

3.3.1 Cost of New Entry

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The gross Cost of New Entry values for the following five CONE Areas for the 2026/2027 Delivery Year are specified in the OATT, Attachment DD, Section 5.10 (a)-(iv)(C):

1. AE, DPL, JCPL, PECO, PSEG, RECO ("CONE Area 1");
2. BGE, PEPCO ("CONE Area 2");
3. AEP, APS, DAYTON, DLCo, ATSI, DEOK, EKPC, Dominion, OVEC ("CONE Area 3"); ~~and~~
4. METED, PENELEC, PPL ("CONE Area 4"); ~~and~~
5. COMED ("CONE Area 5").

For the 2026/2027 Delivery Year ~~and subsequent Delivery Years~~, the gross Cost of New Entry value for the PJM Region shall be the average of the gross CONE values for the five CONE Areas.

The gross Cost of New Entry values for the following five CONE Areas for the 2027/2028 Delivery Year and subsequent Delivery Years are specified in the OATT, Attachment DD, Section 5.10 (a)(iv)(D):

1. AE, DPL, JCPL, PECO, PSEG, RECO ("CONE Area 1");
2. BGE, PEPCO ("CONE Area 2");
3. AEP, APS, DAYTON, DLCo, ATSI, DEOK, EKPC, Dominion, OVEC ("CONE Area 3");
4. METED, PENELEC, PPL ("CONE Area 4"); and
5. COMED ("CONE Area 5").

~~For the 2027/2028 Delivery Year, the~~The gross CONE values specified in the OATT for the ~~2026/2027/2027-2028~~ Delivery Year for each CONE Area (except for CONE Area 5) shall be adjusted to reflect changes in generating plant construction costs based on changes in the applicable United States Bureau of Labor Statistics (BLS) Composite Index to establish the CONE values used for ~~the 2027/2028~~ subsequent Delivery Years s for CONE Areas 1 through 4.

The applicable BLS Composite Index for a Delivery Year and CONE Area shall be the most recently published twelve-month change, at the time CONE values are required to be posted for the Base Residual Auction for such Delivery Year, in a composite of the BLS Quarterly Census of Employment and Wages for Utility System Construction (weighted 40%), the BLS Producer Index for Construction Materials and Components (weighted 45%), and the BLS Producer Price Index for Turbines and Turbine Generator Sets (weighted 15%). The Quarterly Census of Employment and Wages for Utility System Construction will be based on the state of New Jersey for CONE Area 1, Maryland for CONE Area 2, Ohio for CONE Area 3, and Pennsylvania for CONE Area 4.

For subsequent Delivery Years, the Benchmark CONE values for all CONE areas except for CONE Area 5 will be the CONE values used in the development of the Variable Resource Requirement Curves for the prior Delivery Year. The applicable BLS Composite Index for the Delivery Year will be applied to the

Benchmark CONE values to establish the CONE values used for such Delivery Year for CONE Areas 1 through 4.

For the ~~2027/2028/2028-2029~~ Delivery Year through and including the 2029/2030 Delivery Year, the CONE for CONE Area 5 for a given delivery year shall be set equal to the product of the CONE of CONE Area 3 as determined for the relevant Delivery Year, multiplied by the asset life factor applicable to that Delivery Year where such asset life factors are ~~1.0376 for the 2027/2028 Delivery Year~~, 1.0581 for the 2028/2029 Delivery Year, and 1.0818 for the 2029/2030 Delivery Year.