



Operational Impacts to Clearing Prices

Energy/Reserve Pricing &
Interchange Volatility
MIC Special Session
January 15th, 2014

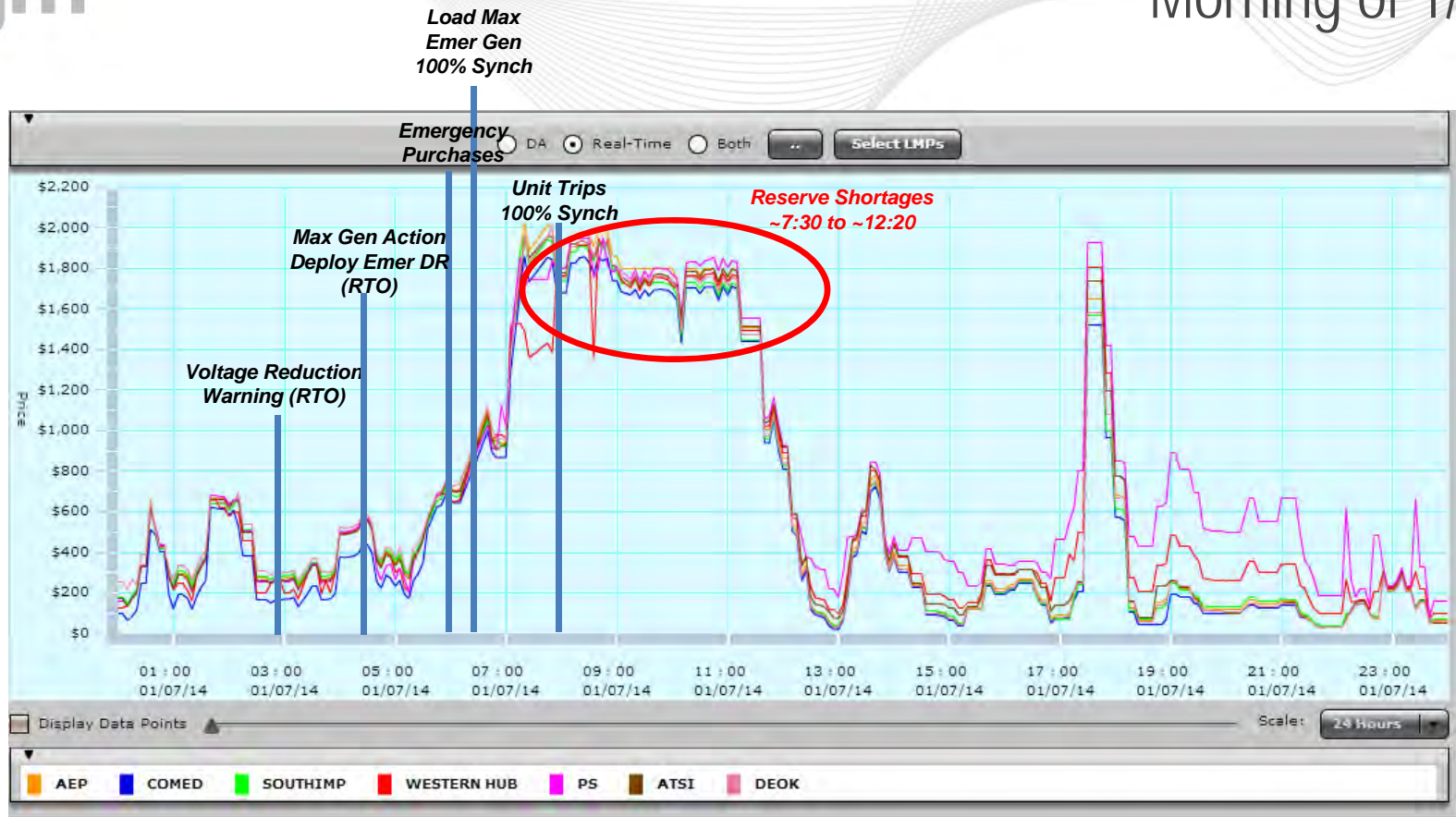


Price Setting Improvements

- In October 2012, business rule changes were implemented so that operational actions and system conditions were clearly reflected in market prices
 - Additional resources eligible to set price
 - Emergency Demand Response
 - Emergency Import Transactions
 - Generation from emergency segments of units already on-line and operating in the real-time energy market
 - Penalty Factors introduced during times of shortage for Primary and Synchronized Reserves
 - \$400 (DY June 2013 - May 2014)
 - \$550 (DY June 2014 – May 2015)
 - \$850 (June 2015 – Future)



Real Time Pricing reflective of Operational Actions - Morning of 1/7/2014





Interchange impact on Real Time Pricing - Evening of 1/7/2014

