



# DPU 23-50 TECHNICAL SESSION PRESENTATION

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RETAIL ENERGY SUPPLY ASSOCIATION  
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# EXPECTED BID CALCULATION

- Failed Solicitation
- Proposal: NYMEX futures energy prices on the day prior to the day final bid prices received from wholesale suppliers plus projections of other capacity, ancillary services, and other wholesale costs
- Need to assure that account for all costs

# PREDICTING FUTURE PRICES

- Past pricing alone is not sufficient because type and magnitude of costs can vary significantly
- Future prices determined based on myriad of factors
- Risk premium included based on traders' expectations of future volatility
- Fluctuations can be significant

# ENERGY PRICE CURVES

- Forward curve = snapshot
- NYMEX most liquid but not necessarily most accurate
- Alternative

# OTHER COMPONENTS

- Capacity
- Ancillary Services
- Daily RMR
- Regulation
- Locational Forward Reserves
- FTR Credit/Auction Revenue Rights
- RPS
- Inventoried Energy
- Mystic Fuel

# HOW BEST DETERMINE?

- Recommend further discussions among stakeholders
- EDCs Models/Data?



# THANK YOU

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