Wind LOC

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Q - How are wind lost opportunity costs calculated?

A – Lost opportunity costs are calculated as defined in the Tariff, Attachment K section 3.2.3 (f-4) and Manual 28. The calculation is analogous to the calculation for traditional dispatchable resources.

\[ LOC = (\text{LMP} - \text{Cost @ Actual Operating Point}) \times (\min(\text{Forecast, LMP Desired MWh}) - \text{Actual Operating Point}) \]
Q – How can a participant replicate their LOC payments?

A – All input data for the calculation is available through MSRS via Operating Reserves -> Operating Reserves Lost Opportunity Cost Credits.


Q – What variables impact the RTLMP Desired MWh calculations

A – RTLMP Desired MWh is calculated by taking the RTLMP at the unit’s bus and intersecting LMP with the offer curve. MWh is capped at economic min or economic max.
Q – When does the LOC get calculated and appear on my bill?

A – LOC is classified as an Operating Reserve credit and appears on the monthly bill. The credits will appear in MSRS approximately 1 week after the operating day.