

Nonperformance Penalty and Performance Adjustment Factor Examples

MIC

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IMM



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	70%	2
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		
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 Performance 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	70%	2
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		
5	\$ 935,352.04	\$ 280,605.61	\$ 654,746.43		
6	\$ 935,352.04	\$ 280,605.61	\$ 654,746.43	90%	12
7	\$ 935,352.04	\$ 280,605.61	\$ 654,746.43		
8	\$ 935,352.04	\$ 93,535.20	\$ 841,816.84		
9	\$ 935,352.04	\$ 374,140.82	\$ 561,211.22	60%	6
10	\$ 935,352.04	\$ 374,140.82	\$ 561,211.22		
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 Performance 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	70%	2
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		
5	\$ 935,352.04	\$ 374,140.82	\$ 561,211.22		
6	\$ 935,352.04	\$ 374,140.82	\$ 561,211.22	60%	12
7	\$ 935,352.04	\$ 374,140.82	\$ 561,211.22		
8	\$ 935,352.04	\$ 374,140.82	\$ 561,211.22		
9	\$ 935,352.04	\$ 374,140.82	\$ 561,211.22	90%	6
10	\$ 935,352.04	\$ 93,535.20	\$ 841,816.84		
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 Performance Adjustment Factor

70.0%

Penalty Percent of Gross Revenue

29.2%

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