2014 Triennial Review
Board Approved Package

Design Components	Board Approved Package
Gross CONE	Update CONE values for 18/19 BRA: CONE Area 1, Eastern MAAC: $131,700/MW-year or $361/MW-day CONE Area 2, Southwest MAAC: $129,800/MW-year or $356/MW-day CONE Area 3, Rest of RTO: $128,300/MW-year or $352/MW-day CONE Area 4, Western MAAC: $129,700/MW-year or $355/MW-day *Eliminates CONE Area 5 and moves Dominion into CONE Area 3
Levelization Method	Level-nominal method
Reference Resource Technology	Combustion Turbine (CT) GE Frame 7FA with selective catalytic reduction (SCR) technology in all CONE areas and dual fuel capability in all CONE areas
Net E&AS Revenue Offset Methodology	3 year backward-looking average of E&AS revenues determined using peak-hour dispatch of reference resource
VRR Curve Shape - System	Point a) quantity = IRM - 0.2%, price = greater (CONE or 1.5*Net CONE) Point b) quantity = IRM + 2.9%, price = 0.75*Net CONE Point c) quantity = IRM + 8.8%, price = 0
VRR Curve Shape - Local	Same as System
Index used for CONE escalation	Bureau of Labor Statistics indices for wages, materials and turbine with weighting
RTO-Wide Gross CONE	Use average of CONE Areas
Method for calculating net CONE for each CONE Area	Do not determine a Net CONE for each CONE Area; instead, determine a Net CONE for each zone using the Gross CONE of the CONE Area to which the zone is assigned minus the Net EAS for each zone using peak-period dispatch against the applicable zonal LMP.
Method for calculating net CONE for RTO	RTO-Wide Gross CONE - PJM weighted-average LMP
Method for calculating net CONE for each LDA	For Zonal or sub-zonal LDAs, use the Net CONE calculated for that Zone. For LDAs that comprise multiple zones, use the average of the Net CONE determined for each of the applicable Zones. If the Net CONE of an LDA is lower than the Net CONE of immediately higher parent LDA then substitute with Net CONE of the Parent LDA.