

MMU Comments

MIC Special Session:
VOM & Opportunity
Cost Calculator
August 31, 2017

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Monitoring Analytics

Rolling Periods Constraints

- **The solution to an Opportunity Cost Calculation with Rolling Constraints should first establish the hours to run that result in the maximum unit revenue while satisfying all rolling constraints, and then determine the impact of restricting operation by one hour.**
- **Running the PJM Opportunity Cost Calculator two times, one for the longest rolling period, and one for the shortest rolling period, and choosing the higher number is not sufficient.**

PJM Example 2 with Previous Hours Assumptions

Rolling Period 2	Rolling Period 2	Month	Margin	Optimal Hours Used Under Different Assumptions for Previous Month's Hours		
Total Hours should not exceed 4 hours		Previous Month	na	0	1	2
	Total Hours should not exceed 4 hours	1	\$100	1	1	1
		1	\$90	1	1	1
		1	\$80	1	1	
		1	\$60			
		1	\$40			
		1	\$20			
		2	\$70	1	1	1
		2	\$50			1
		2	\$30			
		2	\$10			
		2	\$0			
		2	-\$10			
Rolling Period 1 Binding				No	Yes	Yes
Rolling Period 2 Binding				Yes	Yes	Yes
Opportunity Cost Adder				\$70	\$80	\$90

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