\$41
[8]	After-Tax WACC	%	8.77%	8.86%	8.81%	8.81%
[9]	Effective Charge Rate	%	13.3%	13.2%	13.3%	13.3%
[10]	Levelized CONE	\$/MW-yr = [5] x [9] + [7]	\$198,200	\$193,100	\$197,800	\$199,700
[11]	Levelized CONE	\$/MW-day = [10] / 365	\$543	\$529	\$542	\$547

Proposed CC CONE Values for 2027/28

				EMAAC 1	SWMAAC 2	Rest of RTO 3	WMAAC 4	ComEd 5
Filed 2026/27 values								
[1]	Overnight Cost	filing	nominal \$/kW	\$1,207	\$1,100	\$1,148	\$1,200	
[2]	Capital Charge Rate (CCR)	filing	%	13.3%	13.2%	13.3%	13.3%	
[3]	Levelized FOM	filing	2026\$/kW-yr	37	48	45	41	
[4]	CONE for 2026/27	=[1]x[2]+[3]	2026\$/kW-yr	198	193	198	200	
[5]	CONE for 2026/27	=[4]/0.365	2026\$/MW-day	\$543	\$529	\$542	\$547	N/A
Restated Base CONE for escalation purposes, with updated ATWACC and 0 bonus depreciation								
[6]	CCR w/10% ATWACC	CONE model	%	14.7%	14.5%	14.6%	14.6%	14.6%
[7]	CCR w/10% ATWACC & No Bonus Dep	CONE model	%	15.1%	14.9%	15.0%	15.0%	15.0%
[8]	Restated Base CONE	=[1]x[7]+[3]	2026\$/kW-yr	220	212	218	221	226
[9]	Restated Base CONE	=[4]/0.365	2026\$/MW-day	\$603	\$581	\$598	\$605	\$620
CONE for 2027/28 with escalation								
[10]	Ratio of weighted BLS, 12/23 : 12/22	BLS & weights	scalar	1.046	1.040	1.036	1.011	1.036
[11]	2027/28 CONE	=[9]x[10]	2027\$/MW-day	\$630	\$605	\$619	\$612	\$643

CONE values for the new ComEd area incorporate the 1.0376 asset life factor relative to the Rest of RTO area applicable for 2027/28

Contact Info



Sam Newell

**PRINCIPAL AND ENERGY GROUP LEADER
BOSTON**

Sam.Newell@brattle.com

+1.781.801.2652

Dr. Newell leads Brattle's Electricity Practice of 60 consultants addressing the most challenging economic questions facing an industry transforming to clean energy.

His expertise centers on the analysis and design of wholesale electricity markets to provide necessary grid services cost-effectively through the energy transition; procurement of clean energy; valuation of generation and contracts; and enhanced planning and benefit/cost analysis of transmission.

He frequently provides testimony and expert reports to Independent System Operators (ISOs), the Federal Energy Regulatory Commission (FERC), state regulatory commissions and legislatures, state courts, and the American Arbitration Association.