

# Day-Ahead Market Cost Allocation

November 29, 2012  
MRC/MC Meeting

- Balancing and Operating Reserve (BOR) rates more consistently high in summer 2012 due to CT Lost Opportunity Cost (LOC)
  - Compounded by additional generation committed for reliability in Real-Time operations
- 9/13/12 - Commitment of additional steam units in Day-Ahead that were previously Real-Time committed
  - Alignment between Day-Ahead and Real-Time improved
  - Reduction in BOR rates with corresponding, but smaller, increase in DA Operating Reserve rates

- 11/7/12 - Problem Statement / Issue Charge was approved “Make Whole Payment Cost Allocation for Resources Committed for Reliability in the Day Ahead Market”
  - MIC requested a short term fix – charge to still tweak the solution
- 11/19/12 - Tariff changes were approved at single topic MIC along with Make Whole Payments for Black Start
  - Allocation of Operating Reserves in the DAM lacked granularity
  - Change will allow logging in Day-Ahead and allocation to Real-Time
  - Consensus reached for Operating Reserves charges for Black Start units at special sessions of MIC (different issue charge)