

*Definition of CTS Value metric: Estimated regional production cost savings from the intra-hour (non-TOH) energy schedule changes on CTS bids (Intra-hour CTS Schedule Changes \* NY RTC LBMP - PJMIT SCED LMP)].*

### **Negative CTS Value Scenario 1:**

Regional price spreads shrink and interchange backs away from the more expensive region.

- 02:00
  - Price Spread = \$100 (NY \$120-PJM \$20)
  - Interchange = 500MW (NY importing 500MW from PJM)
- 02:15
  - Price spread shrinks from \$100 to \$50 (NY \$120 - PJM \$70)
  - Interchange: 480MW (Imports reduced by 20MW as regional price spread shrinks)
  - CTS Value =  $(\$120 - \$70) * (-20 \text{ MW DNI Delta}) = -\$1,000$

### **Negative CTS Value Scenario 2:**

Available CTS MWs (or bid-in price spread) change from one quarter to the next and interchange backs away from the more expensive region regardless of regional price spread change.

- 02:00
  - Price Spread = \$100 (NY \$120-PJM \$20)
  - Assume one CTS import offer of 500MWs @ \$90 spread:
  - Interchange = 500MW (NY importing 500MW from PJM)
- 02:15
  - Price Spread = \$100 (NY \$120-PJM \$20)
  - Assume one CTS import offer is reduced to 480MWs @ \$90
  - Interchange: 480MW (Imports reduced by 20MW as offered MWs shrink)
  - CTS Value =  $(\$120 - \$20) * (-20 \text{ MW DNI Delta}) = -\$2,000$