Nonperformance Penalty and Performance Adjustment Factor Examples

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Monitoring Analytics

Nonperformance Penalty

- **The event nonperformance penalty is applied back to the start of the delivery year or the most recent demonstration of higher performance.**
- **The event nonperformance penalty carries forward until the next demonstration of higher performance.**
- **Example revenue assumes a 100 MW ICAP resource with 92 percent ELCC and RPM clearing price of $333.34/MW-Day with 366 days in Delivery Year**

*RPM Revenue = Cleared ICAP * ELCC * Clearing Price * Days in Delivery Year*

Performance Adjustment Factor

- **Similar to generation, incorporate a Resource Performance Adjustment Factor reflecting each resource's average historically observed performance in the resource specific ELCC.**
- **Performance adjustment factor applied at the RPM resource level reflecting the most recent delivery year's observed performance.**

Performance Adjustment Factor

- **The performance adjustment factor is the event hour weighted average performance for the delivery year inclusive of both PAI and non-PAI dispatch events.**
- **If no dispatch events during the delivery year, the adjustment factor would use the test performance capped at 100 percent.**

Single Dispatch Event Example

Month	Gross Revenue	Penalty	Net Revenue	Event Performance	Hours
1	$ 935,352.04	$ 280,605.61	$ 654,746.43		
2	$ 935,352.04	$ 280,605.61	$ 654,746.43		
3	$ 935,352.04	$ 280,605.61	$ 654,746.43		
4	$ 935,352.04	$ 280,605.61	$ 654,746.43	70%	2
5	$ 935,352.04	$ 280,605.61	$ 654,746.43		
6	$ 935,352.04	$ 280,605.61	$ 654,746.43		
7	$ 935,352.04	$ 280,605.61	$ 654,746.43		
8	$ 935,352.04	$ 280,605.61	$ 654,746.43		
9	$ 935,352.04	$ 280,605.61	$ 654,746.43		
10	$ 935,352.04	$ 280,605.61	$ 654,746.43		
11	$ 935,352.04	$ 280,605.61	$ 654,746.43		
12	$ 935,352.04	$ 280,605.61	$ 654,746.43		
Total	$ 11,224,224.48	$ 3,367,267.34	$ 7,856,957.14		2

Weighted Average Peformance Adjustment Factor	70.0%
Penalty Percent of Gross Revenue	30.0%

Multiple Dispatch Event Example

Month	Gross Revenue	Penalty	Net Revenue	Event Performance	Hours
1	$ 935,352.04	$ 280,605.61	$ 654,746.43		
2	$ 935,352.04	$ 280,605.61	$ 654,746.43		
3	$ 935,352.04	$ 280,605.61	$ 654,746.43		
4	$ 935,352.04	$ 280,605.61	$ 654,746.43	70%	2
5	$ 935,352.04	$ 280,605.61	$ 654,746.43		
6	$ 935,352.04	$ 280,605.61	$ 654,746.43		
7	$ 935,352.04	$ 280,605.61	$ 654,746.43		
8	$ 935,352.04	$ 93,535.20	$ 841,816.84	90%	12
9	$ 935,352.04	$ 374,140.82	$ 561,211.22		
10	$ 935,352.04	$ 374,140.82	$ 561,211.22	60%	6
11	$ 935,352.04	$ 374,140.82	$ 561,211.22		
12	$ 935,352.04	$ 374,140.82	$ 561,211.22		
Total	$ 11,224,224.48	$ 3,554,337.75	$ 7,669,886.73		20

Weighted Average Peformance Adjustment Factor	79.0%
Penalty Percent of Gross Revenue	31.7%

Multiple Dispatch Event Example

Month	Gross Revenue	Penalty	Net Revenue	Event Performance	Hours
1	$ 935,352.04	$ 280,605.61	$ 654,746.43		
2	$ 935,352.04	$ 280,605.61	$ 654,746.43		
3	$ 935,352.04	$ 280,605.61	$ 654,746.43		
4	$ 935,352.04	$ 280,605.61	$ 654,746.43	70%	2
5	$ 935,352.04	$ 374,140.82	$ 561,211.22		
6	$ 935,352.04	$ 374,140.82	$ 561,211.22		
7	$ 935,352.04	$ 374,140.82	$ 561,211.22		
8	$ 935,352.04	$ 374,140.82	$ 561,211.22	60%	12
9	$ 935,352.04	$ 374,140.82	$ 561,211.22		
10	$ 935,352.04	$ 93,535.20	$ 841,816.84	90%	6
11	$ 935,352.04	$ 93,535.20	$ 841,816.84		
12	$ 935,352.04	$ 93,535.20	$ 841,816.84		
Total	$ 11,224,224.48	$ 3,273,732.14	$ 7,950,492.34		20

Weighted Average Peformance Adjustment Factor	70.0%
Penalty Percent of Gross Revenue	29.2%

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