

MARKET EXAMPLES

Tables 5, 6, and 7

Utility	A	B	C
Available Generation			
Plant 1			
MWh	50	50	50
Variable Cost/MWh	\$20	\$20	\$45
Plant 2			
MWh	100	50	
Variable Cost	\$40	\$45	

Utility	A	B	C
RTO Energy Market			
Market price	\$45	\$45	\$45
Energy Required MWh	100	100	100
Energy Market Cost	\$4,500	\$4,500	\$4,500

Utility	A	B	C
Plant 1			
MWh Produced	50	50	50
Revenue Received	(\$2,250)	(\$2,250)	(\$2,250)
Variable Cost (\$/MWh)	\$20	\$20	\$45
Variable Cost Incurred	\$1,000	\$1,000	\$2,250
Plant 2			
MWh Produced	100	50	
Revenue Received	(\$4,500)	(\$2,250)	
Variable Cost (\$/MWh)	\$40	\$45	
Variable Cost Incurred	\$4,000	\$2,250	
Total			
MWh Produced	150	100	50
Revenue Received	(\$6,750)	(\$4,500)	(\$2,250)
Variable Cost Incurred	\$5,000	\$3,250	\$2,250

Utility	A	B	C
Energy Market Cost	\$4,500	\$4,500	\$4,500
Revenue Received	(\$6,750)	(\$4,500)	(\$2,250)
Variable Cost Incurred	\$5,000	\$3,250	\$2,250
Net Market Cost	\$2,750	\$3,250	\$4,500
Net Market Cost per MWh	\$27.50	\$32.50	\$45.00

Utility	A	B	C
RTO Energy Market			
Market price	\$90	\$90	\$90
Energy Required MWh	100	100	100
Energy Market Cost	\$9,000	\$9,000	\$9,000

Utility	A	B	C
Plant 1			
MWh Produced	50	50	50
Revenue Received	(\$4,500)	(\$4,500)	(\$4,500)
Variable Cost (\$/MWh)	\$20	\$20	\$45
Variable Cost Incurred	\$1,000	\$1,000	\$2,250
Plant 2			
MWh Produced	100	50	50
Revenue Received	(\$9,000)	(\$4,500)	(\$4,500)
Variable Cost (\$/MWh)	\$40	\$45	\$45
Variable Cost Incurred	\$4,000	\$2,250	\$2,250
Total			
MWh Produced	150	100	100
Revenue Received	(\$13,500)	(\$9,000)	(\$9,000)
Variable Cost Incurred	\$5,000	\$3,250	\$4,500

Utility	A	B	C
Energy Market Cost	\$9,000	\$9,000	\$9,000
Revenue Received	(\$13,500)	(\$9,000)	(\$9,000)
Variable Cost Incurred	\$5,000	\$3,250	\$4,500
Net Market Cost	\$500	\$3,250	\$4,500
Net Market Cost per MWh	\$5.00	\$32.50	\$45.00

Utility	A	B	C
RTO Energy Market			
Market price	\$18.00	\$18.00	\$18.00
Energy Required MWh	100	100	100
Energy Market Cost	\$1,800	\$1,800	\$1,800

Utility	A	B	C
Plant 1			
MWh Produced	0	0	0
Revenue Received	\$0	\$0	\$0
Variable Cost (\$/MWh)	\$20	\$20	\$45
Variable Cost Incurred	\$0	\$0	\$0
Plant 2			
MWh Produced	0	0	0
Revenue Received	\$0	\$0	\$0
Variable Cost (\$/MWh)	\$40	\$45	\$0
Variable Cost Incurred	\$0	\$0	\$0
Total			
MWh Produced	0	0	0
Revenue Received	\$0	\$0	\$0
Variable Cost Incurred	\$0	\$0	\$0

Utility	A	B	C
Energy Market Cost	\$1,800	\$1,800	\$1,800
Revenue Received	\$0	\$0	\$0
Variable Cost Incurred	\$0	\$0	\$0
Net Market Cost	\$1,800	\$1,800	\$1,800
Net Market Cost per MWh	\$18.00	\$18.00	\$18.00