Non-Performance Assessment Example of Imbalanced Charge and Bonus Payment Rates

Underperformance Risk Management Senior Task Force

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- CP Non-Performance Charge Rate based on Net CONE (ICAP) of modeled LDA in which the under-performing resource resides
  - Charge Rate ($/MWh) = Net CONE * 365 days / 30 hours

- Bonus Payment Rate based on the total Non-Performance Charges collected and the total Bonus Performance MW

  - Bonus Payment Rate ($/MWh) = $\dfrac{\text{Total Charges collected}}{\text{Total Bonus Performance MW}}$

- The area defined by the Emergency Action of a PAH spans multiple modeled LDAs with under-performing resources subject to different penalty rates

- Shortfall MW that are excused from the Non-Performance Assessment (e.g. resource on an approved planned outage)

Non-Performance Assessment Example

Balancing Ratio = 0.9

Bonus Payment Rate = Total Charges / Bonus MW = $3,296.51 = $1,417,501 / 430 MW

Company/ Generator	Capacity Commitment (UCAP MW)	Modeled LDA	Resource Performance Assessment for a single PAH						
			Expected Performance	Actual Performance	Excused	Performance (Exp - Act)- Excused *	Charge Rate	Charge	Credit
A-1	300	EMAAC	270	325	0	-55		$0	$181,308
A-2	250	PSEG	225	0	5	220	$3,395	$746,977	$0
A-3	0	EMAAC	0	150	0	-150		$0	$494,477
B-4	150	PSEG	135	100	0	35	$3,395	$118,837	$0
B-5	150	EMAAC	135	100	0	35	$3,245	$113,583	$0
B-6	150	EMAAC	135	0	0	135	$3,245	$438,104	$0
C-7	0	EMAAC	0	100	0	-100		$0	$329,651
D-8	0	EMAAC	0	125	0	-125		$0	$412,064
	1,000			900				$1,417,501	$1,417,501