UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

PJM Interconnection, L.L.C.	)	Docket No. ER26-455-000

PROTEST OF THE INDEPENDENT MARKET MONITOR FOR PJM

Pursuant to Rule 211 of the Commission's Rules and Regulations[1] Monitoring Analytics, LLC, acting in its capacity as the Independent Market Monitor ("Market Monitor") for PJM Interconnection, L.L.C. ("PJM"),[2] submits this protest to the Quadrennial Review filing submitted by PJM Interconnection, L.L.C. ("PJM") on November 7, 2025 ("November 7th Filing").

The November 7th Filing proposes revisions to the OATT to update certain Reliability Pricing Model ("RPM") auction parameters following the periodic review required by the OATT, which must occur "no later than for every fourth Delivery Year" after the prior review ("Quadrennial Review").[3]

The primary issues raised in the November 7th Filing are the gross costs of the reference resource ("Gross CONE"), the maximum price on the Variable Resource Requirement ("VRR") curve and the maximum quantity on the VRR curve.[4] These

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1 18 CFR § 385.211 (2025).

2 Capitalized terms used herein and not otherwise defined have the meaning used in the PJM Open Access Transmission Tariff ("OATT"), the PJM Operating Agreement ("OA") or the PJM Reliability Assurance Agreement ("RAA").

3 *See* OATT Attachment DD § 5.10(a)(iii).

4 CONE is the acronym for the Cost of New Entry.

components of the VRR curve will have a significant impact on capacity market outcomes for the next four years. Given the significant current issues in the capacity market, the VRR curve requires special scrutiny because of its impact on future capacity market prices.

The capacity market plays a central function in the PJM markets and, in particular, contributes significantly to the incentives of new generation to enter and existing generation to remain in the PJM market when it is economic. Payments for capacity have increased from 5.4 percent of the total wholesale cost of power in the first five months of 2025 to 22.4 percent from June through October as a result of the much higher capacity market prices in the 2025/2026 Base Residual Auction.[5] That level of capacity market revenues is likely to continue through at least 2028. The Quadrennial Review sets the level and definition of the basic VRR curve parameters that are intended to allow the equilibration between the energy market and the capacity market by incorporating the current and expected net revenues from the energy and ancillary services markets in the capacity market. It is this link that allows the capacity market to reflect the missing money accurately and for capacity market prices to correspondingly increase or decrease. It is important for efficient, competitive, and just and reasonable pricing, that the level and definition of the parameters accurately reflect the economic fundamentals. The goal is neither to inflate or suppress capacity market prices but to help ensure that they are competitive.

The Market Monitor disagrees with PJM's calculation of the gross cost of the reference resource and disagrees with PJM's definition of the key parameters of the VRR curve. PJM's proposed VRR curve will result in capacity market prices that are not just and reasonable. PJM's VRR curve would result in capacity market revenues that are $6.7 billion higher than the revenues that would result from the Market Monitor's VRR curve recommendations if the capacity market clears at the maximum price, as it has for the last two Base Residual

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5 Monitoring Analytics, LLC. Market Monitor Report to the PJM Members Committee ("MC") (November 20, 2025) <https://www.monitoringanalytics.com/reports/Presentations/2025/IMM_MC_Market_Monitor_Report_20251120.pdf>.

Auctions. The Market Monitor's VRR curve recommendations would result in capacity market revenues of $19.1 billion (See Table 6).

The VRR curve proposed in the November 7th Filing has not been supported as just and reasonable. This Protest identifies numerous flaws with the proposed VRR curve that will result in unjust and unreasonable capacity prices during a time of already significant market stress. The November 7th Filing should be rejected, or, in the alternative further investigated at hearing.

I. PROTEST

A. Reference Resource

The RPM capacity market was explicitly designed to address the missing money problem. The missing money reflects the fact that in a competitive market, peaking units will recover only their short run marginal cost which would not be an incentive to remain in business. When energy market revenues equal the short run marginal cost, the net revenue is zero. A combustion turbine (CT) continues to best reflect the cost of a peaking resource in PJM. The missing money is the difference between the avoidable costs of a CT and the net revenue of a CT. The design of the VRR curve requires that the peaking resource, known as the reference resource, be defined and that the gross and net costs of the CT be defined and calculated. The Market Monitor supports the choice of the CT with dual fuel capability as the reference resource. In the PJM markets, the actual net revenue of a CT is greater than zero. The correct design requires the use of a peaking resource. The fact that the combined cycle technology (CC) has been the most installed since the start of the PJM markets is not relevant to the choice of a reference resource.

The Market Monitor disagrees with the November 7th Filing on the gross cost of the reference resource based on three elements of gross cost: the timeline to build the reference resource; the drawdown schedule for paying the equipment manufacturer and the EPC contractor; and PJM's assumption that the investor in the reference resource will not actually use the available investment tax incentives. Each of these elements has a significant impact

on the gross cost of the reference resource and therefore on prices in the capacity market for the next four years.

The Market Monitor retained Pasteris Energy, Inc. to develop the revenue requirements of a new entrant ("Gross CONE") combustion turbine ("CT") and combined cycle ("CC") power plant located in five PJM Locational Deliverability Areas ("LDA") on a 2028 dollar basis for commercial operation in the 2028–2029 capacity year as part of the Quadrennial Review. Stantec Consulting Services, Inc. ("Stantec") a power plant design and engineering firm with CT and CC plant design experience was contracted by Pasteris Energy, Inc. to determine the plant proper capital cost estimate for the CONE CT and CC power plant at the five locations within PJM. The power plant construction estimates were developed based on data from recent actual construction proposals by Stantec and input obtained from multiple construction contractors. For these estimates, labor rates and labor productivity for each CONE Area were verified and used to develop the direct and indirect construction costs.

1. Project Timeline

PJM's project timeline is shorter than realistic. The Market Monitor uses a more realistic timeline which increases Gross CONE compared to PJM's calculation.

The Market Monitor concludes, based on the experience of the Market Monitor's consultants and discussions between the consultants and GE, that the expected total project schedule should be extended to 65 months. The current PJM schedule of 44 months is insufficient given the current market for turbines and other equipment.

The increased project timeline increases Gross CONE for the EMAAC CT by $40/MW-Day ICAP. From another perspective, PJM's assumption that the schedule is only 44 months reduces Gross CONE by $40/MW-Day ICAP.

2. Bonus Depreciation per OBBBA Tax Law Revisions

The approach proposed in the November 7th Filing for the calculation of Gross CONE assumes, without support, that investors will not make efficient and profit maximizing use

of the available tax benefits. The Market Monitor calculations include the full available tax benefits which reduces Gross CONE compared to the calculation in the November 7th Filing.

On July 4, 2025, with the enactment of the One Big Beautiful Bill Act ("OBBBA"), the bonus depreciation rules changed again. Section 70301 of OBBBA (I.R.C. § 168(k)) allows 100 percent bonus depreciation for "qualified production property ("QPP") acquired and placed in service on or after January 20, 2025.[6] QPP means nonresidential real property used in manufacturing, production, or refining of tangible personal property in the United States.[7] To be eligible, construction must begin after January 19, 2025, and before January 1, 2029, and the property must be placed in service before January 1, 2031.[8] The investment in a new CT qualifies for 100 percent bonus depreciation. The use of 100 percent bonus depreciation significantly decreases the taxes for investors in a new CT. The Market Monitor's calculations of Gross CONE include the impact of 100 percent bonus depreciation in year 1.

The November 7th Filing does not use 100 percent bonus depreciation, but uses 7 year straight line depreciation for the CT. This is an arbitrarily reduced value for the bonus depreciation tax benefit. During the stakeholder discussion, PJM consultant, The Brattle Group ("Brattle"), asserted with no evidence, that investors could not take advantage of the full bonus depreciation provisions. Brattle asserted that the amount of bonus depreciation that investors could use was between original MACRS of 20 years for CC and 15 years for CT and 100 percent bonus depreciation. Brattle translated this as the equivalent of the 7 year straight line depreciation for the CT that PJM actually used in the November 7th Filing.

Brattle asserted that the maximum amount of bonus depreciation that investors could use was 25 percent bonus depreciation and 75 percent 20 year MACRS ($692 million) for a

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6 OBBBA § 70301(c)(1).

7 OBBBA § 70307(a)(2).

8 *Id*.

CC, and 40 percent bonus depreciation and 60 percent 15 year MACRS ($289 million) for a CT.[9] [10] The dollar value of 100 percent bonus depreciation for a CT is less than the dollar value of the maximum range of depreciation that Brattle presented for a CC.

The use of 100 percent bonus depreciation rather than the November 7th Filing's tax adjustment decreases Gross CONE for the EMAAC CT by $35/MW-Day ICAP as shown in Table 1. From another perspective, the November 7th Filing's assumption that investors will not make efficient and profit maximizing use of the available tax benefits increases Gross CONE for the EMAAC CT by $35/MW-Day ICAP.

Table 1 Comparison of first year depreciation

	$ in millions				
Description	EMAAC	SWMAAC	Rest of RTO	WMAAC	COMED
Brattle CC Capital Costs Firm Gas - GE Frame 7HA.03 (2028$)					
Total Project Installed Cost (2028$)	$2,487	$2,314	$2,305	$2,372	$2,712
First year depreciation					
100% bonus depreciation	$2,487	$2,314	$2,305	$2,372	$2,712
25% bonus depreciation, 75% MACRS	$692	$644	$641	$660	$754
10-year straight-line depreciation for CC	$249	$231	$230	$237	$271
20-year MACRS (first year 3.75% depreciation)	$93	$87	$86	$89	$102
Brattle CT Capital Costs Firm Gas - GE Frame 7HA.03 (2028$)					
Total Project Installed Cost (2028$)	$672	$650	$647	$655	$721
First year depreciation					
100% bonus depreciation	$672	$650	$647	$655	$721
40% bonus depreciation, 60% MACRS	$289	$280	$278	$282	$310
7-year straight-line depreciation for CT	$96	$93	$92	$94	$103
15-year MACRS (first year 5.0% depreciation)	$34	$33	$32	$33	$36
IMM CT Capital Costs Firm Gas - GE Frame 7HA.03 (2028$)					
Total Project Installed Cost (2028$)	$607	$577	$542	$541	$572
First year depreciation					
100% bonus depreciation	$607	$577	$542	$541	$572

9 Modified Accelerated Cost Recovery System ("MACRS") depreciation schedule.

10 PJM. Member Implementation Committee ("MIC ") (August 22, 2025). The Brattle Group. Sixth Review of PJM's RPM VRR Curve Parameters. Interim Update: Gross CONE with Technology Cost and Depreciation Updates. <https://www.pjm.com/-/media/DotCom/committees-groups/committees/mic/2025/20250822-special/brattle-updated-cone-presentation.pdf>

3. Drawdown schedule

The November 7th Filing uses an unrealistic, front loaded drawdown schedule. The Market Monitor uses a realistic drawdown schedule that reduces Gross CONE compared to November 7th Filing's calculation.

The drawdown schedule refers to the pattern of payments to the equipment manufacturer (GE) and to the engineering, procurement and construction (EPC) contractor from the date of order to the commercial operation date. The Market Monitor's drawdown schedule includes development costs in the first 12 months, EPC and GE payments in the middle months, startup and commissioning costs in the last six months.

The profile of the drawdown schedule from PJM consultants Brattle, and Sargent and Lundy is convex and highly front end loaded. The Brattle, and Sargent and Lundy drawdown schedule assumes that half of the entire overnight cost of the resource is paid by the investor by month 15. In contrast, the Market Monitor's drawdown schedule includes only 15 percent of the entire CONE CT overnight cost by month 15. The shape of the Brattle drawdown curve is not realistic, not economic, nor a cost minimizing approach to project spending that reflects good management practice for the investor in the CT. The flawed drawdown schedule adds significantly and incorrectly to the project carrying costs and therefore to Gross CONE.

The use of the industry standard drawdown schedule rather than the November 7th Filing's front loaded drawdown schedule decreases Gross CONE for the EMAAC CT by $67/MW-Day ICAP. From another perspective, the November 7th Filing's front loaded drawdown schedule increases Gross CONE for the EMAAC CT by $67/MW-Day ICAP.

The impact of the depreciation and schedule changes is shown in Table 2. UCAP is calculated using a 79 percent CT ELCC.[11]

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[11] From PJM. 2025-2026 3IA ELCC Class Ratings, (January 23, 2025). <https://www.pjm.com/-/media/DotCom/planning/res-adeq/elcc/2025-26-3ia-elcc-class-ratings.pdf>.

Table 2 Impact of bonus depreciation and longer drawdown schedule on Gross CONE[12]

Description	IMM CT Gross CONE ($/MW-Day)					
	EMAAC	SWMAAC	Rest of RTO	WMAAC	COMED	RTO
Gross CONE (ICAP) $/MW-Day						
Gross CONE no bonus depreciation 37 month schedule	$552	$529	$505	$496	$592	$535
Gross CONE 100% bonus depreciation 37 month schedule	$494	$475	$453	$444	$526	$478
Gross CONE 100% bonus depreciation 65 month schedule	**$526**	**$505**	**$483**	**$474**	**$561**	**$510**
Gross CONE (UCAP) $/MW-Day						
Gross CONE no bonus depreciation 37 month schedule	$699	$670	$640	$627	$749	$677
Gross CONE 100% bonus depreciation 37 month schedule	$625	$601	$573	$562	$666	$605
Gross CONE 100% bonus depreciation 65 month schedule	**$665**	**$639**	**$611**	**$600**	**$710**	**$645**

4. Summary of Impacts on Gross CONE in UCAP Terms

The net effect of the Market Monitor's longer total schedule, 100 percent bonus depreciation and drawdown schedule results in a Gross CONE value for the reference resource CT that is lower than PJM's proposed Gross CONE value by $89-150/MW-day UCAP, depending on the CONE area, as shown in Table 4 and Table 5. From another perspective, PJM's unsupported positions on the schedule duration and the timing of payments, plus the inefficient use of tax benefits, results in a Gross CONE value for the reference resource CT that is increased by $89-150/MW-day UCAP, depending on CONE area, as shown in Table 4 and Table 5.

B. VRR Curve

1. Net Revenue Offset (EAS)

EAS is a key component in the Net CONE calculation, which determines the shape of the VRR curve. The difference between the Market Monitor EAS and the PJM EAS is primarily the amount of major maintenance included in Variable Operations and Maintenance (VOM). For the same dispatch profile, a higher VOM results in lower EAS (and higher Net CONE) then with a lower VOM. Depending on the run profile of a unit, major maintenance can be calculated as a cost per start, or a cost per MWh, or a combination of

[12] COMED CT Gross CONE is levelized over 15 years. All other Gross CONE values are levelized over 20 years.

both. Generally, units that run very few hours will calculate major maintenance as a cost per start. Generally, units with high run hours will calculate major maintenance as a cost per MWh. Both the Market Monitor and Brattle calculate major maintenance for the CT reference resource as a cost per MWh, however the Market Monitor uses a higher major maintenance value than Brattle does. This affects the EAS calculation since the optimal dispatch dispatches the unit against the unit's VOM.

The Market Monitor calculates major maintenance by iterating dispatch runs until the major maintenance used aligns with the run profile of the reference resource. Brattle does not. Brattle calculates major maintenance by assuming a run profile, determining what major maintenance would be for that run profile, and setting that level of major maintenance as fixed. This method does not account for the circular nature of including major maintenance in the energy offers. If the reference resource's run profile differs significantly from Brattle's initial assumptions, the major maintenance will be too high or too low considering the reference resource's run profile. Differences in VOM are shown in Table 3 and the impact of different amounts of VOM resulting in a slightly different run profile can be seen in the EAS values in Table 4 and Table 5.

Table 3 Differences in VOM

IMM CT	$5.30/MWh VOM = $4.90/MWh major maintenance + $0.40/MWh consumables
Brattle CT	$2.65/MWh VOM = $1.98/MWh major maintenance + $0.66/MWh consumables

2. VRR Curve Basics

The initial VRR curve, introduced in 2007, had a maximum price equal to 1.5 times the Net Cost of New Entry (Net CONE), determined annually based on Gross CONE, net of the three year average energy and ancillary service revenues. That VRR curve was structured to yield auction clearing prices equal to the 1.5 times Net CONE when the amount of capacity cleared was less than 99 percent of the target reserve margin, and below 1.5 times Net CONE when the amount of capacity cleared was greater than 99 percent of the target reserve margin. The use of Net CONE was based on the logic of the capacity market, to ensure that the cost

of entry was covered between the energy and capacity markets. The net EAS was the equilibrating factor between the capacity market and energy market. The use of Gross CONE is inconsistent with that basic capacity market logic. Gross CONE was introduced as the maximum price based on PJM concerns that Net CONE would be too low. The maximum point on the VRR curve for the 2025/2026 BRA was the higher of Gross CONE or 1.5 times Net CONE and Gross CONE was used. However, if the logic of the markets implies a low Net CONE, that is the right answer. There is nothing inherently wrong with a low Net CONE and a low Net CONE does not require abandoning the basic capacity market logic. Gross CONE was an intervention designed to increase capacity market prices despite the fact that the basic economic logic did not support that increase. If there is an issue with the calculation of Net CONE, it should be addressed directly rather than by ignoring its central role in the design of the capacity market. As Gross CONE numbers are reasonably well defined, much more focus on the net revenues used in the forward auctions is required in order to ensure that market participants have confidence in the Net CONE values used in the auctions.

3. The Proposed VRR Curve

In addition to the level of Gross CONE and Net CONE, the definition of the three key points (A, B and C) on the VRR curve determine the actual demand curve and the actual clearing prices in the capacity market auctions.

The proposed VRR curve substantially weakens the equilibrating impact of the EAS offset. This significantly weakens the way in which the energy market and the capacity market work together to help ensure that the total level of prices in PJM is competitive and therefore just and reasonable.

The Market Monitor disagrees with the November 7th Filing on the definition of the VRR curve maximum price (Point A). The current VRR curve maximum price (Point A) is equal to the greater of Gross CONE or 1.75 times Net CONE, Point B is at 0.75 times Net CONE, and Point C is at 104 percent of the Reliability Requirement, $0. The proposed VRR

curve results in a lower maximum price (Point A) than the definition of Point A in the current VRR curve.

The November 7th Filing's proposed maximum price (Point A) is equal to the greater of 0.2 times Gross CONE, or 1.15 times Gross CONE minus 0.75 times the EAS Offset. The Market Monitor's proposed maximum price (Point A) is 1.5 times Net CONE, not to exceed Gross CONE.

The proposed Point B is equal to 0.5 times Maximum Price. The Market Monitor supports setting Point B equal to 0.5 times Maximum Price to create a three point curve when Point A is above zero dollars.

For Point C, the November 7th Filing proposes to move the point further right, from 104.5 percent of the Reliability Requirement to 106 percent of the Reliability Requirement. This increase in Point C will increase the quantity of MW that PJM customers are required to purchase when prices are at less than 50 percent of the maximum price. PJM provides no rationale for this increased cost to customers.

Table 4 IMM CT Gross and Net CONE[13]

	IMM CT Gross & Net CONE ($/MW-Day)					
	EMAAC	SWMAAC	Rest of RTO	WMAAC	COMED	RTO
Gross CONE (ICAP)	$526	$505	$483	$474	$561	$510
Forward E&AS	$126	$271	$362	$325	$203	$273
Net CONE (ICAP)	$400	$234	$121	$149	$358	$237
Gross CONE (UCAP)	$665	$639	$611	$600	$710	$645
Net CONE (UCAP)	$506	$296	$153	$188	$453	$300
VRR Curve						
a1) Gross CONE	$665	$639	$611	$600	$710	$645
a2) 1.5 x Net CONE	$759	$445	$230	$283	$679	$449
Point A (99% of RR, min of a1,a2)	$665	$445	$230	$283	$679	$449
Point B (101.5% of RR, 0.5 x Point A)	$333	$222	$115	$141	$340	$225
Point C (104.5% of RR, $0)	$0	$0	$0	$0	$0	$0

[13] COMED CT Gross CONE is levelized over 15 years based on a shorter expected economic life as a result of CEJA. All other Gross CONE values are levelized over 20 years.

Table 5 PJM proposed CT Gross and Net CONE[14] [15]

	PJM CT Gross & Net CONE ($/MW-Day)					
	EMAAC	SWMAAC	Rest of RTO	WMAAC	COMED	RTO
Gross CONE (ICAP)	$596	$608	$590	$592	$679	$613
Forward E&AS (67th percentile)	$159	$343	$394	$320	$214	$361
Net CONE (ICAP)	$438	$265	$195	$271	$465	$228
Gross CONE (UCAP)	$754	$769	$747	$749	$860	$776
Net CONE (UCAP)	$554	$336	$247	$343	$589	$289
VRR Curve						
a1) 1.15 x Gross CONE - 0.75 x Net E&AS	$718	$560	$483	$557	$785	$526
a2) 0.2 x Gross CONE	$151	$154	$149	$150	$172	$155
Point A (99% of RR, max of a1,a2)	$718	$560	$483	$557	$785	$526
Point B (101.5% of RR, 0.5 x Point A)	$359	$280	$242	$278	$393	$263
Point C (106.0% of RR, $0)	$0	$0	$0	$0	$0	$0

The maximum price under the original capacity market VRR curve, the proposed curve, and the Market Monitor's proposed curve all depend on the interaction between Gross CONE and EAS. This interaction is the mechanism that helps ensure equilibration between the energy market and the capacity market. Gross CONE minus EAS equals Net CONE. When EAS is lower, Net CONE is higher and the maximum price is higher and capacity market prices are higher. In the extreme case where EAS is zero, the reference peaker expects to earn its entire avoidable costs in the capacity market alone and Net CONE is equal to Gross CONE. When EAS is higher Net CONE is lower and the maximum price is lower and capacity market prices are lower. In the extreme case where EAS is greater than or equal to Gross CONE, the reference peaker expects to earn its entire avoidable costs in the energy market alone and Net CONE is zero and capacity market prices are zero.

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[14] PJM. Member Implementation Committee ("MIC ") (August 22, 2025). CONE Operating Parameters for Net EAS and Net CONE Updates. <https://www.pjm.com/-/media/DotCom/committees-groups/committees/mic/2025/20250822-special/cone-operating-parameters-for-net-eas-and-net-cone-updates.pdf>.

[15] COMED CT Gross CONE is levelized over 15 years. All other Gross CONE values are levelized over 20 years.

The estimated total cost of capacity to customers is based on the clearing quantity in the 2026/2027 BRA and the assumption that the clearing price equals the maximum price (Point A). The Gross CONE and EAS values must be converted from ICAP terms to UCAP terms in order to calculate the actual prices on the VRR curve and the estimated costs to customers. The simple use of ICAP values understates the impact on PJM customers.

Table 6 Estimated total cost of capacity resulting from different maximum prices (Point A)

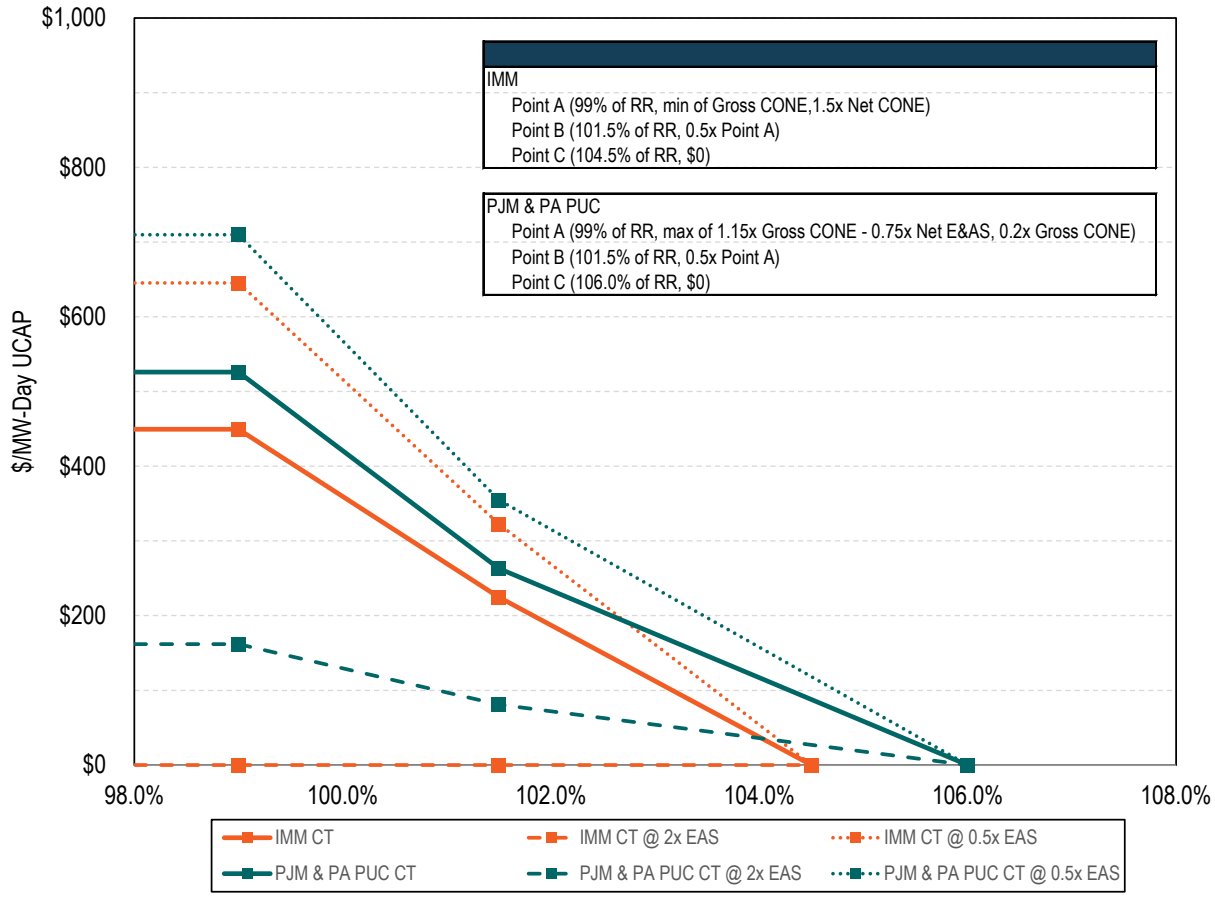
	Price Coordinate of Point A on RTO's VRR Curve ($/UCAP MW)	Estimated Cost to Customers ($/Year)
2026/2027 BRA	$329	$16,124,370,889
IMM CT	$390	$19,089,239,606
PJM CT	$526	$25,766,075,547
PJM CC	$502	$24,590,437,119
Current (PJM CT)	$776	$38,012,309,172
Current (PJM CC)	$959	$46,976,552,186

The proposed maximum capacity market price in the November 7th Filing discounts the EAS revenue offset by using only 75 percent of the offset to Gross CONE. The result is to increase point A compared to the original VRR curve definition and compared to the Market Monitor point A.

As an extreme example, the Market Monitor's proposed VRR curve point A is zero when Net CONE is zero. The result of the November 7th Filing's definition of point A and the discounting of the EAS offset is that the proposed price is not zero when Net CONE is zero.

Figure 1 shows the PJM and the Market Monitor's proposed VRR curves, with the EAS twice as high and with the EAS 50 percent of the level used in the proposed VRR curves. The price on PJM's VRR curve is greater than Gross CONE when EAS revenues are zero. The price on PJM's VRR curve is significantly greater than zero when EAS revenues are greater than Gross CONE and actual Net CONE is less than or equal to zero.

Figure 1 Proposed VRR curves; VRR curves with 0.5 times EAS; VRR curves with 2.0 times EAS



C. Core Issue

The purpose of the capacity market is to provide the missing money to generators based on the net revenues in the energy and ancillary services markets. This result provides the incentives to invest in and to maintain capacity resources. The Market Monitor's VRR curve would result in higher prices than in the last two Base Residual Auctions, despite the fact that prices in those auctions were very high by historical standards. As the Market Monitor has made clear, those prices resulted primarily from existing and forecast large data center loads. As the Market Monitor has also made clear, even with organic load growth, the dynamics in the capacity market and the cost of new capacity would have resulted in higher capacity market prices. That is reflected in the Market Monitor's proposed VRR curve.

PJM's proposed VRR curve does the opposite of what is needed in the capacity market because it artificially increases capacity market prices above the competitive level and attenuates the equilibrating role of the net revenue offset, which has been and continues to be core to the functioning of the energy and capacity markets together.

If the Commission does not reject the November 7th Filing, the issues raised in this pleading should be fully investigated at hearing.

II. CONCLUSION

The Market Monitor respectfully requests that the Commission afford due consideration to this pleading as the Commission resolves the issues raised in this proceeding.

Respectfully submitted,

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Dated: December 8, 2025

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Eagleville, Pennsylvania,
this 8th day of December, 2025.

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