



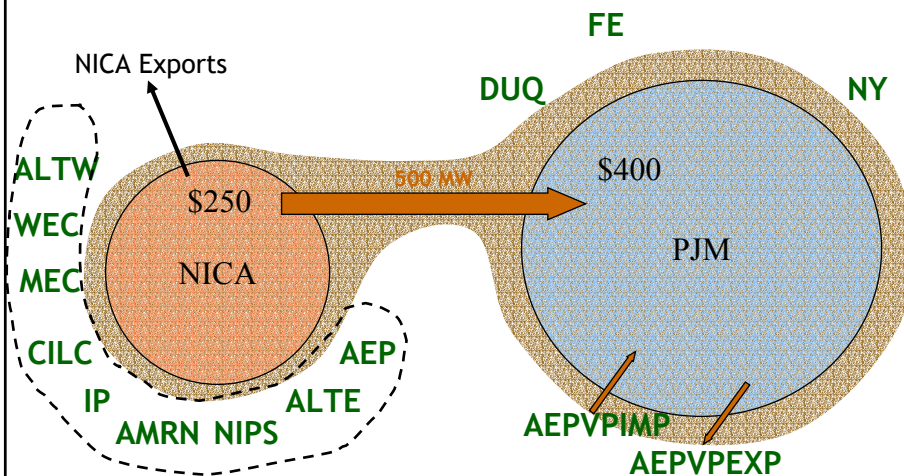
NICA Market Power Mitigation Examples

1



Pre- Offer-Mitigation System

Pre- Mitigation, Pathway constrained NICA-PJM

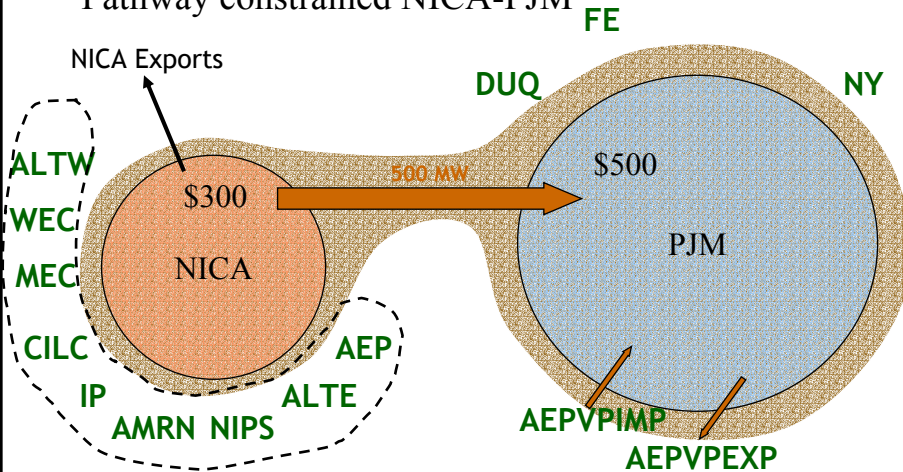


2



NICA Offer Mitigation Implemented

\$500 Average LMP Reached,
Pathway constrained NICA-PJM



3



NICA Offer Mitigation Trigger

NICA Offer Mitigation Triggers

- Hourly LMP In PJM Reaches \$500
- Extreme Conditions In PJM But Not In NICA

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NICA Offer Mitigation Examples

During Mitigation

The Incremental Unit In NICA Will Receive The Higher Of Its Cost-based Offer Or Market Price.

Example 1: Incremental Unit with price offer of \$600 and cost-based offer of \$150 would receive the NICA market price of \$300

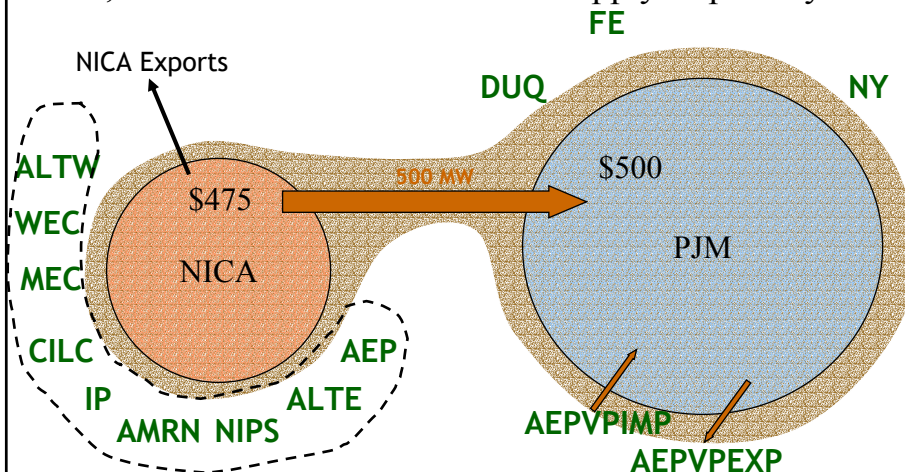
Example 2: Incremental Unit with price offer of \$600 and cost-based offer of \$350 would receive the cost-based offer of \$350

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NICA Offer Mitigation Lifted

NICA Load Plus Exports Within
2,000 MW of Available NICA Supply Capability



6



Trigger for Lifting of NICA Offer Mitigation

- When Total NICA Load Plus Exports Is Within 2,000 MW Of The Available NICA Supply Capability, Offer Mitigation In NICA Will Be Lifted
- Prices In NICA Will Be Then Permitted To Rise In Response To Increased Load And Exports

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NICA Offer Mitigation Lifted - Example

Offer Mitigation Lifted

The Incremental Unit In NICA Will Receive Its Price Offer.

Example 1: Incremental Unit with price offer of \$475 and cost-based offer of \$150 would receive its price offer of \$475

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