

FMU Proposal

FMU & Supply Curve
Transparency (MIC)

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FMU Proposal

- **Adders:**
 - **Tier 3. \$40**
 - Offer capped greater than or equal to 80 percent of run hours.
 - **Tier 2. \$30**
 - Offer capped greater than or equal to 70 percent and less than 80 percent of run hours.
 - **Tier 1. \$20**
 - Offer capped greater than or equal to 60 percent and less than 70 percent of run hours.
 - **Adders added to cost based offers in place of 10 percent adder**
 - **Adders are optional**



FMU Proposal

- **Details:**
 - Offer capped hours as percent of run hours
 - Offer capped for any reason including local transmission constraints, reactive and black start.
 - 12 month rolling net revenues less than ACR offered and cleared in the auction for delivery year
 - Must be a capacity resource? (for discussion)
 - Price based offer must be greater than cost based offer to be considered as offer capped
 - RMR units do not receive FMU adders
 - FRR units do not receive FMU adders
 - FMU adders not considered cost in net revenue calculations for RPM net revenue offset

Basis for FMU Adder Levels

- **Existing \$40 adder**
 - **CT ACR = \$29.16 per MW-day**
 - **Annual break even run hours = 266 hours**
- **Proposed \$40 adder**
 - **CT ACR = \$26.52 per MW-day**
 - **Annual break even run hours = 266**
- **Proposed \$40 adder**
 - **Subcritical coal ACR = \$190.80 per MW-day**
 - **Annual break even run hours = 1,750**

FMU Units

	No. of Units	MW
FMUs that did not cover ACR in 2013	28	5,342



Example

Example 1	\$/MW-Yr
Net revenue	\$40,000
ACR	\$70,000
Net revenue - ACR	(\$30,000)

Example 2	\$/MW-Yr
Net revenue	\$80,000
ACR	\$70,000
Net revenue - ACR	\$10,000

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