

**MSOC**

**RASTF**

**April 11, 2022**

**IMM**



**Monitoring Analytics**

# Definition of MSOC

- **MSOC is the marginal cost of capacity**
- **MSOC is the competitive offer for a capacity resource**
- **MSOC is net going forward costs**
- **Retirement/mothball distinction is not meaningful for defining going forward costs**
- **Careful review of going forward costs**
- **CPQR is part of going forward costs**
  - **See IMM presentation on CPQR dated 03.24.2022**
- **Net CONE \* B is not the marginal cost of capacity and should not be the MSOC.**

# MSOC

- **Going forward costs do not include fixed costs**
  - **Tariff provides exception for APIR**
- **Going forward costs do not include short run marginal costs**
  - **Going forward costs do include maintenance costs**
  - **But if tariff permits maintenance costs in energy offers, maintenance costs are not includable in going forward costs for any generator**
  - **Need the same rules for all to prevent gaming**
- **Going forward costs do not include asserted opportunity costs to be a capacity resource**

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