

Opportunity Cost Adder Negative Values

MIC Special Session
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LMP
Forecast - Dispatch Cost
Forecast

= Opportunity Cost or Margin



Margin Example

Hour	Forecasted LMP	Forecasted Dispatch Cost	Opportunity Cost Adder (Margin)
1	\$97	\$67	\$30
2	\$89	\$67	\$22
3	\$91	\$71	\$20
4	\$99	\$79	\$20
5	\$79	\$61	\$18
6	\$86	\$71	\$15
7	\$74	\$62	\$12
8	\$84	\$74	\$10
9	\$93	\$84	\$9
10	\$92	\$84	\$8
11	\$88	\$86	\$2
12	\$72	\$71	\$1
13	\$80	\$79	\$1
14	\$65	\$70	-\$5
15	\$69	\$76	-\$7
16	\$52	\$64	-\$12
17	\$75	\$87	-\$12
18	\$74	\$88	-\$14
19	\$59	\$80	-\$21
20	\$54	\$90	-\$36

- The purpose of the calculator is to make a unit revenue neutral
- When a negative margin is calculated,
 - this means that the unit’s forecasted dispatch cost will exceed the forecasted LMP
 - thus no Opportunity Cost adder is needed and should be \$0.

2015	2016	2017	Average
-5.24	-8.75 \$	3.22	\$0