



VIA EMAIL

January 15, 2015

Richard S. Mroz
President
Board of Public Utilities
State of New Jersey
44 South Clinton Avenue
9th Floor – P.O. Box 350
Trenton, New Jersey 08625

Re: Request Pursuant to PJM OATT Attachment M § VI.B

Dear President Mroz:

In your letter to the IMM dated January 6, 2015, you requested certain information regarding the current net cost of new entry (“Net CONE”) for both a combustion turbine (CT) and a combined cycle (CC) generating unit located in PJM. You asked the IMM to apply the methods used in the 2013 State of the Market Report for purposes of developing the gross CONE and net energy and ancillary services revenue offset.

The IMM can respond to your request without the release of confidential PJM member information, and this response is non-confidential.

Table 1 includes gross and net costs on an annual and MW-day basis for a new CT in the five CONE areas. For each CONE area, the data are presented on a 2013 basis and escalated to 2018, to be consistent with the 2018/2019 capacity delivery year.

Table 1 IMM CONE CT Revenue requirements

IMM CONE CT Revenue Requirements - Level-Nominal										
CONE Area - State - Zone	1 - EMACC - NJ - AECO		2 - SWMAAC - MD - Pepco		3 - RTO - PA - AP		4 - WMAAC - PA - PPL		5 - VA - Dominion	
Basis/Year	2013 SOM	IMM 2018	2013 SOM	IMM 2018	2013 SOM	IMM 2018	2013 SOM	IMM 2018	2013 SOM	IMM 2018
Gross CONE (\$/MW-Year)	\$109,731	\$126,390	\$106,496	\$122,157	\$103,521	\$118,779	\$106,297	\$122,156	\$102,397	\$117,714
2013 EAS (\$/MW-Year) (2013 SOM Report Table 7-4)	\$20,835	\$20,835	\$27,977	\$27,977	\$17,091	\$17,091	\$19,895	\$19,895	\$20,253	\$20,253
Net CONE (\$/MW-Year)	\$88,896	\$105,555	\$78,519	\$94,180	\$86,430	\$101,688	\$86,402	\$102,261	\$82,144	\$97,461
Gross CONE (\$/MW-Day)	\$300.63	\$346.27	\$291.77	\$334.68	\$283.62	\$325.42	\$291.22	\$334.67	\$280.54	\$322.50
2013 SOM EAS (\$/MW-Day)	\$57.08	\$57.08	\$76.65	\$76.65	\$46.82	\$46.82	\$54.51	\$54.51	\$55.49	\$55.49
Net CONE (\$/MW-Day)	\$243.55	\$289.19	\$215.12	\$258.03	\$236.79	\$278.60	\$236.72	\$280.17	\$225.05	\$267.02

Table 2 includes gross and net costs on an annual and MW-day basis for a new CC in the five CONE areas. For each CONE area, the data are presented on a 2013 basis and escalated to 2018, to be consistent with the 2018/2019 capacity delivery year.

Table 2 IMM CONE CC Revenue requirements

IMM CONE CC Revenue Requirements - Level-Nominal										
CONE Area - State - Zone	1 - EMACC - NJ - AECO		2 - SWMAAC - MD - Pepco		3 - RTO - PA - AP		4 - WMAAC - PA - PPL		5 - VA - Dominion	
Basis Year	2013 SOM	IMM 2018	2013 SOM	IMM 2018	2013 SOM	IMM 2018	2013 SOM	IMM 2018	2013 SOM	IMM 2018
Gross CONE (\$/MW-Year)	\$150,654	\$173,526	\$146,213	\$167,714	\$142,128	\$163,076	\$145,939	\$167,713	\$140,585	\$161,614
2013 EAS (\$/MW-Year) (2013 SOM Report Table 7-7)	\$87,580	\$87,580	\$100,910	\$100,910	\$80,861	\$80,861	\$81,294	\$81,294	\$84,077	\$84,077
Net CONE (\$/MW-Year)	\$63,074	\$85,946	\$45,303	\$66,804	\$61,267	\$82,215	\$64,645	\$86,419	\$56,508	\$77,537
Gross CONE (\$/MW-Day)	\$412.75	\$475.41	\$400.58	\$459.49	\$389.39	\$446.78	\$399.83	\$459.49	\$385.16	\$442.78
2013 SOM EAS (\$/MW-Day)	\$239.95	\$239.95	\$276.47	\$276.47	\$221.54	\$221.54	\$222.72	\$222.72	\$230.35	\$230.35
Net CONE (\$/MW-Day)	\$172.81	\$235.47	\$124.12	\$183.03	\$167.85	\$225.25	\$177.11	\$236.76	\$154.82	\$212.43

If you have any questions about the information provided, please contact me at (610) 271-8051.

Sincerely,



Joseph Bowring