Houlihan Lokey

PJM 2026/2027 Capacity Auction Overview

July 2025

Table of Contents

Houlihan Lokey Power, Utilities, and Renewables Coverage

01

Houlihan Lokey Is the Global Leader in Financial Advisory

Houlihan Lokey is the trusted advisor to more top decision-makers than any other independent global investment bank.

CORPORATE FINANCE

2024 M&A Advisory Rankings
All Global Transactions

	Advisor	Deals
1	**Houlihan Lokey**	**415**
2	Rothschild & Co	406
3	Goldman Sachs & Co	371
4	JP Morgan	342
5	Morgan Stanley	309

Source: LSEG (formerly Refinitiv).
Excludes accounting firms and brokers.

FINANCIAL RESTRUCTURING

2024 Global Distressed Debt & Bankruptcy Restructuring Rankings

	Advisor	Deals
1	**Houlihan Lokey**	**88**
2	PJT Partners Inc	59
3	Rothschild & Co	48
4	Lazard	44
5	Perella Weinberg Partners LP	40

Source: LSEG (formerly Refinitiv).

FINANCIAL AND VALUATION ADVISORY

2000–2024 Global M&A Fairness Advisory Rankings

	Advisor	Deals
1	**Houlihan Lokey**	**1,243**
2	Duff & Phelps, A Kroll Business	1,045
3	JP Morgan	1,020
4	UBS	792
5	Morgan Stanley	698

Source: LSEG (formerly Refinitiv).
Announced or completed transactions.

28 Senior coverage officers dedicated to the sponsor community in the Americas, Europe, Middle East, and Asia-Pacific

1,900+ Sponsors covered, providing market insights and knowledge of buyer behavior

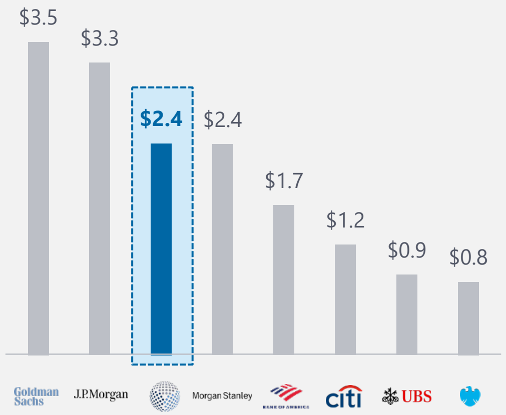
850+ Companies sold to financial sponsors over the past five years

HLI LISTED NYSE

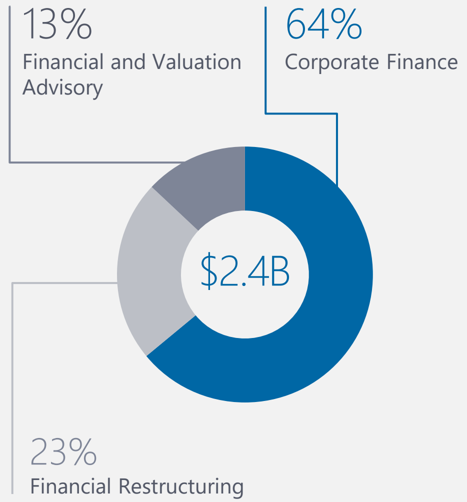
34	2,600+	347	2,000+	$12.56B	$2.5B
LOCATIONS WORLDWIDE	TOTAL FINANCIAL PROFESSIONALS	MANAGING DIRECTORS(1)	CLIENTS SERVED ANNUALLY	MARKET CAPITALIZATION(1)	REVENUE(2)

(1) As of June 30, 2025.
(2) LTM ended June 30, 2025.
(3) Sources: Company filings and earnings results.
(4) Based on revenues for the LTM ended June 30, 2025.

FY 2024 Advisory Revenue(3) ($B)



Segment Mix(4)



Our clients benefit from our local presence and global reach.

AMERICAS

- Atlanta
- Baltimore
- Boston
- Charlotte
- Chicago
- Dallas
- Houston
- Los Angeles
- Miami
- Minneapolis
- New York
- San Francisco
- São Paulo
- Washington, D.C.

EUROPE AND MIDDLE EAST

- Amsterdam
- Antwerp
- Dubai
- Frankfurt
- London
- Madrid
- Manchester
- Milan
- Munich
- Paris
- Stockholm
- Zurich

ASIA-PACIFIC

- Beijing
- Gurugram
- Hong Kong SAR
- Mumbai
- Shanghai
- Singapore
- Sydney
- Tokyo

No. 1
Global M&A Advisor (1)

No. 1
Global Restructuring Advisor

No. 1
Global M&A Fairness Opinion Advisor Over the Past 25 Years (2)

Leading
Capital Solutions Group

1,800+
Transactions Completed Valued at More Than $3.8 Trillion Collectively

2,000+
Annual Valuation Engagements

Source: LSEG (formerly Refinitiv.)
(1) Excludes accounting firms and brokers.
(2) Announced or completed transactions.

Houlihan Lokey Power, Utilities, and Renewables Team

Matthew Mazzucchi
Managing Director
MMazzucchi@HL.com
+1 214.220.8494

Xander B. Hector
Managing Director
XHector@HL.com
+1 612.215.2251

Vamsi Manda
Director
VManda@HL.com
+1 214.665.8665

Spencer Anderson
Director
SJAnderson@HL.com
+1 612.215.2885

Thad Williams
Vice President
TWilliams@HL.com
+1 612.215.2883

Ryan Verola
Vice President
RVerola@HL.com
+1 214.665.8667

Prachi Raina
Associate

Ishan Pinto
Associate

Wesley Yang
Financial Analyst

Ben Schroeder
Financial Analyst

Abbas Seltzer
Financial Analyst

Jacey Greco
Financial Analyst

Sameet Banerjee
Financial Analyst

Tombstones included herein represent transactions closed from 2021 forward.

Specialist and International Support

Jason Hill
Managing Director
Digital Infrastructure and Data Centers

Brian Pryor
Managing Director
Digital Infrastructure and Data Centers

Matteo Manfredi
Managing Director
Co-Head of Industrials, Europe

Arun Reddy
Managing Director
Head of Middle East and Africa

Ritsuko Nonomiya
Managing Director
Head of Japan Corporate Finance

Financial Sponsor Coverage

Kevin Salmini
Global Head of Financial Sponsors Coverage

Charlie Hartwick
Senior Vice President
U.S. Infrastructure Funds

Capital Solutions

Mario Manna
Managing Director
Capital Solutions Debt

Sean Fitzgerald
Managing Director
Capital Solutions Equity

Featured Transaction Experience

Transaction Pending
Potomac Energy Center, a 774 MW natural gas-fired combined cycle power plant in Loudoun County, Virginia, has agreed to be acquired by Blackstone
Sellside Advisor

Frontera Energy Center, a 540 MW natural-gas-fired combined-cycle power plant in Mission, Texas, has successfully raised a new First Lien Term Loan to refinance its existing debt facilities
Exclusive Placement Agent

Olympus Power, LLC has completed the sale of 100% interest in Lanyard Power, a 1.9 GW portfolio of gas-fired peaking assets in PJM, to a private equity investor
Sellside Advisor

Atlas Holdings, LLC has completed the sale of 100% interest in the 598 MW Bastrop Energy Partners facility and 257 MW Paris Generation facility, both of which are natural gas-fired CCGT power plants located in Texas, to Hull Street Energy, LLC
Sellside Advisor

Atlas Holdings, LLC has completed the sale of 100% interest in the 310 MW coal-fired Twin Oaks Power Station facility in Texas to Panamint Capital
Sellside Advisor

Maxeon Solar Technologies, Ltd.
7.5% Senior Secured Convertible Notes due 2027
$207,000,000
Exclusive Placement Agent

Cube District Energy, a portfolio company of I Squared Capital, has been acquired by Fiera Infrastructure
Sellside Advisor

Salem Harbor Power Development LP has confirmed a Chapter 11 Plan of Reorganization
Company Advisor

EIG Global Energy Partners, LLC has completed the sale of its 50% indirect interest in a 1,740 MW portfolio of two combined cycle natural gas-fired power plants to The Carlyle Group
Sellside Advisor

INGENCO, an affiliate of CCI, has been acquired by Archaea Energy
Sellside Advisor

Coso Geothermal Power Holdings, LLC has been acquired by Atlantica
Sellside Advisor

Project Odyssey
Project Odyssey has completed the sale of a 100% interest in the 600 MW Altura Cogeneration facility and a 50% interest in the 550 MW Cedar Bayou 4 facility, both of which are natural gas-fired CCGT power plants located in Texas, to The Carlyle Group
Sellside Advisor

Comprehensive Coverage of Power, Utilities, and Renewables

Houlihan Lokey's Power, Utilities, and Renewables team offers a broad range of services to every facet of the power industry.

The power sector has evolved from traditional vertically integrated utilities into a diversified sector of independent power producers (IPPs), retailers, transmission companies, and distributed generation.

This energy transition has further disrupted existing business models and brought new investors into the space.

Houlihan Lokey has completed transactions across the sector in both thermal and renewable energy throughout every region of the U.S.

Power, Utilities, and Renewables Subsectors

Independent Power Production

- Gas and Coal IPPs
- Utility Sponsored
- Vertically Integrated

Renewable Generation

- Wind Energy
- Solar Energy
- Geothermal Energy

Utility-Scale, Wind, Solar, and Geothermal

- Natural Gas Power Development
- Renewable Energy Developer
- Energy Project Finance

Distributed Generation

- C&I Solar
- Residential Solar
- Microgrids

Battery and Other Energy Storage

- Utility-Scale Storage
- Behind the Meter
- Long Duration

Waste to Energy

- Landfill Gas
- Biomass
- Waste Coal

Wholesale and Retail Power

- Energy Trading/Marketing
- Retail Energy Providers
- Transmission

Regulated Utilities

- Investor Owned
- G&T Co-Operatives
- Municipal Utilities

Energy-as-a-Service (EaaS)

- Portable Generation
- Demand Side Management

Our Service Offerings

- Mergers and Acquisitions
- Corporate Valuation Advisory Services
- Capital Markets
- Transaction Advisory Services
- Board Advisory Services
- Dispute Resolution Services
- Financial Restructuring
- Transaction Opinions
- Portfolio Valuation and Fund Opinions

Featured Power, Utilities, and Renewables M&A and Financing Experience

Houlihan Lokey has extensive experience advising on transactions in the power, utilities, and renewables space.

Transaction Pending

Potomac Energy Center, a 774 MW natural gas-fired combined cycle power plant in Loudoun County, Virginia, has agreed to be acquired by Blackstone

Sellside Advisor

Frontera Energy Center, a 540 MW natural-gas-fired combined-cycle power plant in Mission, Texas, has successfully raised a new First Lien Term Loan to refinance its existing debt facilities

Exclusive Placement Agent

Lumio Holdings, Inc. has sold substantially all its assets, pursuant to Section 363 of the U.S. Bankruptcy Code, to Zeo Energy

Company Advisor

Olympus Power, LLC has completed the sale of 100% interest in Lanyard Power, a 1.9 GW portfolio of gas-fired peaking assets in PJM, to a private equity investor

Sellside Advisor

Atlas Holdings, LLC has completed the sale of 100% interest in the 598 MW Bastrop Energy Partners facility and 257 MW Paris Generation facility, both of which are natural gas-fired CCGT power plants located in Texas, to Hull Street Energy, LLC

Sellside Advisor

Atlas Holdings, LLC has completed the sale of 100% interest in the 310 MW coal-fired Twin Oaks Power Station facility in Texas to Panamint Capital

Sellside Advisor

Salem Harbor Power Development LP has confirmed a Chapter 11 Plan of Reorganization

Company Advisor

Maxeon Solar Technologies, Ltd.

7.5% Senior Secured Convertible Notes due 2027

$207,000,000

Exclusive Placement Agent

Coso Geothermal Power Holdings, LLC has been acquired by Atlantica

Sellside Advisor

Cube District Energy, a portfolio company of I Squared Capital, has been acquired by Fiera Infrastructure

Sellside Advisor

INGENCO, an affiliate of CCI, has been acquired by Archaea Energy

Sellside Advisor

Project Odyssey

Project Odyssey has completed the sale of a 100% interest in the 600 MW Altura Cogeneration facility and a 50% interest in the 550 MW Cedar Bayou 4 facility, both of which are natural gas-fired CCGT power plants located in Texas, to The Carlyle Group

Sellside Advisor

EIG Global Energy Partners, LLC has completed the sale of its 50% indirect interest in a 1,740 MW portfolio of two combined cycle natural gas-fired power plants to The Carlyle Group

Sellside Advisor

Macquarie Principal Finance has completed the sale of an undivided interest in Antelope Valley Station 2 to a leading alternative asset manager

Sellside Advisor

Intermountain Wind, LLC has completed the sale of the 320 MW development stage Boswell Springs Wind Farm to Alterra Power

Sellside Advisor

Panasonic North America has completed a strategic review of their investment in Coronal Energy

Financial Advisor

Viridian has been acquired by I Squared Capital

Sellside Advisor

Southaven Power, LLC a subsidiary of Cogentrix Energy, LLC has been acquired by Tennessee Valley Authority

Sellside Advisor

A subsidiary of Reliant Energy, Inc. has been acquired by Fortistar and Global Infrastructure Partners

Sellside Advisor

NextEra Energy, Inc. has completed the sale of its equity interest in White Pine Hydro Investments, LLC to Brookfield Renewable Energy Partners

Buyside Advisor

Camden County Energy Recovery Associates L.P., a subsidiary of Foster Wheeler AG, has been acquired by Covanta Energy Corporation

Sellside Advisor

MidAmerican Energy Holdings Company has acquired PacifiCorp from ScottishPower

Buyside Advisor & Fairness Opinion

An affiliate of Fundamental Advisors has acquired MMA Capital Holdings

Buyside Advisor

Honiton Energy has sold its wind farms in Inner Mongolia, China with an aggregate capacity of c. 150 MW to SunEdison

Sellside Advisor

Tombstones included herein represent transactions closed from 2006 forward.

Transaction Case Study:
Potomac Energy Center

Houlihan Lokey acted as exclusive financial advisor to Potomac Energy Center (Potomac), a 774 MW natural-gas-fired combined cycle (CCGT) power plant located in Loudoun County, Virginia, on its sale to Blackstone.

POTOMAC ENERGY CENTER + Blackstone

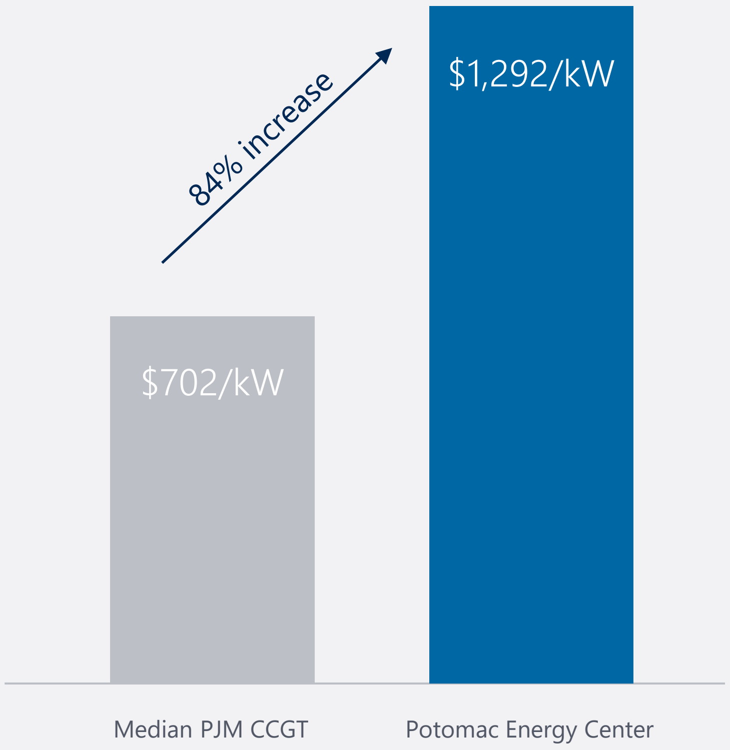
Overview of Potomac

Potomac Energy Center is a 774 MW combined cycle power generation facility located in Loudoun County, Virginia, within the Dominion Zone of PJM.

Overview of Blackstone

Blackstone and affiliate private equity funds have operated more than 130 generating facilities totaling over 60 GW of generating capacity.

Illustrative PJM CCGT Purchase Price Comparison(1)(2) ($/kW)



Transaction Summary

- Virginia withdrew from the Regional Greenhouse Gas Initiative (RGGI) in December 2023.
- PJM's 2025/2026 Base Residual Auction (BRA) cleared a landmark $444.26/MW-day capacity price in the Dominion Zone.
- M&A process and outreach began in late August 2024.
- The Virginia Court of Appeals ruled the RGGI exit was unlawful and mandated return immediately.
- Blackstone purchased 100% ownership of Potomac.

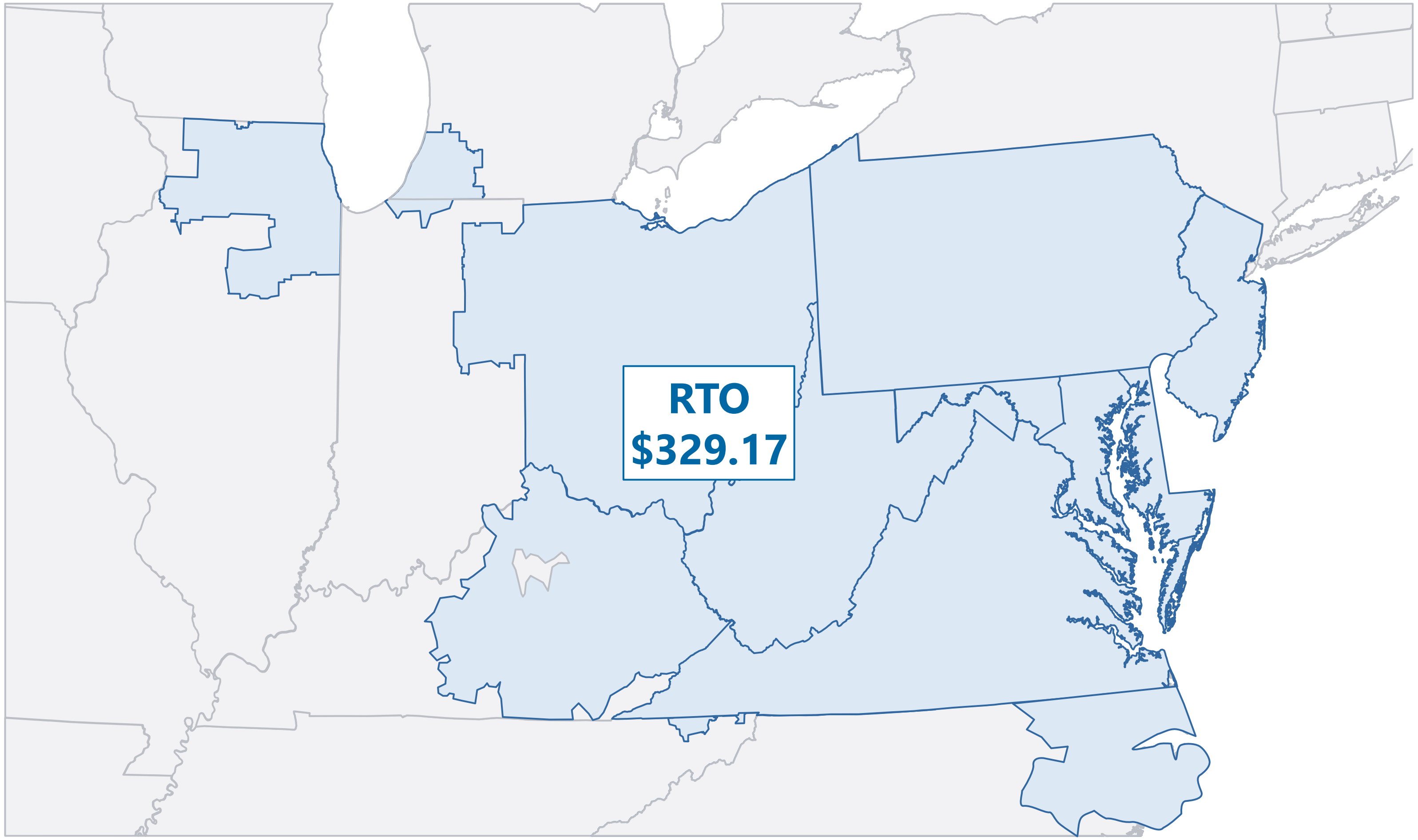
Sources: SparkSpread, industry publications.
(1) Median of PJM CCGTs include purchases of 940 MW Lordstown, 810 MW Hunterstown, 705 MW Newark Energy Center, 1,176 MW New Covert, and 1,124 MW Panda Hummel.
(2) Implied Potomac Energy Center $/kW multiple calculated based on ~$1 billion purchase price referenced in Reuters article dated January 24, 2025.

PJM 2026/2027 Capacity Auction

02

PJM: 2026/2027 Capacity Auction Results (1/4)

The 2026/2027 PJM BRA cleared at an all-time high due to a confluence of factors.



Sources: PJM, industry publications.

2026/2027 PJM Capacity Auction Results

- The 2026/2027 BRA produced a price of **$329.17/MW-day** for PJM's entire footprint, clearing at the maximum FERC approved price cap.
- PJM notes the auction would have cleared at $388.57/MW-day without the price cap in effect, reflecting tight supply-demand.
- Capacity cost for the 2026/2027 delivery year totaled $16.1 billion, significantly higher than the $14.7 billion and $2.2 billion costs for the each of the past two capacity auctions, respectively.
- PJM cleared 134.3 GW of UCAP and 11.9 GW UCAP of fixed resource requirement capacity, resulting in 146.2 GW UCAP.
- The 2026/2027 auction cleared a reserve margin of 18.9%, or 0.2% lower than the target reserve margin of 19.1%.

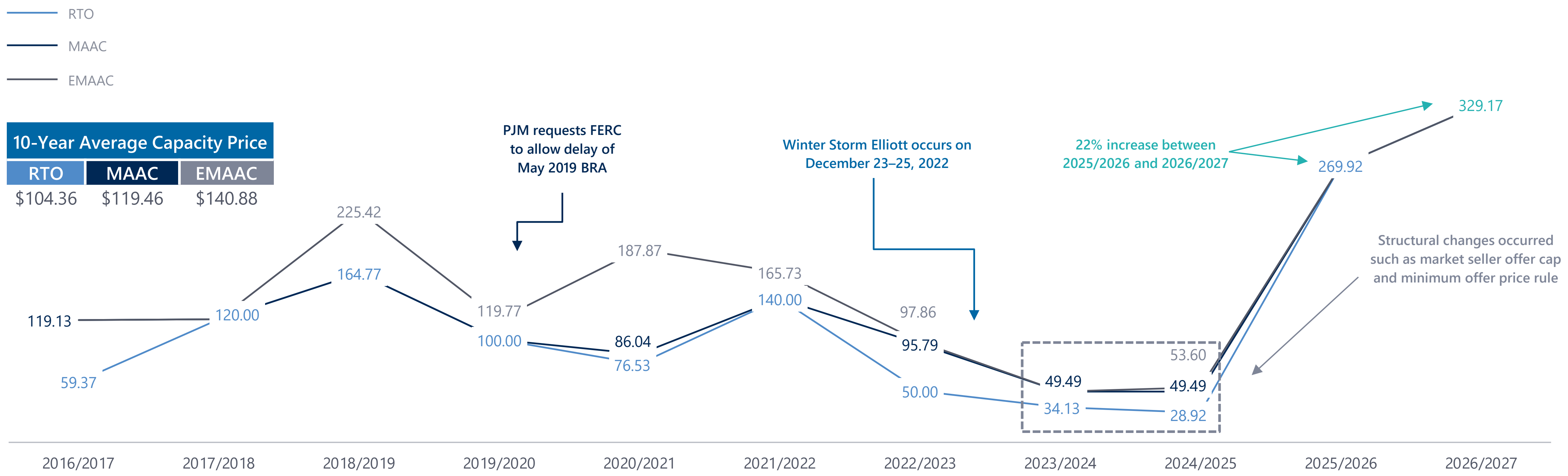
PJM: 2026/2027 Capacity Auction Results (2/4)

The $329.17/MW-day 2026/2027 capacity price is significantly higher than the 10-year average capacity prices.

PJM Capacity Prices by Delivery Year[(1)]

($/MW-day UCAP)

10-Year Average Capacity Price		
RTO	MAAC	EMAAC
$104.36	$119.46	$140.88



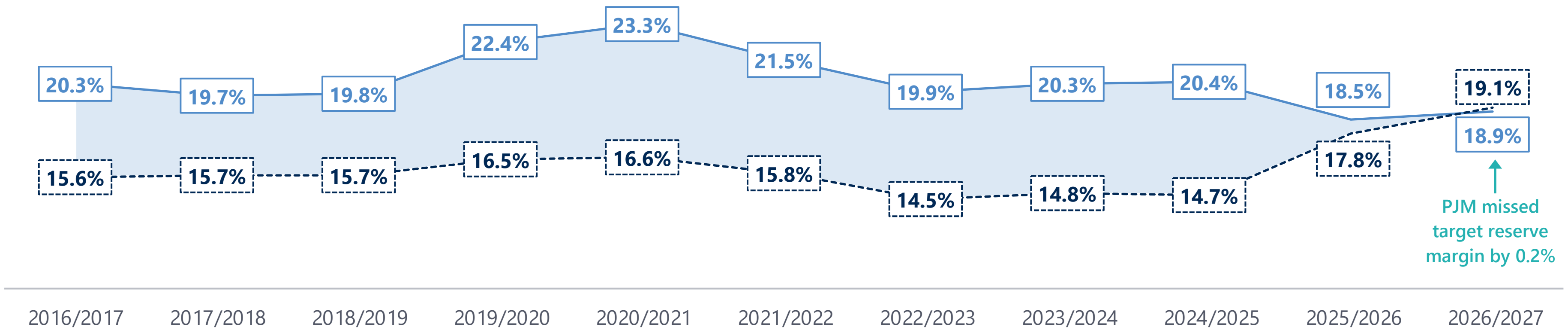
Sources: PJM, industry publications.
(1) Reflects converged capacity prices where applicable.

PJM: 2026/2027 Capacity Auction Results (3/4)

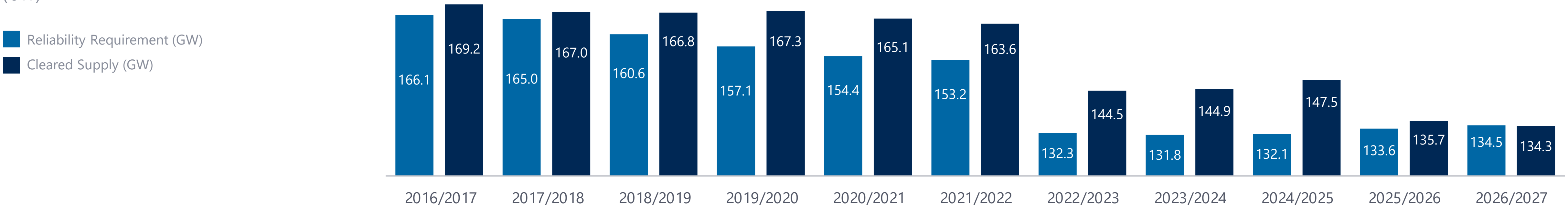
Numerous factors contributed to the $329.17/MW-day clear, including higher forecasted peak load and tightening reserve margins.

Cleared and Targeted Reserve Margin
(%)

Targeted reserve margins have jumped recently as peak load increases and supply retires. PJM is considering an increased 20.0% reserve margin for the 2027/2028 delivery year.



Reliability Requirement vs. Cleared Capacity Auction Supply[1]
(GW)



Sources: PJM, Planning Parameters, industry publications.
(1) Both Reliability Requirement and Cleared Supply are adjusted for fixed resource requirements per variable resource requirement (VRR) curve in the applicable delivery year.

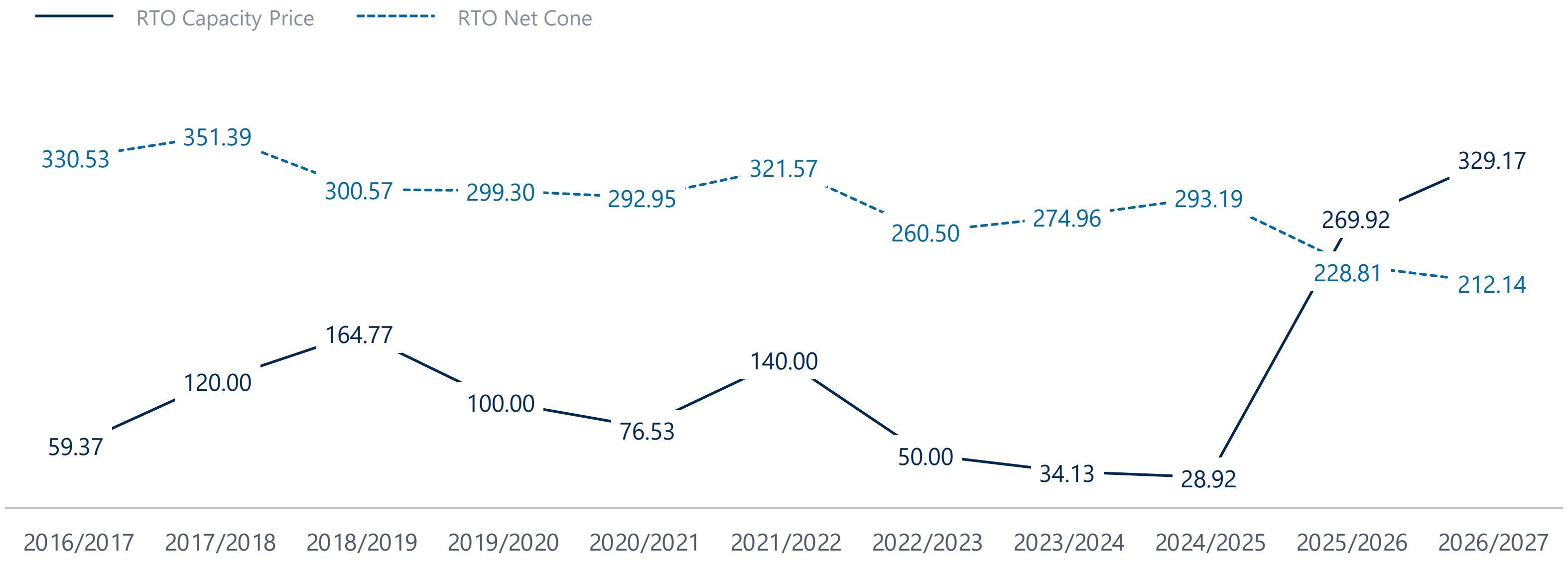
PJM: 2026/2027 Capacity Auction Results (4/4)

Tight supply-demand conditions continue to affect clearing prices, and even minute factors can shift the final clearing point.

PJM RTO Cleared Capacity Prices vs. Administrative Net Cost of New Entry

($/MW-day UCAP)

Capacity prices above the net cost of new entry (CONE), as was done in the 2025/2026 BRA, should be expected as the market predicts and reacts to supply, demand, and broader market dynamics.



Sources: PJM, Planning Parameters, industry publications.

Detailed PJM Supply and Capacity Change Ledger for BRAs

Existing PJM Capacity Supply (UCAP)
Plus: Capacity Additions
Less: Retirements/Deactivations
Plus/Less: ELCCs, Demand Response

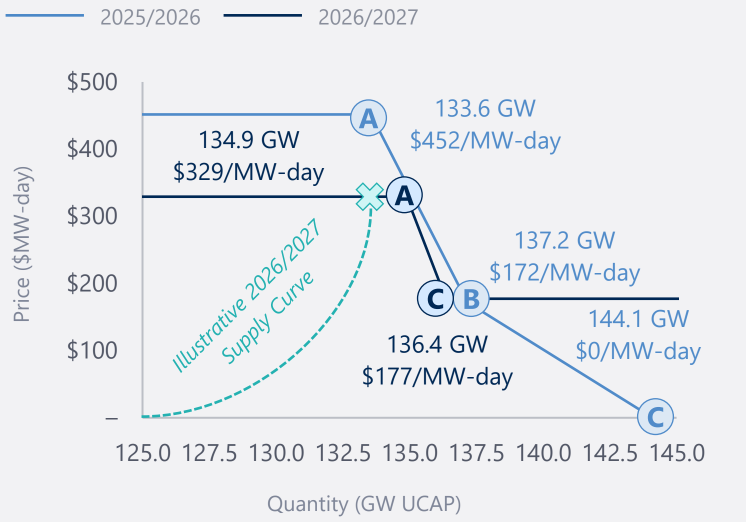
Available PJM Capacity Supply (UCAP)
Less: PJM BRA Reliability Requirement

Market Surplus / (Shortfall)

The ~1.5 GW supply gap between the $329.17/MW-day price cap and $177.24/MW-day price floor made the VRR curve extremely tight.

PJM RTO 2025/2026 and 2026/2027 VRR Curve

($/MW-day UCAP)



PJM: ELCC Effects and Capacity Auction Timeline

The 2027/2028 Base Residual Auction is set to take place in early December with results posted on December 17, 2025. Based on current ELCC Class Ratings, it would have a price cap and price floor of $333.44 and $179.55/MW-day, respectively.

PJM's Capacity Auction (Three-Year Forward Auction) Has Faced Multiple Year Delays

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
2019/2020		BRA	<- 5/24/2016		Delivery Year									
2020/2021		5/23/2017 ->	BRA			Delivery Year								
2021/2022			5/23/2018 ->	BRA			Delivery Year							
2022/2023						6/2/2021 ->	BRA	Delivery Year						
2023/2024							6/21/2022 ->	BRA	Delivery					
2024/2025								2/27/2023 ->	BRA	Delivery Year				
2025/2026									7/30/2024 ->	BRA	Delivery Year			
2026/2027										7/22/2025 ->	BRA	Delivery Year		
2027/2028										12/17/2025 ->	BRA		Delivery Year	

Sources: PJM, PJM Inside Lines, PJM Preliminary ELCC Class Ratings, industry publications.
Note: Current reference resource, the selected generator that determines cost of new entry to determine capacity price clearing, is a dual-fuel CT in PJM.
(1) Preliminary 2027/2028 ELCC Class Ratings as of July 17, 2025, per PJM Markets and Reliability Committee.

Preliminary Administrative Price Cap and Floor Sensitivity

	Cap	Floor	Δ
Fixed Clearing Price ($/MW-day ICAP)	$256.75	$138.25	($118.50)
2025/2026A Dual-Fuel CT ELCC %	79%	79%	–
Fixed Clearing Price ($/MW-day UCAP)	**$325.00**	**$175.00**	**($150.00)**
2026/2027A Dual-Fuel CT ELCC %	78%	78%	–
Fixed Clearing Price ($/MW-day UCAP)	**$329.17**	**$177.24**	**($151.92)**

Sensitivity Analysis: Dual-Fuel CT ELCC vs. Price Cap and Price Floor

	76%	77%	78%	79%	80%
Price Cap (UCAP)	$337.83	**$333.44**	**$329.17**	**$325.00**	$320.94
Price Floor (UCAP)	$181.91	**$179.55**	**$177.24**	**$175.00**	$172.81

Change in ELCC From 2025/2026 to 2027/2028 Delivery Years[(1)]

	A	B	C	B – A	C – B
	25/26A	**26/27A**	**27/28E**	**Δ 1**	**Δ 2**
Onshore Wind	35%	41%	41%	6%	–
Offshore Wind	60%	69%	67%	9%	(2%)
Tracking Solar	14%	11%	8%	(3%)	(3%)
Four-Hour Storage	59%	50%	58%	(9%)	8%
Nuclear	95%	95%	95%	–	–
Coal	84%	83%	83%	(1%)	–
Gas CCGT	79%	74%	74%	(5%)	–
Gas CT	62%	60%	61%	(2%)	1%
Dual-Fuel CT	**79%**	**78%**	**77%**	(1%)	(1%)

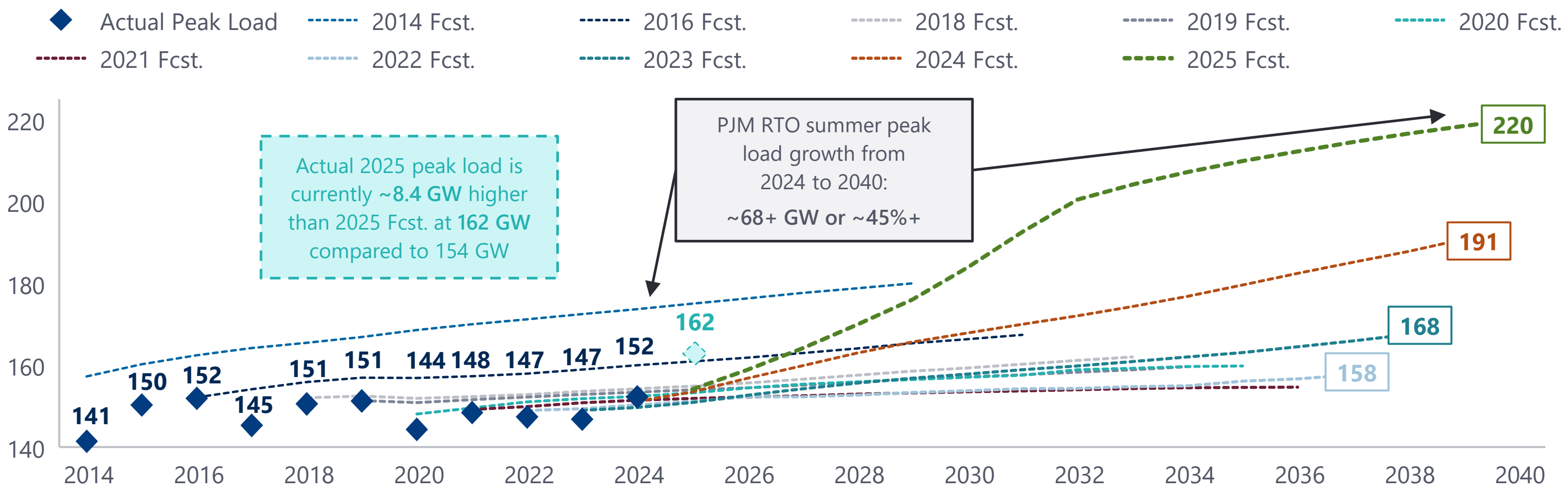
PJM: Increasing Peak Load Growth Forecasts

Over the past decade, peak load forecasts in PJM have reached unprecedented levels driven by data centers, the resurgence of manufacturing, electrification initiatives, and population growth.

- PJM faces unprecedented power demand driven by data centers and electrification in transportation, heating, and industrials.
- Total operational capacity decreased 3.6 GW since last summer, and load is projected to be 1.9 GW higher year over year.
- Under higher load estimates, PJM's annual assessment notes that available generation might fall short of required reserve margins.
- Tightening supply-demand balance continues as the interconnection queue backlog of intermittent renewables cannot replace PJM's accelerating retiring thermal generation fleet.
- The supply shortfall combined with roughly 30 GW of added load forecasted between 2025 and 2030 is expected to strain the grid.

PJM RTO Historical and Projected Summer Peak Load

(GW)



Sources: PJM, Load Forecasts, industry publications.

Factors Driving PJM Power Surge

The explosion of **AI** workloads, cloud storage, and **high-performance computing** is sprouting massive **data center** demand.

Electric vehicle (EV) adoption, EV charging networks, and **heat pump** transitioning in homes are adding to **domestic electricity** demand.

Industrialization and **manufacturing** resurgence is increasing baseload demand as these processes **electrify.**

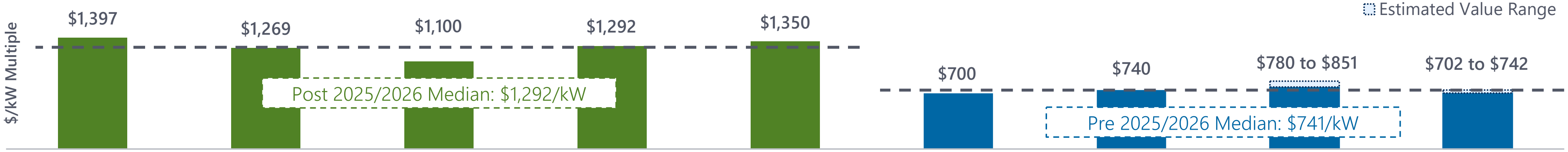
Population and GDP growth is **raising residential** and commercial **power demand** across PJM states.

PJM Thermal M&A Transactions

03

PJM: Featured CCGT M&A Transactions

2025 has seen valuations for PJM CCGTs pushed to all-time highs.



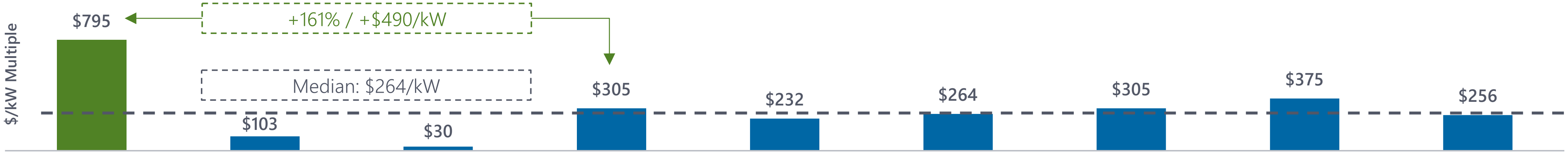
Post-2025/2026 BRA
Pre-2025/2026 BRA

	Moxie Freedom	Guernsey	Oregon Clean Energy	Potomac	Hummel	Lordstown	Hunterstown	Newark	Hummel
Buyer	Talen Energy	Talen Energy	American Electric Power	Blackstone	Capital Power	ArcLight / Alpha Generation	LS Power	Hartree	LS Power
Seller	Caithness Energy, L.L.C.	Caithness Energy, L.L.C. / BlackRock	Ares / I Squared	Ares	LS Power	Macquarie	Platinum Equity	Ares	Panda Power Funds
Date Announced	Jul-25	Jul-25	Mar-25	Jan-25	Apr-25	Feb-24	Jan-24	Apr-23	Apr-20
Date Closed	*Pending*	*Pending*	*Pending*	*Pending*	Jun-25	Sep-24	Jul-24	Aug-23	Oct-20
PJM Zone	MAAC	RTO	RTO	DOM	MAAC	RTO	MAAC	EMAAC	MAAC
COD	2018	2023	2017	2017	2018	2018	2003	2015	2018
Purchase ($M)	$1,460	$2,330	$957(1)	$1,000(2)	~$1,520(3)	$658(4)	$599(4)	$550–$600(5)	$789–$834(5)
Capacity (MW)	1,045	1,836	870	774	1,124	940	810	705	1,124

Sources: SNL Energy, SparkSpread, news articles.
Note: Capacities and transaction value estimates are based on public information at close and may differ from more recent data; only 100% stake acquisitions are included.
(1) $957 million figure per industry article dated March 12, 2025.
(2) $1,000 million figure per Reuters article dated January 24, 2025.
(3) ~$1,520 million figure per industry articles suggesting ~70% of $2.2 billion purchase price of Hummel and Rolling Hills is allocated to Hummel, implying ~$1,350/kW purchase price.
(4) Estimated transaction values based on discussions with market participants. Lordstown purchase price assumes $250 million purchase price plus outstanding debt of $408 million at time of transaction.
(5) Dashed range represents estimated transaction value based on publicly available sources. Low end reflects estimate of debt outstanding at the time of the transaction. High end is based on transaction value as reported by industry publications.

PJM: Featured GT M&A Transactions

PJM peaking facilities are expected to see an asset revaluation cycle after years of muted capacity prices and oversupply.



Post-2025/2026 BRA
Pre-2025/2026 BRA

	Rolling Hills	Lanyard Portfolio	Lincoln Power Portfolio	Rolling Hills	Lincoln and Crete	West Lorain	Rock Springs	Armstrong and Troy	Elwood Energy
Buyer	Capital Power	Rockland Capital	Avenue Capital Group	LS Power	earthrise energy	Lotus Infrastructure Partners	Carlyle	LS Power	J-Power
Seller	LS Power	Olympus Power, LLC	Carlyle	Eastern Generation LLC	Eastern Generation LLC	FirstEnergy	ODEC	Dynegy	Dynegy
Date Announced	Apr-25	May-24	Jul-23	Jun-22	Jun-22	Nov-18	Jun-18	Feb-17	Aug-16
Date Closed	Jun-25	Nov-24	Dec-23	Sep-22	Sep-22	Mar-19	Sep-18	Jul-17	Nov-16
PJM Zone	RTO	SWMAAC	ComEd / RTO	RTO	ComEd	RTO	EMAAC	RTO	ComEd
COD	2003	1967–1992	1999–2002	2003	2000/2002	1973	2003	2002	1999
Purchase ($M)	~$670[(1)]	$196	$26	$255	$228	$144	$115	$480	$173
Capacity (MW)	835[(1)]	1,906[(2)]	875	835	984	545	377[(3)]	1,279	675[(4)]

Sources: SNL Energy, SparkSpread, news articles.
Note: Capacities and transaction value estimates are based on public information at close and may differ from more recent data.
(1) ~$670 million figure per industry articles suggesting ~30% of $2.2 billion purchase price of Hummel and Rolling Hills is allocated to Rolling Hills, implying ~$795/kW purchase price on 835 MW of summer capacity compared to 1,023 MW of winter capacity.
(2) Portfolio includes 1,612 MW Chalk Point plant and 294 MW Dickerson plant.
(3) Represents 50% of 754 MW operating capacity per 50% stake acquisition.
(4) Represents a 50% interest of 1,350 MW operating capacity.

Appendix

04

PJM: Glossary and Key Formulas

Key Terms

PJM and LDAs	1. Pennsylvania-Jersey-Maryland Interconnection LLC. 2. Locational deliverability area or region in PJM.
BRA and RPM	1. Base Residual Auction conducted to secure capacity. 2. Reliability pricing model, or PJM's capacity market.
Delivery Year	Planning year in PJM that starts June 1 and ends May 30. For example, June 1, 2026 – May 30, 2027 is 2026/2027.
MSOC	Market seller offer cap, or the maximum offer price applicable to specific sellers under certain conditions.
MOPR	Minimum offer price rule, or the minimum offer price applicable to certain sellers under certain conditions.
ELCC	Effective load carrying capability, or metric used to determine how reliable resources can be during peak demand.
ICAP and UCAP	1. Installed capacity, or the maximum amount of MWs. 2. Unforced capacity, or a measure of reliable capacity.
Net CONE	Cost of new entry, or the estimated cost of building and operating a new power plant net of expected energy and ancillary revenues.
Peak Load	Also known as peak demand, but the highest level of electricity consumption at a specific point of time.
Demand Response	Program that allows electricity consumers to reduce energy consumption during periods of high demand.
Energy Efficiency	Using less electricity to perform the same task or achieve the same outcome; minimizing energy waste or maximizing usage.
Reserve Margin	Measures the available generating capacity (supply) exceeding the expected peak load (demand).
VRR Curve	Variable resource requirement curve, or the downward-sloping capacity supply-demand curve with three points (A, B, C).

Key Formulas

UCAP	UCAP = ICAP * ELCC * Resource Performance Adjustment
Capacity Revenue	Monthly Revenue = MWs * $/MW-day * # of Days in Month For example, 100 MW * $200/MW-day * 30 Days = $600K
Reserve Margin	(Supply / Demand) – 1
Point A (Price)	Maximum of Gross CONE or 1.75x Net CONE
Point B (Price)	0.75x Net CONE
Point C (Price)	$0
Point A (Quantity)	~99% of Reliability Requirement
Point B (Quantity)	~101.5% of Reliability Requirement
Point C (Quantity)	~104.5% of Reliability Requirement
IRM	Installed Reserve Margin = [(Available PJM ICAP / Solved Peak Load for 1-in-10 LOLE) – 1] – Capacity Benefit of Ties
Pool-Wide AUCAP	AUCAP Factor = Accredited UCAP / Available PJM ICAP
FPR	Forecast Pool Req. = (1 + IRM) * AUCAP Factor
Reliability Req.	RR = Modeled Peak Load * FPR

Disclaimer

Houlihan Lokey is a trade name for Houlihan Lokey, Inc., and its subsidiaries and affiliates, which include the following licensed (or, in the case of Singapore, exempt) entities: in (i) the United States: Houlihan Lokey Capital, Inc., and Waller Helms Securities, LLC, each an SEC-registered broker-dealer and a member of FINRA (www.finra.org) and SIPC (www.sipc.org) (investment banking services); (ii) Europe: Houlihan Lokey UK Limited (FRN 792919), authorized and regulated by the U.K. Financial Conduct Authority; Houlihan Lokey (Europe) GmbH, authorized and regulated by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht); Houlihan Lokey Private Funds Advisory S.A., a member of CNCEF Patrimoine and registered with the ORIAS (#14002730); (iii) the United Arab Emirates, Dubai International Financial Centre (Dubai): Houlihan Lokey (MEA Financial Advisory) Ltd., regulated by the Dubai Financial Services Authority; (iv) Singapore: Houlihan Lokey (Singapore) Private Limited, an "exempt corporate finance adviser" able to provide exempt corporate finance advisory services to accredited investors only; (v) Hong Kong SAR: Houlihan Lokey (China) Limited, licensed in Hong Kong by the Securities and Futures Commission to conduct Type 1, 4, and 6 regulated activities to professional investors only; (vi) India: Houlihan Lokey Advisory (India) Private Limited, registered as an investment adviser with the Securities and Exchange Board of India (registration number INA000001217); and (vii) Australia: Houlihan Lokey (Australia) Pty Limited (ABN 74 601 825 227), a company incorporated in Australia and licensed by the Australian Securities and Investments Commission (AFSL number 474953) in respect of financial services provided to wholesale clients only. In the United Kingdom, European Economic Area (EEA), Dubai, Singapore, Hong Kong, India, and Australia, this communication is directed to intended recipients, including actual or potential professional clients (UK, EEA, and Dubai), accredited investors (Singapore), professional investors (Hong Kong), and wholesale clients (Australia), respectively. No entity affiliated with Houlihan Lokey, Inc., provides banking or securities brokerage services, nor is any such affiliate subject to FINMA supervision in Switzerland or similar regulatory authorities regarding such activities in other jurisdictions. Other persons, such as retail clients, are NOT the intended recipients of our communications or services and should not act upon this communication.

Houlihan Lokey gathers its data from sources it considers reliable; however, it does not guarantee the accuracy or completeness of the information provided within this presentation. The material presented reflects information known to the authors at the time this presentation was written, and this information is subject to change. Any forward-looking information and statements contained herein are subject to various risks and uncertainties, many of which are difficult to predict, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. In addition, past performance should not be taken as an indication or guarantee of future performance, and information contained herein may be subject to variation as a result of currency fluctuations. Houlihan Lokey makes no representations or warranties, expressed or implied, regarding the accuracy of this material. The views expressed in this material accurately reflect the personal views of the authors regarding the subject securities and issuers and do not necessarily coincide with those of Houlihan Lokey. Officers, directors, and partners in the Houlihan Lokey group of companies may have positions in the securities of the companies discussed. This presentation does not constitute advice or a recommendation, offer, or solicitation with respect to the securities of any company discussed herein, is not intended to provide information upon which to base an investment decision, and should not be construed as such. Houlihan Lokey or its affiliates may from time to time provide financial or related services to these companies. Like all Houlihan Lokey employees, the authors of this presentation receive compensation that is affected by overall firm profitability.

Houlihan Lokey

Corporate Finance

Financial Restructuring

Financial and Valuation Advisory

HL.com