# Design options for shaping DGO price cap

# Summary of Proposals

| Proposal | Design Factors for price cap |
|---|---|
| ISO | 1. Meet annual $105 DGO price cap<br>2. Adjust for actual summer DC prices<br>3. Adjust for Individual DGO summer/winter capabilities<br>4. Adjust for DC price changes |
| PSC | 1. Meet annual $105 DGO price cap<br>2. Adjust for actual summer DC prices<br>3. Adjust for Individual DGO summer/winter capabilities |
| Original | 1. Meet annual $105 DGO price cap<br>2. Adjust for actual summer DC prices<br>3. Adjust for Aggregate DGO summer/winter capabilities |
| Alternative | 1. Meet annual $105 DGO price cap<br>2. Adjust for actual summer DC prices<br>3. Adjust for Aggregate DGO summer/winter capabilities<br>4. ISO to rebate over collections among DGO suppliers |

# Benefits/Concerns of Proposals

| Proposal | Design Factors | Benefits | Concerns |
|---|---|---|---|
| ISO | 3. Adjust for Individual DGO summer/winter capabilities<br>4. Adjust for DC price changes | - Highest assurance of collection of price cap<br>- Faster collection | - Cause a $10 M over collection/rebate to LSEs<br>- Complex<br>- Imbalance between Summer/winter periods |
| PSC | 3. Adjust for Individual DGO summer/winter capabilities | - Eliminates complexity of adjusting for DC price changes, w/o risks to $105 | |
| Original | 3. Adjust for Aggregate DGO summer/winter capabilities | - Simple<br>- Eliminate $10M LSE rebate | - Individual DGO may over/ under collect cap by $4 M |
| Alternative | 3. Adjust for Aggregate DGO summer/winter capabilities<br>4. ISO to rebate over collections among DGO suppliers | - Simple<br>- Eliminate LSE rebate<br>- Assurance of price cap collection | |

# Summary of Proposals

| Proposal | LSE Harmful | DGO Supplier Harmful |
|---|---|---|
| **ISO** | ★ | |
| **PSC** | ★ | |
| **Original** | | ★ |
| **Alternative A** | | |