

LOC Topics Examples

MIC

June 13, 2012

John Dadourian

Joel Romero Luna



Monitoring Analytics

LOC Topics Examples

- **LOC Topics:**
 - **Committed Schedule**
 - **No Load and Startup Costs**
 - **Day-Ahead LMP**



Committed Schedule

- Eliminate the “higher of” rule for price and cost schedules
- Example:
 - DA MWh = 100 MWh
 - DA LMP = \$55/MWh
 - RT LMP = \$60/MWh
 - Committed Schedule (Price) = \$30/MWh
 - Cost Schedule = \$35/MWh
 - Current LOC= DA MWh*(RT LMP – Max of Price/Cost)
 - Current LOC= 100 MWh*(\$60/MWh–\$35/MWh) = \$2,500
 - Change 1=DA MWh*(RT LMP – Scheduled Offer)
 - Change 1=100 MWh*(\$60/MWh–\$30/MWh) = \$3,000

No Load and Start Costs

- Include No Load Costs (NLC) and Start Costs (SC)
- Example:
 - DA MWh = 100 MWh NLC = \$500 SC = \$1,000
 - DA LMP = \$55/MWh
 - RT LMP = \$60/MWh
 - Committed Schedule = \$30/MWh
 - Change 1 = $100 \text{ MWh} * (\$60/\text{MWh} - \$30/\text{MWh}) = \$3,000$
 - Change 2 = $100 \text{ MWh} * (\$60/\text{MWh} - \$30/\text{MWh})$
 - – \$500 (No Load Costs)
 - – \$1,000 (Start Costs)
 - = \$1,500



Day-Ahead LMP

- **Eliminate the “higher of” rule for DA LMP and Offer**
 - **Example:**
 - **DA MWh = 100 MWh**
 - **DA LMP = \$55/MWh**
 - **RT LMP = \$60/MWh**
 - **Committed Schedule = \$65/MWh**
 - **Current LOC = DA MW * max of**
 - 1: (RT LMP – Offer)
 - 2: (RT LMP – DA LMP)
 - **Current LOC = 100 MWh*(\$60/MWh–\$55/MWh) = 500**
 - **Change 3= 100 MWh*(\$60/MWh–\$65/MWh) = -\$500**
 - **LOC is maximum of LOC calculation or zero**
 - **LOC is zero**

Monitoring Analytics, LLC

2621 Van Buren Avenue

Suite 160

Eagleville, PA

19403

(610) 271-8050

MA@monitoringanalytics.com

www.MonitoringAnalytics.com

