Winter Test Cost Analysis

September 4, 2014

General Assumptions

Effective December 1st 2013, going back 8 weeks

- 438 of the 1422 active generation fleet did not operate during the months of October and November 2014
  - Of the 438, 62% CTs, 33% Steam, 4% Diesels, 1% Hydro

General Assumptions

- Chose 12/10/2013 as reference day (assumed the temp < 35 degrees)
- Using the cost schedule submitted for the reference day, selected a variety of CTs and Steam units across the PJM region that yielded a sum total of EcoMin and EcoMax values = 1000
- Using the average LMP across the min run hours from the PLS (assuming test started at 8AM), calculated the expected energy payment and BOR payment

Cost Analysis

	Economic Min	Economic Max
Energy Payment	$359,096.26	$221,423.94
Offer + Production Costs	$784,616.34	$743,217.46
BOR Payment	$435,520.08	$521,793.52
Total Payment (Energy + BOR)	$794,616.34	$743,217.46

Cost Allocation

Energy Payment will be allocated under spot market energy settlements.

BOR Payment will be identified as Credits for Reliability and it is allocated based on RT Load and Exports