

Forward Looking EAS Offset

MIC

June 3, 2020

IMM



Monitoring Analytics

IMM Method

- **Forward energy net revenue offset for use in Net CONE calculation in capacity market VRR curve**
- **Forward energy prices**
 - **Western Hub forward prices from Platts**
 - **Calculated at bus level**
 - **Historical hourly price spread**
- **Forward gas prices from Platts**
 - **Calculated at locational level**
 - **Historical hourly price spread**

IMM Method

- **Reference CT unit optimally dispatched using new entrant parameters (2019 State of the Market Report, Section 7: Net Revenue)**
- **Optimal dispatch**
- **Ancillary revenues are reactive capability payments**
 - **Average of recent FERC decisions/settlements**
 - **Currently \$3,350/MW-Year of reactive capability revenue**

Issues

- **Historical time period for calculation of hourly basis adjustment for energy and gas forwards**
- **Location(s) of CT**
 - **CONE areas**
 - **Zones**
- **Date of forwards for energy and gas**
- **Period of forwards**
 - **Delivery year**
- **Cost-based offers**

Issues

- **Apply forward looking net revenue calculation in all cases?**
 - **MOPR floors**
 - **Market seller offer caps**
 - **Unit specific reviews**
 - **Default gross CONE and gross ACR**
- **Actual units**
 - **Parameters**
 - **Cost-based offers**
- **IMM calculation for all units**

Next

- IMM will provide results next week for reference CT and CC
- Other information requests/questions?



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