

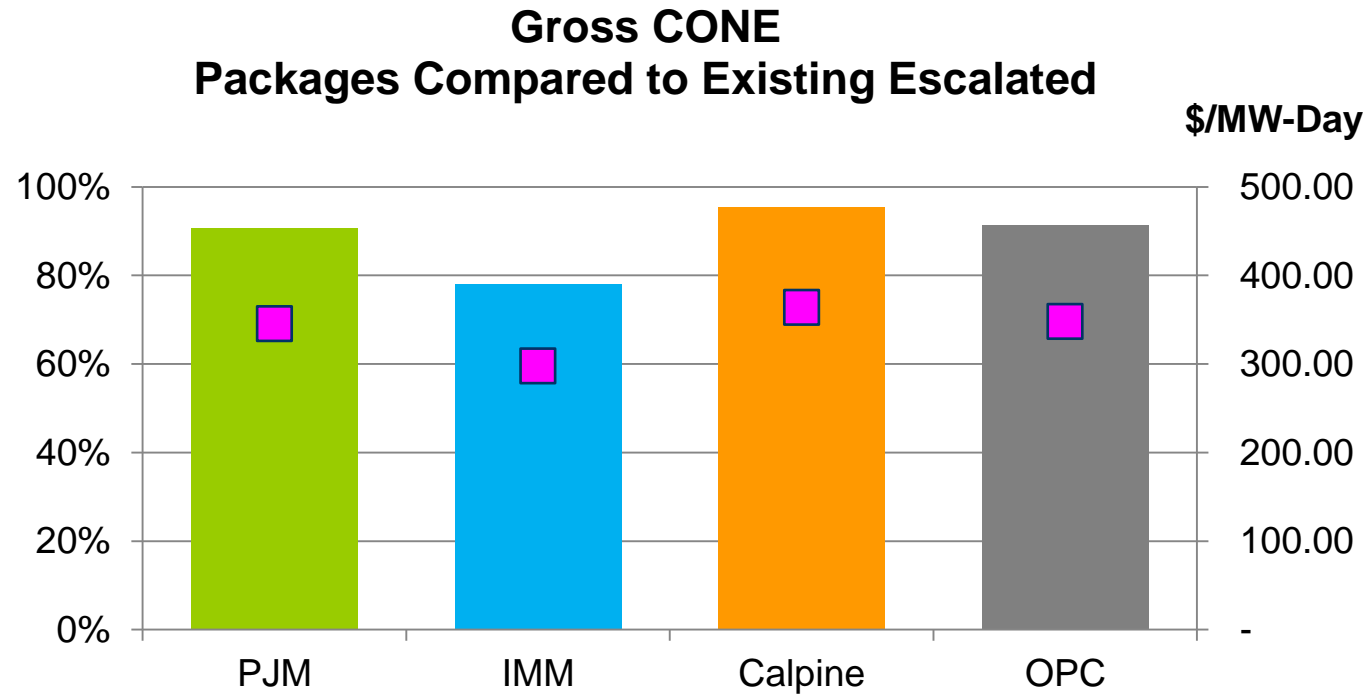


Quadrennial Review of VRR Curve Parameters

Tariff required review of Variable Resource Requirement Curve, Cost of New Entry, and Net Energy & Ancillary Service Revenue Offset Methodology

Ensure PJM maintains adequate resources to meet reliability requirements at a reasonable cost.

- Maintain simple cycle CT as “reference resource“
- Update CT technology from F frame to H frame
- Use single H CT (320 MW) rather than 2 F (380 MW total)

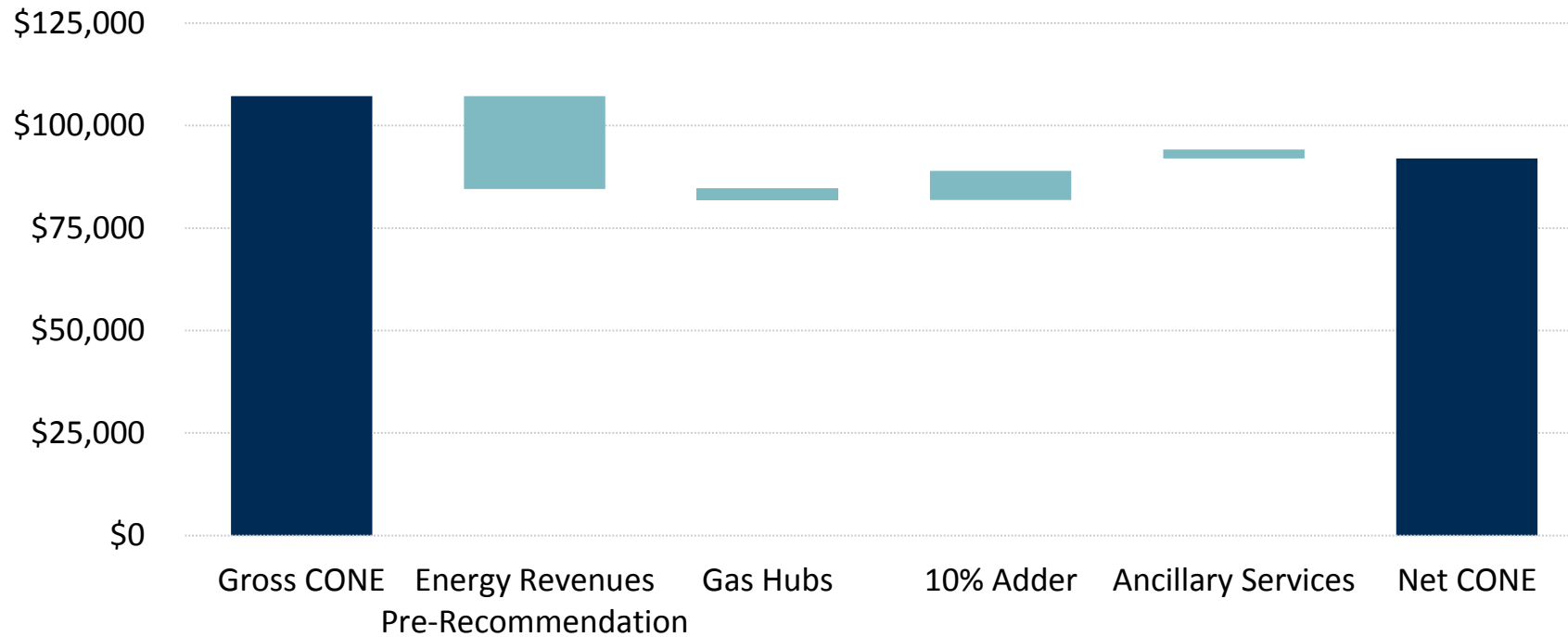




Energy & Ancillary Service Offset Recommendations

- Maintain methodology
- Update gas hubs
- Use 10% adder

\$/ICAP MW-year



- Left-shift CT-based VRR curve 1%
 - Meets 1-in-10 LOLE objective on average and under stressed conditions
 - Balances reliability and overall costs

VRR Curve Shift Comparison

