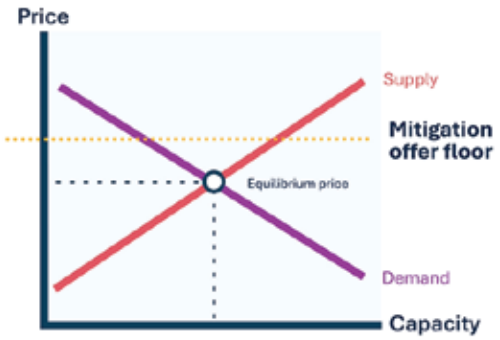
Buyer-Side Market Power (BSMP)

Offer Floor Inputs - At a Glance

Core Concept

Offer floors reflect a capacity's competitive cost based on a review of its economics.



Key Inputs

Costs

- Development
- Construction
- Operating assumptions

Revenues

- Market-based revenues (capacity, energy, ancillary services)
- Non-market contractual revenues

Out-of-Market Support*

- Contracts
- Incentives
- Affiliate arrangements
- Other external financial benefits

*As defined in Section III.A.21.3(a)(ii)

Conceptual Logic

Gross total costs − (**Expected competitive market revenues** + **Out-of-market revenues**) = **Minimum competitive offer level for the capacity**

Important Notes

- Determined through review, not a simple formula or model output
- May include adjustments after qualification (true-up)
- Applied only if mitigation is required

This job aid reflects ISO New England's high-level evaluation perspective.

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In case of discrepancy between training provided by ISO and the Tariff or Procedures, the meaning of the Tariff and Procedures shall govern.