

Primary Frequency Response Compensation

PFRSTF

February 28, 2018

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Compensation for PFR

- **Capacity Market provides compensation for frequency response related equipment costs and going forward avoidable costs for new and existing resources**
 - **CONE unit includes cost of equipment/software and going forward avoidable costs.**
 - Included in CONE
 - Based on research by our engineering consultant, Ray Pasteris, it is clear that both GE and Siemens include frequency control capability as a standard part of their CTs.
 - **Units that have been providing frequency control have included costs in offers.**
 - **Level playing field for new and existing resources**

Compensation for PFR

- **Energy Market allows recovery of incremental costs associated with providing frequency response**
- **Heat rate loss associated with being capable of providing frequency response is included in heat rate (settings), included in cost offer and in price offer (Heat rate effects on fuel, chemicals, emissions)**
 - **Manual 15 guidelines**

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