

Proposed Elements of Congestion Cost

For Discussion Purposes Only

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Proposed Element	Description	Determination
Normalized Congestion Costs	Congestion costs adjusted for facility outages and virtual transactions	PROBE simulation with all facilities in
Baseline Congestion Costs	The difference between the normalized load payments and the unconstrained simulated load payments	Normalized CC minus PROBE simulation with unconstrained system
Societal Congestion Costs	Increase in energy bid production costs as a result of transmission constraints	Constrained PROBE simulation minus unconstrained PROBE

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Proposed Element	Description	Determination
Hedged Congestion Costs	Congestion costs reimbursed through TCCs	Payments to holders of TCCs
Net Hedged Congestion Costs	Hedged CC minus TCC auction revenue	As described
Unhedged Congestion Costs	Total CC minus hedged CC	As described
Parsed Congestion Cost	CC decomposed by flow gate and/or constraint including zonal price impacts	Allocation of CC based on shift factors