2025/2026 Base Residual Auction Results

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Changes for This Auction

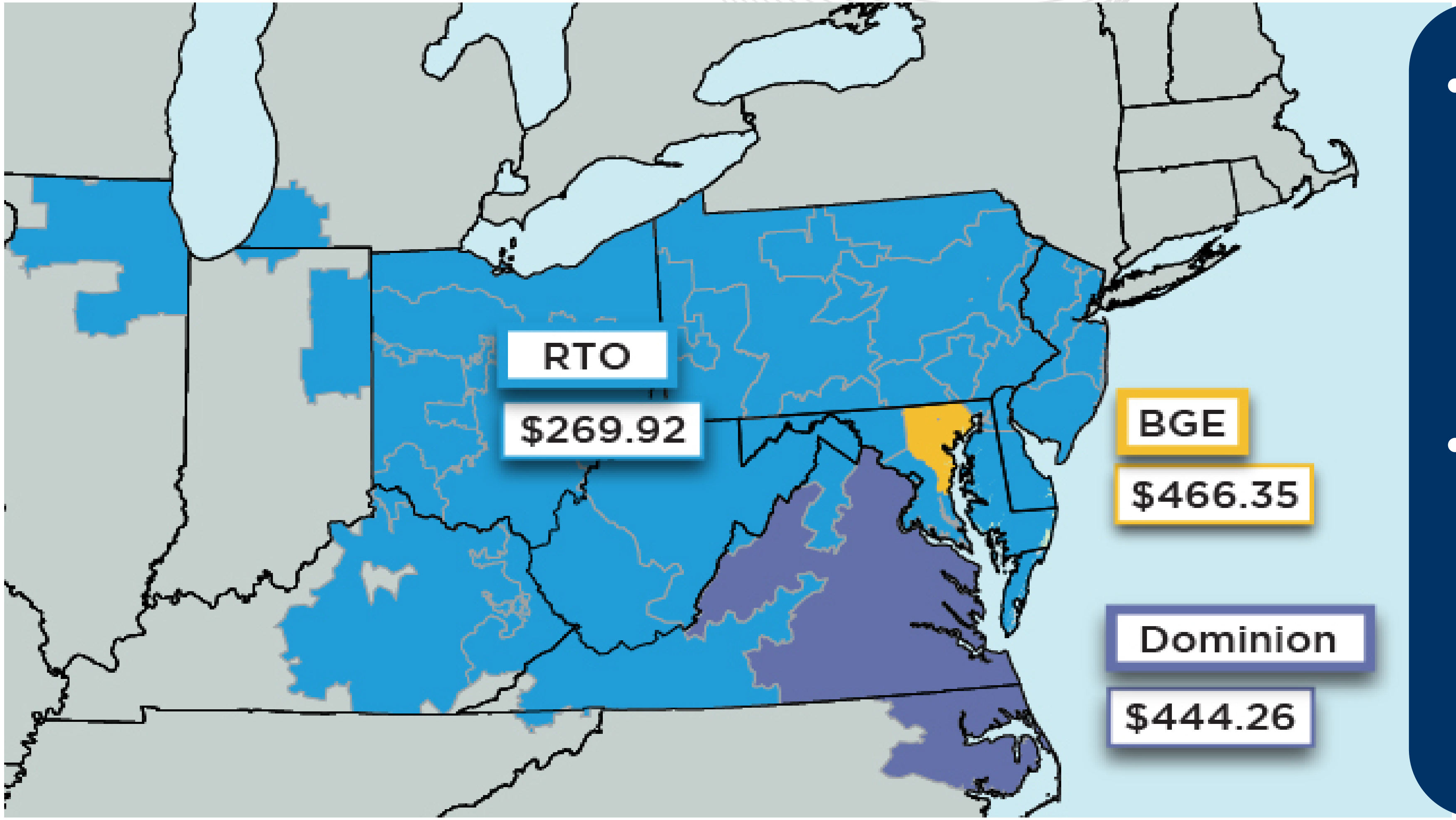
Key Market Rule Changes (CIFP)	• ELCC marginal accreditation provides more accurate representation of reliability contribution for individual resources. • Enhanced reliability risk modeling that better reflects impacts of extreme weather (impacting Forecast Pool Requirement) • Requirement for all Capacity Market Sellers of any Planned Generation Capacity Resource to provide a binding notice of intent if such resource will be offered into in the relevant RPM Auction
Planning Parameters	• Net Cone for RTO decreased from $293/MW-day to $229/MW-day. • 3,243 MW increase in forecasted peak load • Installed Reserve Margin increase from 14.7% to 17.8%
Dominion in RPM Auction and Not FRR	

Note: The Installed Reserve Margin is a percentage value used to establish the level of installed capacity resources required to satisfy reliability criteria.

25/26 Base Residual Auction Summary

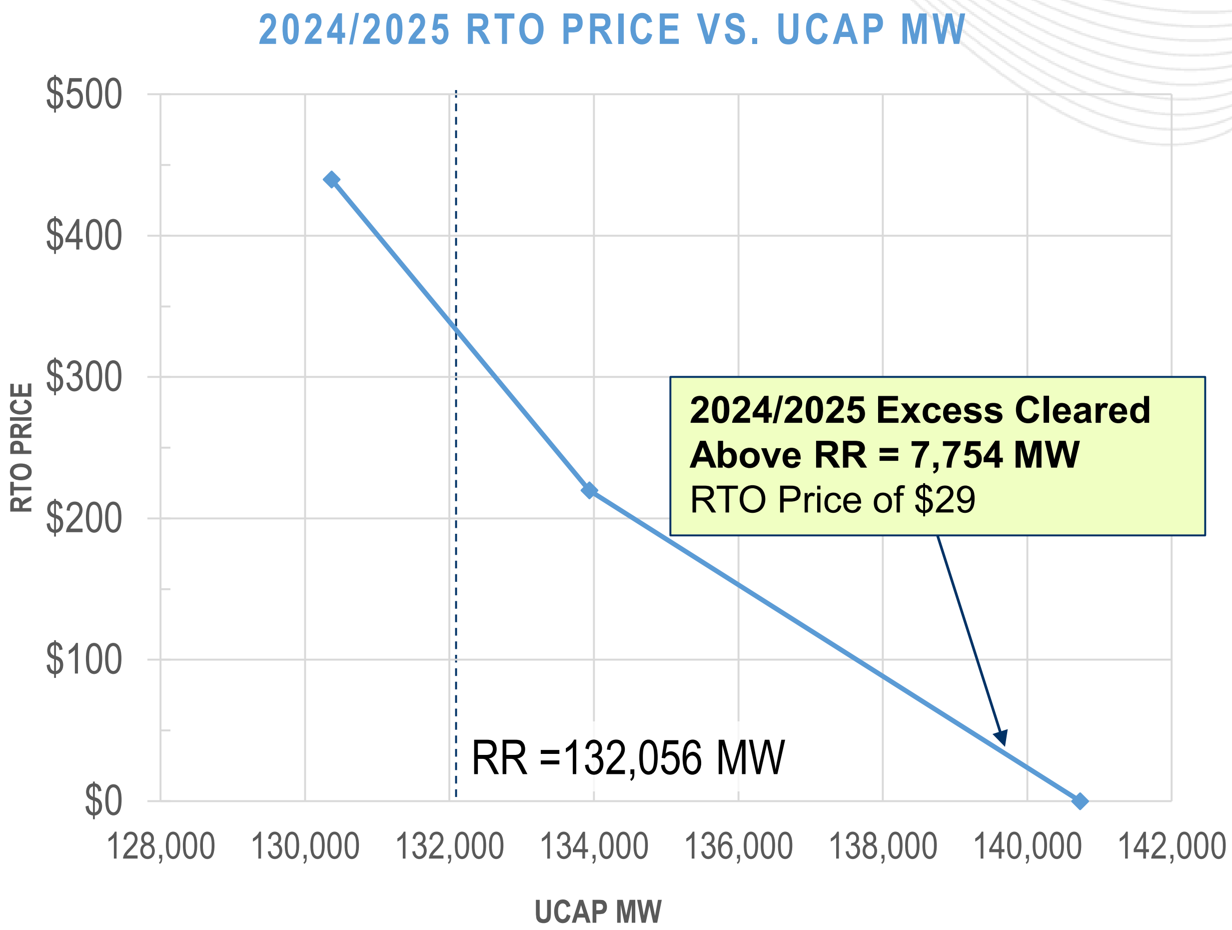
- The 25/26 BRA cleared enough capacity to meet the RTO reliability requirement but the reserve margin is lower than prior years and there is minimal uncleared capacity that was offered in the auction.
- Dominion and BGE cleared short of their reliability requirements due to load growth and retirements. Prices in these LDAs are at the price caps.
- The auction cleared a diverse mix of resources, including 48% natural gas, 21% nuclear, 18% coal, 1% solar, 1% wind, 4% hydro and 5% demand response on a UCAP basis.
- Auction results send a clear investment signal across the RTO.

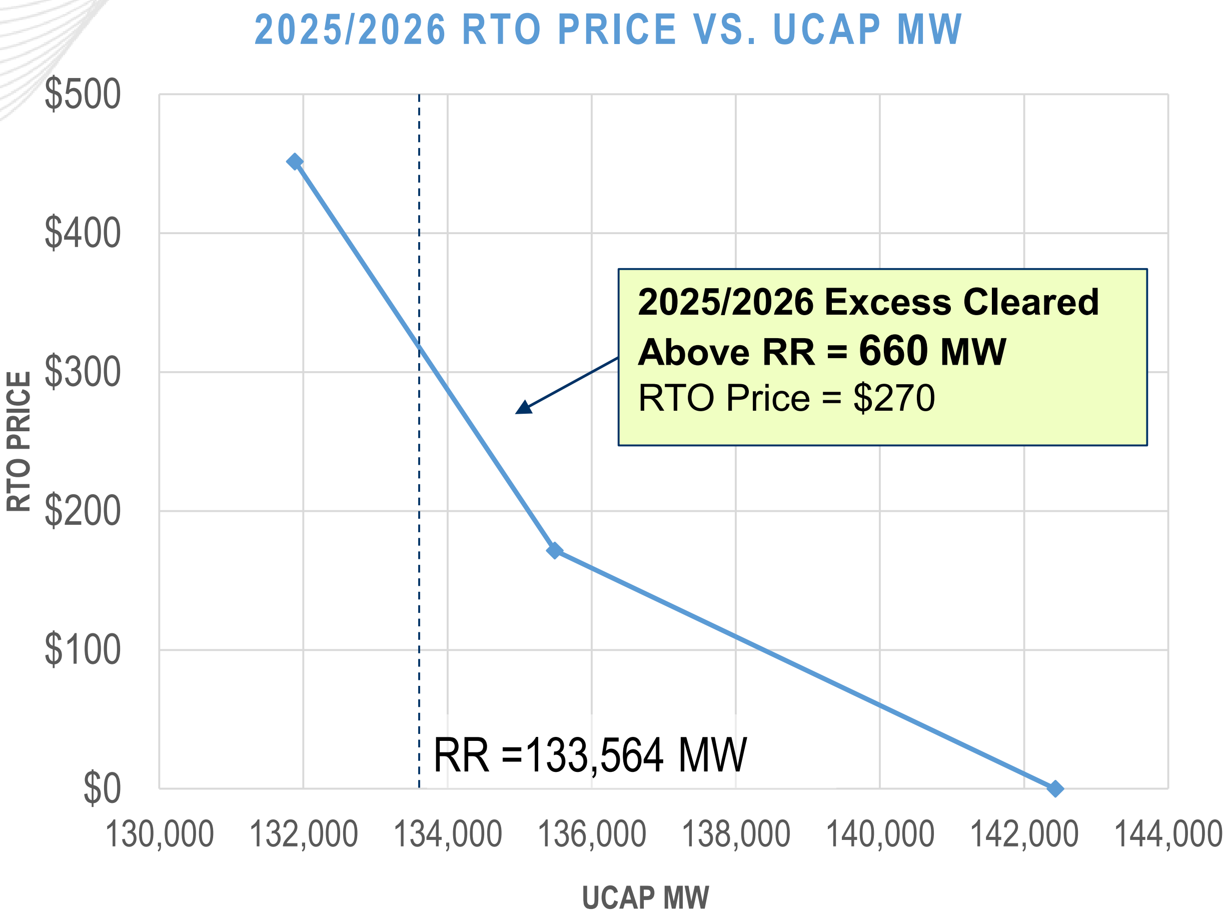
RTO & LDA Prices



- RTO price of $269.92/MW-day for 2025/2026 compared to $29/MW-day for 2024/2025
- 18.5% reserve margin with 17.8% IRM, compared to 20.5% reserve margin and 14.7% IRM in 2024/2025

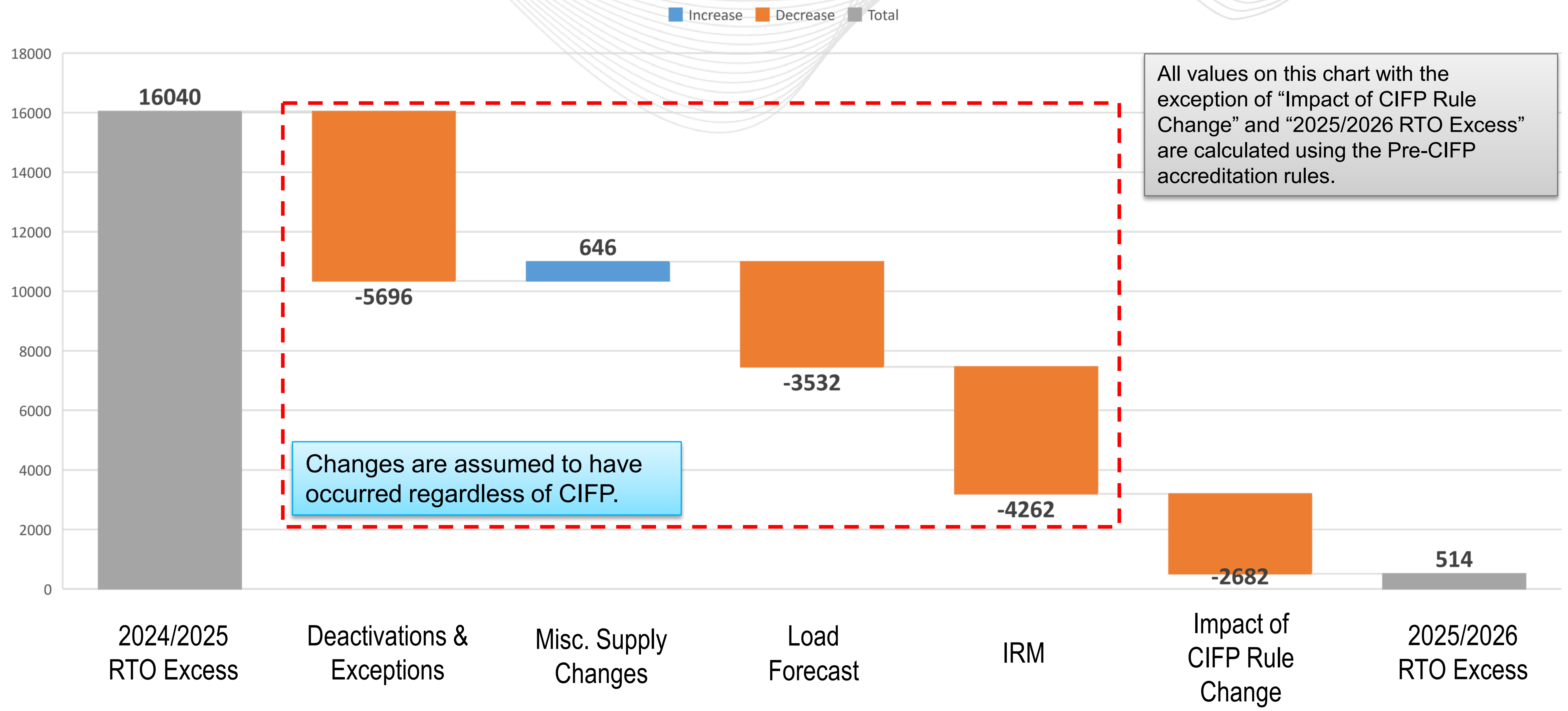
Market Clearing Results (2025/2026 vs. 2024/2025)





Price impacts larger as the excess above Reliability Requirement reduces and shifts on VRR curve to next segment (steeper).

Waterfall Chart of Reduction in Excess Capacity (UCAP) from 24/25 to 25/26



*Annual resources only; CIFP impact represents net impact of reduced supply (due to lower pool-wide average accreditation) and reduced demand (due to lower Forecast Pool Requirement).

Conclusions

- The system has gotten much tighter since the 24/25 BRA.
  - This is aligned with the 4R Report issued in Feb. 2023.
  - Decreased supply offers into the auction due mainly to generator retirements
  - Increase in projected peak load
  - CIFP changes to risk modeling and accreditation have contributed to this but to a lesser degree than other changes that have occurred.
- The capacity market is signaling the need for investment now.