



Quadrennial Review of VRR Curve Parameters: Reference Resource

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- Based on “Reference Resource”
- PJM preliminary recommendation is:
 - Maintain simple cycle CT as reference resource
 - Update technology from F frame to H frame
 - Use a single CT (320 MW)
- Preliminary recommendations focused on ensuring PJM maintains adequate resources to meet reliability requirements at a reasonable cost

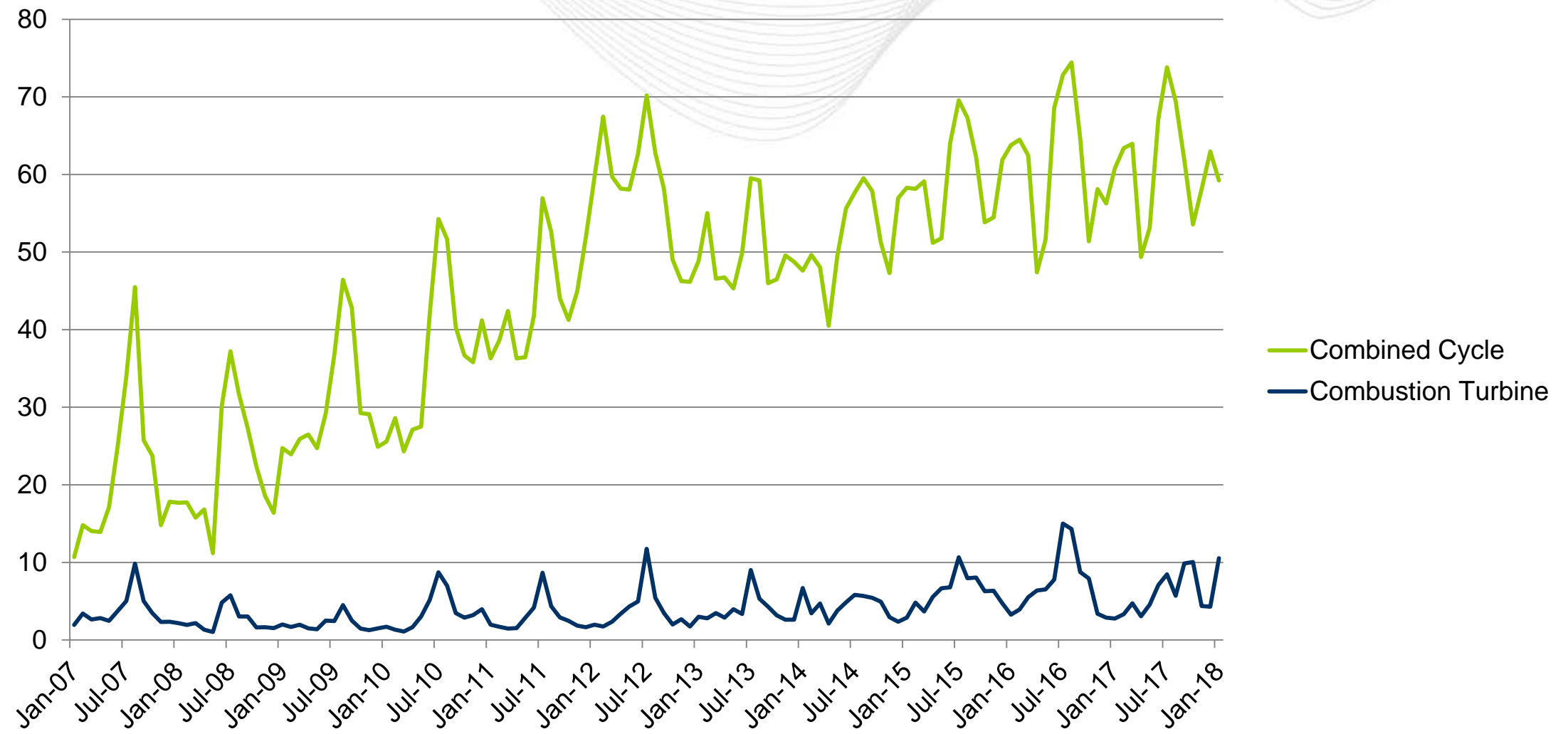
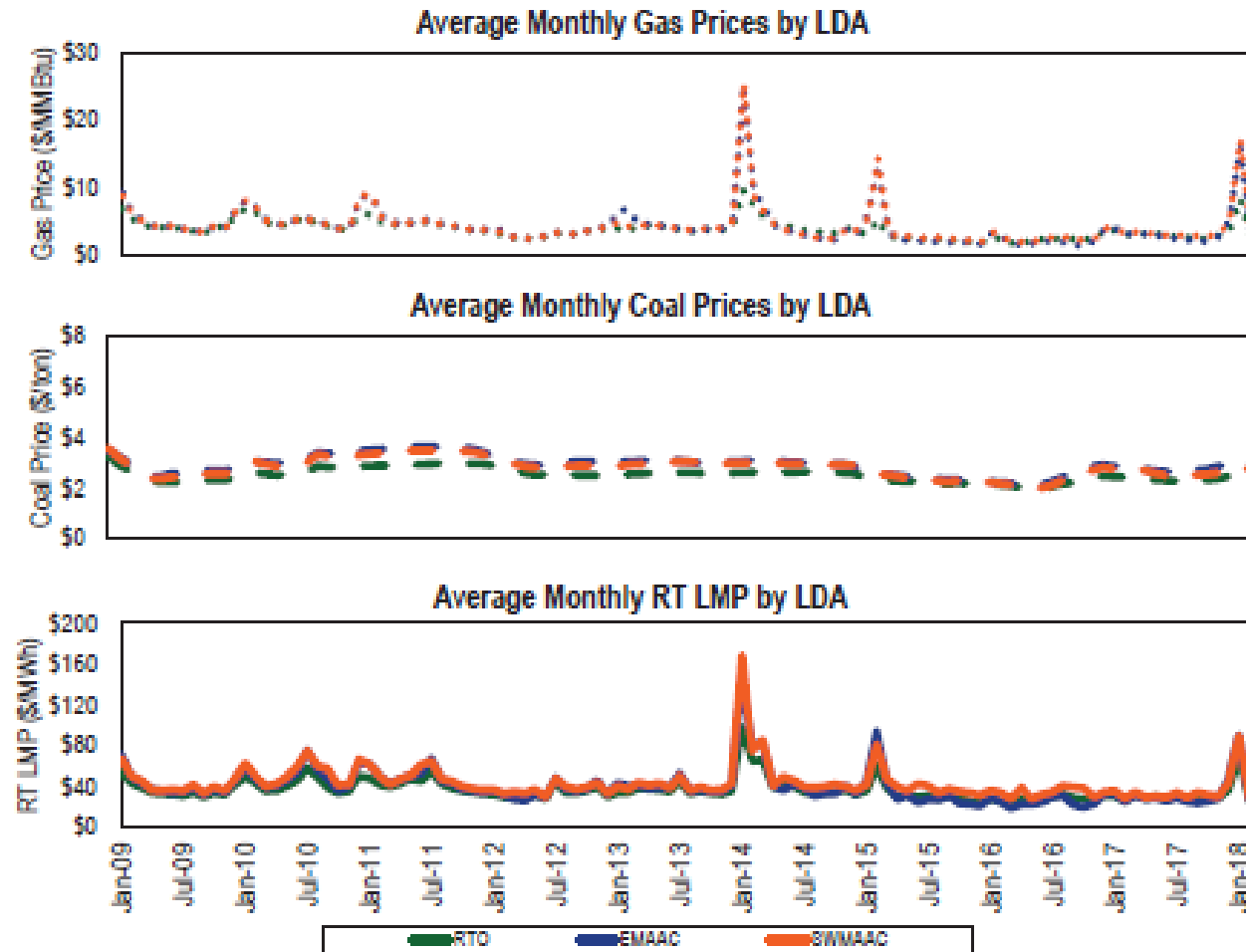


Figure 7-1 Energy market net revenue factor trends: 2009 through March 2018



- Capacity market is designed to provide revenue based on peaking unit
- CT is the peaking unit
 - Derives significant portion of revenue from capacity market
 - Less dependent and vulnerable to energy market volatility
(energy revenues as % of revenue requirement: CT- 27%; CC - 62%)
- Lower capital cost and shorter time to market than CC
 - CT \$300 million; CC: \$1 billion;