

Inventoried Energy Program

Reevaluation of Forward Rate and Program Costs

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Agenda

- Overview of Inventoried Energy Program ("IEP") Rate
- Current State of Fuel Market and Implications for IEP
- Overview of IEP Rate Calculations
- Proposed Changes to IEP Rate Calculation
- Updated IEP Rates and Estimated Costs
- Estimated Potential Incremental Fuel Inventory from IEP



Overview of Inventoried Energy Program



Background on Inventoried Energy Program

Timeline of initial development and FERC approval

- Analysis Group calculated forward rate for the Inventoried Energy Program in January 2019 (filed in March 2019)
 - Calculated rate based on the estimated costs of providing inventoried energy by holding a forward natural gas (NG) contract supplied by a liquefied natural gas (LNG) terminal
 - Estimated rate to be applied in winters of 2023/24 and 2024/25
- In light of material changes to global fuel market conditions, ISO-NE requested that Analysis Group recalculate IEP forward rates to reflect current market conditions – this updating includes:
 - Update certain data and review certain assumptions
 - Re-estimate expected IEP total costs
 - Estimate potential incremental energy inventory from IEP

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Overview of Updates

Updates increase IEP rate and costs

- The updated IEP forward rate ranges from \$150.17/MWh to \$214.14/MWh across four sets of assumptions
 - Prior rate was \$82.49/MWh
 - Updates reflect:
 - Changes to LNG commodity costs
 - Changes to contract structure and costs
 - Certain updated data and information
 - Range reflects different assumptions about maximum program duration and downside risks to generators
- Maximum cost of the program estimated to be approximately \$211 million to \$470 million
 - Prior estimated cost based on prior rate and eligibility criteria was \$148 million
 - Change primarily reflects higher IEP rates and revised eligibility requirements
- Potential incremental energy inventory estimated to be 563 to 1,565 GWh
 - Includes 3.3 to 10.1 Bcf from LNG and 1,230,000 to 2,180,000 MMBtu from fuel oil units



Current State of Fuel Markets and Implications for IEP

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Global Fuel Prices are Higher than Recent History

Unchartered territory for fuel prices

Monthly Spot Prices for Fuel Oil and LNG, January 2000 – September 2022 (\$/MMBtu)



- LNG price fluctuated between \$2/MMBtu and \$20/MMBtu
- Fuel oil price fluctuated between \$4/MMBtu and \$27/MMBtu
- As of September 2022:
 - LNG price is \$39/MMBtu, substantially higher than historical levels
 - Fuel oil price is \$24/MMBtu, on par with prior market peaks
- Unlike recent history, LNG now has higher price than fuel oil (on a \$/MMBtu basis)

[•] From 2000 to 2020:

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Fundamentals Driving Fuel Market Outcomes

New England fuel market relies on global fuel market in winter periods

Monthly Prices for LNG and Dutch TTF, November 2016 – September 2022 (\$/MMBtu)



- Multiple fundamentals have driven these recent increases in global fuel prices – e.g.:
 - Rising demand for LNG following COVID pandemic (particularly in Asia)
 - Rising demand for LNG in Europe to replace NG supplies from Russia
 - Multi-year lead-time and high cost for new LNG export infrastructure
- New England winter fuel market relies on LNG supplies
 - Dutch TTF hub is commonly used index for Atlantic Basin LNG price

Global LNG Prices Affect New England Winter Gas Prices

Effect of global LNG prices on regional market particularly large at present

Daily January 2024 and January 2025 Prices for Algonquin Citygate Forward and Dutch TTF Future, January 1, 2021 – October 14, 2022 (\$/MMBtu)



- Fundamentals suggest continued fuel market tightness for multiple years, although there is much uncertainty
 - Futures prices for future winters remain high, but are volatile
 - Fuel oil futures remain below LNG
- LNG prices, proxied by the Dutch TTF hub, are correlated with Algonquin Citygate prices
- This is due to the global nature of LNG prices which the region relies upon
- Fuel oil price has also increased, but not as much as LNG prices

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Local Gas Forward Prices Higher than Recent Winters

2023/24 and 2024/25 winter NG forward prices above historical prices

Algonquin Citygate: Average Monthly Spot Prices, Winter 2009/10 – 2021/22 and Forward Prices for Winter 2023/24 & 2024/25 (as of week of 10/10/2022)



- Higher global LNG futures prices have increased regional NG forward prices above historical levels
 - Algonquin Citygate forward prices for 2023/24 and 2024/25 exceed average historical prices in nearly every month over the past 13 winters
- Higher LNG prices increase the cost and risk of energy inventory supported by LNG terminal



Implications for Electricity Markets

Higher Algonquin Citygate gas prices affect ISO-NE energy market forwards

ISO-NE Hub: Average Monthly On-Peak Spot Prices, Winter 2009/10 – 2021/22 and Forward Prices for Winter 2023/24 & 2024/25 (\$/MWh) (as of week of 10/10/2022)



- Higher natural gas prices in turn have increased forward electricity prices
 - ISO-NE forward prices for 2023/24 and 2024/25 exceed average historical prices in nearly every month over the past 13 winters
 - Thus, while natural gas prices are at historic levels, high prices in energy market preserve some incentive for energy inventory



Overview of Prior Forward Rate Calculation



Prior Forward Rate

Overview of assumptions for prior rate calculation

- The rate was based on the expected cost of supplying inventoried energy through a forward LNG contract
 - This option represents a viable, low-cost approach for a NG-only resource to procure inventoried energy
- The IEP Forward Rate filed with FERC was \$82.49/MWh
- This rate was calculated to ensure an NG-fired market generator is fully compensated for entering into a forward LNG contract



Components and Structure of the IEP Rate Calculation in 2019

IEP rate reflects multiple components

- The forward rate was based on a "call option" contract
 - Up-front reservation fee that reflects the economic rents to LNG storage terminal and a terminal markup
 - **Commodity price** at which fuel can be purchased
 - Call option contract provides option, but not obligation, to purchase fuel
- The contractual arrangement used to calculate the forward rate consisted of four components (illustrated in calculation on following slide):
 - **Reservation costs**, reflecting the reservation charge for all options in contract
 - **Other generator costs**, including *credit costs* and *financial risk and other* costs
 - Net fuel market value of options given the opportunity for arbitrage profits in NG market
 - **Other benefits**, including Incremental ISO-NE Revenues, reflecting avoided curtailments in energy market supply due to fuel supply limitations

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Components of IEP Rate from 2019

Details of filed IEP Forward Rate of \$82.49 per MWh

	No. of	Cost/Ben	efit per Call				
LNG Terminal Contract Cost/Benefit	Calls	(\$/Unit)		Conversion to Total (\$)		Total (\$)	
	[A]		[B]		[C]	[D]	Calculation
Costs							
Reservation Price	10	-\$11.67	\$/MMBtu	7.8	Heat Rate (MMBtu/MWh)	-\$910.53	[1] = [A] * [B] * [C]
Other Generator Costs							
Credit Costs				3%	% of Total Reservation Price	-\$27.32	[2] = [C]* [1]
Financial Risk and Other				10%	% of Total Reservation Price	-\$91.05	[3] = [C]* [1]
Benefits							
Net Fuel Market Value	7	\$12.58	\$/MMBtu	7.8	Heat Rate (MMBtu/MWh)	\$687.09	[4] = [A] * [B] * [C]
Other Benefits							
Incremental ISO-NE Revenues	7	\$13.48	\$/MWh			\$94.35	$[5] = [A]^*[B]$
Total Benefits (Costs)	3					-\$247.46	[6] = [1] + [2] + [3] + [4] + [5]
Interim Program Forward Rate (per MWh)						\$82.49	[7] = -[6] / 3



Assumptions and Approach Used in Calculating IEP Rate in 2019

Input assumptions based on then-current market conditions

Key assumptions and approaches include:

- Commodity price of \$10/MMBtu reflecting the market price for LNG at the time
- Contract with 10 call options, with 3 call options preserved for the IEP's 72-hour maximum duration
- Simulated expected returns based on a Monte Carlo analysis of 5,000 hypothetical winters based on historical Algonquin Citygate prices from Winter 2009/10 through 2017/18
- The rate reflects the estimated costs of providing inventoried energy under these assumptions

Details of calculation provided in memo, "Calculation of Rate for Interim Compensation Program," January 30, 2019 (<u>https://www.iso-ne.com/static-</u> <u>assets/documents/2019/01/a2 analysis group calculation of rate interim compensati</u> <u>on_treatment.pdf</u>)



Updates to Forward Rate Calculation Due to Current Market Conditions

Change in Market Conditions Indicates Update to IEP Rate Data and Approach

Inputs and contract structure changes

- As discussed above, market conditions are markedly different than in 2018/19 when IEP rate was initially calculated
- Current market conditions suggest several changes in rate calculation:
 - Change in LNG commodity price
 - Change in contract structure from call option contract to take-or-pay contract
- In addition, we update certain other data and review other data inputs:
 - Market data from recent winters included in Monte Carlo simulations
 - Review of other inputs leads to a change in one input the likelihood of operating reserve shortages
- These changes result in a higher rate than the previously approved rate
 - If approved rate is retained, IEP would incent less inventoried energy and reduce fuel security for the region

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Change in Commodity Price

Higher commodity price reflects current market conditions

Daily December 2023, January 2024, and February 2024 Dutch TTF Natural Gas Futures, January 1 - October 14, 2022 (\$/MMBtu)



Commodity price is increased from \$10/MMBtu to \$46/MMBtu, reflecting average of December, January, and February Dutch TTF futures for winter 2023/24 delivery (as of week of October 10-14, 2022)

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Contract Structure Modeled

Change from call option contract to take-or-pay contract

- The updated calculation is based on a "take-or-pay" contract
 - Contract requires purchase of seasonal quantity of physical LNG supply
- Higher LNG prices significantly increase the downside risk to holding LNG to supply volatile New England markets
 - "Liquidation cost" reflects the cost to dispose fuel purchased at a price above market prices after IEP ends (or toward the end of the IEP period)
- Take-or-pay contract internalizes the liquidation cost risk and is a more-typical contract structure for generator contracts
 - With option contract, LNG terminal bears this liquidation risk (where it is likely priced into the contract terms), while with take-or-pay contract the contract holders bear this liquidation risk
 - When IEP rate was previously calculated, option and take-or-pay contract structure led to similar rates because LNG prices – and thus liquidation costs risk – were lower



Liquidation Cost

Liquidation cost associated with reserving fuel inventory for IEP

- IEP rate calculated assuming program participants maintain fuel inventory consistent with program objectives
 - Program incents decisions to maintain inventory through opportunity to earn spot rate or requirements to cover (buy out) forward position if inventory is below forward commitment
- With take-or-pay contract, contract holder likely incurs a liquidation cost because commodity price (\$46/MMBtu) likely exceeds NG price (Algonquin Citygate) after the end of the IEP program period (i.e., starting March 1)
 - Thus, the expected liquidation cost reflects the difference between the Commodity Price and price at which NG is liquidated, where the lower the NG price the higher the liquidation cost
- Given this cost, the IEP rate calculations with take-or-pay contract include a new component, the liquidation cost



Liquidation Cost (2)

Liquidation cost associated with reserving fuel inventory for IEP

- The liquidation cost represents the expected cost of liquidating IEP inventory after the end of the IEP program period
 - Liquidation cost is calculated as the difference between the commodity price and the liquidation price
 - Liquidation price is the price at which contract holder can liquidate inventory needed for IEP participation, which is assumed to be – either:
 - Average of Algonquin Citygate forward price for February and March 2024, or
 - Algonquin Citygate forward price for February 2024
 - February 2014 forward price > February/March 2024 forward price thus, liquidation cost assuming February 2014 forward price is lower than liquidation cost assuming February/March 2024 forward price
 - Assumes contract holder can liquidate when prices are higher than average (strip) prices (and potentially liquidates late in February IEP program period)



Changes in Monte Carlo Simulation

Analysis expanded to include market data from most recent winters

Valuation of LNG storage and stored LNG based on Monte Carlo simulations

- Data used in Monte Carlo analysis expanded to include market outcomes (prices) from three most recent winters
 - With this new data, the simulation draws on historic prices from the 2009/10 through 2021/22 winter periods
- Simulations use historical Algonquin Citygate prices adjusted to account for differences between past and present market conditions
 - Specifically, historical prices are increased to account for difference between the higher price of non-pipeline sources of fuel – i.e., higher LNG and fuel oil prices – in the present period compared to prior winters

Other Changes

Other assumption updates reflecting current market conditions

We reviewed other inputs to the model to assess whether changes to assumptions were merited given changes in market conditions and outcomes

- Based on this review, we identified one additional input assumption that merited revision: assumed likelihood of operating reserve shortages, which is used in calculating the Incremental ISO-NE Energy Market Revenues (incremental revenues from avoiding constraints in fuel supply during very tight market conditions)
- Previously, we assumed a 5% probability of High Winter Gas Scarcity Conditions and a 20% probability of Medium Winter Gas Scarcity Conditions
 - In the updates, we assume a 3.75% probability of High Winter Gas Scarcity Conditions and a 15% probability of Medium Winter Gas Scarcity Conditions given a lower frequency of winter operating reserve shortages in recent winters than was expected when the initial analysis was performed



Updated Rates and Program Costs Under New Assumptions



Parameters of Potential Updated IEP Forward Rates

Forward Rate using different liquidation cost and maximum duration assumptions

- Updated rates reflect the changes to the calculation discussed in prior section
- Four updated IEP rates are calculated using different assumptions along two dimensions:
 - Maximum program duration of 72 hours (3 days) and 120 hours (5 days)
 - Liquidation cost of \$14/MMBtu and \$23/MMBtu
 - Reflects the difference between the commodity price and liquidation prices
 - \$14/MMBtu liquidation cost reflects liquidation price based on February 2024 Algonquin Citygate forward (i.e., \$46/MMBtu Commodity Price – \$32/MMBtu liquidation price)
 - \$23/MMBtu liquidation cost reflects liquidation price based on average of February 2024 and March 2024 Algonquin Citygate forward (i.e., \$46/MMBtu Commodity Price – \$23/MMBtu liquidation price)
- All other assumptions, such as the commodity price, are the same

Summary of Potential Updated IEP Forward Rates

Range reflects differences in assumed liquidation cost and maximum duration

Estimated IEP Forward Rate and Program Costs Under Alternative Assumptions Winter 2023/2024

	IEF	P Rate Assumption			
	Maximum	Commodity	Liquidation	-	Program Cost
	Duration	Price	Cost	Forward Rate	Upper Bound
	(hours)	(\$/MMBtu)	(\$/MMBtu)	(\$/MWh)	(\$ million)
Current	Program				
	72	\$10	n/a	\$82.49	\$116
Updated	Rates				
	72	\$46	\$14	\$150.17	\$211
	72	\$46	\$23	\$211.64	\$298
	120	\$46	\$14	\$151.19	\$332
	120	\$46	\$23	\$214.14	\$470

Note: Estimated program cost is an upper bound because it reflects maximum participation of LNG and fuel oil given program limits for LNG and tank size limits for fuel oil.



Assuming 72-hour maximum duration, \$14/MMBtu liquidation cost

- Based on the changes to data and methodology used to calculate the forward rate, the updated IEP forward rate is \$150.17/MWh
- Results of IEP rate under alternative assumptions presented in appendix Calculation of Interim Compensation Program Forward Rate

	No. of	Cost/Be	nefit per Call				
LNG Terminal Contract Cost/Benefit	Calls	(\$/Unit)		Conversion to Total (\$)		Total (\$)	
	[A]		[B]		[C]	[D]	Calculation
Costs							
Reservation Price	10	-\$7.05	\$/MMBtu	7.8	Heat Rate (MMBtu/MWh)	-\$549.86	$[1] = [A]^*[B]^*[C]$
Other Generator Costs							
Credit Costs				3%	% of Total Reservation Price	-\$16.50	[2] = [C] * [1]
Financial Risk and Other				10%	% of Total Reservation Price	-\$54.99	[3] = [C]* [1]
Benefits							
Fuel Market Value	7	\$7.83	\$/MMBtu	7.8	Heat Rate (MMBtu/MWh)	\$427.65	[4] = [A] * [B] * [C]
Liquidation Costs	3	-\$14.00	\$/MMBtu	7.8	Heat Rate (MMBtu/MWh)	-\$327.60	
Other Benefits							
Incremental ISO-NE Revenues	7	\$10.11	\$/MWh			\$70.77	[5] = [A]*[B]
Total Benefits (Costs)	3					-\$450.52	[6] = [1] + [2] + [3] + [4] + [5]
Interim Program Forward Rate (per MWh)						\$150.17	[7] = -[6] / 3



Updated Program Cost

Estimated cost reflects maximum participation from all eligible resources

- We estimate the maximum cost of the program to be approximately \$211 to \$470 million
 - Prior estimated cost based on prior rate and eligibility criteria was \$148 million
- Change in cost is due to three factors assuming 72-hour maximum duration, \$14/MMBtu liquidation cost:
 - Change in program eligibility, which decreased maximum cost by \$33 million
 - Changes in fuel oil unit participation (including retirements, changes in tank capacity and changes in assumed participation), which increased maximum cost by \$1 million
 - Higher rate, which increased maximum cost by \$95 million
 - Longer duration of 120 hours would increase maximum cost to \$332 million



Estimates of Potential Incremental Energy Incented by IEP

IEP will increase reliability by incenting more inventoried energy

- IEP is designed to incent additional inventoried energy to improve winter reliability
- Estimates of the potential incremental energy incented by the IEP were developed
 - Estimates reflect opportunities for incremental inventory given expected inventory absent the IEP and opportunities to increase inventory within the limits of existing infrastructure
- IEP can incent incremental LNG inventory commitments along two dimensions:
 - Maximum daily volume of inventoried energy
 - Number of days of inventoried energy (at the maximum daily volume)
- IEP can incent incremental fuel oil along two dimensions:
 - Volume of initial inventory (i.e., December inventory)
 - Frequency of replenishment (not estimated due to insufficient data)
- Further details are provided in a memo

Estimate of Incremental LNG

Potential sources of LNG: Saint John, Excelerate, and Distrigas

Estimated Potential Incremental LNG Inventory, Saint John Assumed Baseline Contracts = 0.5 Bcf

Daily Supply (Bcf)



- Saint John base inventory reflects historical sendout on IEP days
 - Potential incremental inventory reflects increase along two dimensions:
 - Additional contracts (2.3-4.3 Bcf)
 - Expanded average number of days of fuel for each contract (1.0-2.4 Bcf)
 - Potential for +1 floating terminal cargo: (3.4 Bcf/cargo)
 - No incremental supplies from Distrigas (assume existing contracts account for all available volume)

Estimate of Incremental Fuel Oil

Incremental volume from increased initial inventory



Estimated Potential Incremental Inventory from Increase in Initial Fuel Oil Inventory

- IEP incents increase along two dimensions:
- 1. Increased initial inventory in December (123-218 GWh)
 - Reflects increase from actual storage absent the IEP (based on historical storage levels) to maximum storage capacity
- 2. Increased replenishment frequency (not estimated due to insufficient data)



Components of Potential Incremental Fuel Inventory Incented by IEP

IEP will increase reliability by incenting more NG and fuel oil

(assumptions detailed in memo)

Source of Incremental	Inventory	Incremental Fuel	Incremental Energy Inventory	
LNG				
	Additional contracts	2.3 to 4.3 Bcf	307 to 573 GWh	
Saint John	Additional fuel per contract	1.0 to 2.4 Bcf	133 to 320 GWh	
Distrigas	No incremental supply	_	_	
Other Sources (e.g., Excelerate)	New contracts (one cargo)	0 to 3.4 Bcf	0 to 453 GWh	
Fuel Oil				
Increased Initial Invent	tory	1,230,000 to 2,218,000 MMBtu	123 to 218 GWh	
Increased Replenishm	ent Within Winter	Not estimated	Not estimated	
Total (of estimate amo	unts)	NA	563 to 1,565 GWh	

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APPENDIX



Prior Materials Related to IEP

- Link to prior FERC filing: <u>https://www.iso-ne.com/static-assets/documents/2019/03/inventoried_energy_program.pdf</u>
 - Contains ISO-NE and Dr. Schatzki testimony
 - Memo detailing specifics of prior program calculation



Assuming 72-hour maximum duration, \$23/MMBtu liquidation cost

• Based on the changes to data and methodology used to calculate the forward rate, the updated IEP forward rate is \$211.64/MWh

	No. of	Cost/Bei	nefit per Call				
LNG Terminal Contract Cost/Benefit	Calls	(\$/Unit)		Conversion to Total (\$)		Total (\$)	-
	[A]		[B]		[C]	[D]	Calculation
Costs							
Reservation Price	10	-\$6.31	\$/MMBtu	7.8	Heat Rate (MMBtu/MWh)	-\$492.22	[1] = [A]*[B]*[C]
Other Generator Costs							
Credit Costs				3%	% of Total Reservation Price	-\$14.77	[2] = [C]* [1]
Financial Risk and Other				10%	% of Total Reservation Price	-\$49.22	[3] = [C]* [1]
Benefits							
Fuel Market Value	7	\$7.12	\$/MMBtu	7.8	Heat Rate (MMBtu/MWh)	\$388.73	[4] = [A] * [B] * [C]
Liquidation Costs	3	-\$23.00	\$/MMBtu	7.8	Heat Rate (MMBtu/MWh)	-\$538.20	
Other Benefits							
Incremental ISO-NE Revenues	7	\$10.11	\$/MWh			\$70.77	$[5] = [A]^*[B]$
Total Benefits (Costs)	3					-\$634.91	[6] = [1] + [2] + [3] + [4] + [5]
Interim Program Forward Rate (per MW	/h)					\$211.64	[7] = -[6] / 3



Assuming 120-hour maximum duration, \$14/MMBtu liquidation cost

• Based on the changes to data and methodology used to calculate the forward rate, the updated IEP forward rate is \$151.19/MWh

	No. of	Cost/Ber	nefit per Call				
LNG Terminal Contract Cost/Benefit	Calls	(\$/Unit)		Conversion to Total (\$)		Total (\$)	_
	[A]		[B]	[C]		[D]	Calculation
Costs							
Reservation Price	10	-\$7.05	\$/MMBtu	7.8	Heat Rate (MMBtu/MWh)	-\$549.86	[1] = [A] * [B] * [C]
Other Generator Costs							
Credit Costs				3%	% of Total Reservation Price	-\$16.50	[2] = [C]* [1]
Financial Risk and Other				10%	% of Total Reservation Price	-\$54.99	[3] = [C]* [1]
Benefits							
Fuel Market Value	5	\$9.25	\$/MMBtu	7.8	Heat Rate (MMBtu/MWh)	\$360.84	[4] = [A] * [B] * [C]
Liquidation Costs	5	-\$14.00	\$/MMBtu	7.8	Heat Rate (MMBtu/MWh)	-\$546.00	
Other Benefits							
Incremental ISO-NE Revenues	5	\$10.11	\$/MWh			\$50.55	[5] = [A]*[B]
Total Benefits (Costs)	5					-\$755.95	[6] = [1] + [2] + [3] + [4] + [5]
Interim Program Forward Rate (per MWh)	I					\$151.19	[7] = -[6] / 3



Assuming 120-hour maximum duration, \$23/MMBtu liquidation cost

• Based on the changes to data and methodology used to calculate the forward rate, the updated IEP forward rate is \$214.14/MWh

	No. of	Cost/Ber	nefit per Call				
LNG Terminal Contract Cost/Benefit	Calls	(\$/Unit)		Conversion to Total (\$)		Total (\$)	
	[A]		[B]		[C]	[D]	Calculation
Costs							
Reservation Price	10	-\$6.31	\$/MMBtu	7.8	Heat Rate (MMBtu/MWh)	-\$492.22	$[1] = [A]^*[B]^*[C]$
Other Generator Costs							
Credit Costs				3%	% of Total Reservation Price	-\$14.77	[2] = [C]* [1]
Financial Risk and Other				10%	% of Total Reservation Price	-\$49.22	[3] = [C]* [1]
Benefits							
Fuel Market Value	5	\$8.51	\$/MMBtu	7.8	Heat Rate (MMBtu/MWh)	\$331.98	[4] = [A]*[B]*[C]
Liquidation Costs	5	-\$23.00	\$/MMBtu	7.8	Heat Rate (MMBtu/MWh)	-\$897.00	
Other Benefits							
Incremental ISO-NE Revenues	5	\$10.11	\$/MWh			\$50.55	[5] = [A]*[B]
Total Benefits (Costs)	5					-\$1,070.68	[6] = [1] + [2] + [3] + [4] + [5]
Interim Program Forward Rate (per MWh)					\$214.14	[7] = -[6] / 3



Total Program Cost Sensitivity

Cost assuming half the maximum amount of MWh from LNG

- Given LDC contracts, the Mystic cost-of-service agreement, and pipeline constraints, the maximum MWh specified in the tariff may not be a realistic representation of the level of participation from Forward LNG Inventory Elections for winter 2023/24
- For a forward rate of \$150.17/MWh and a 3-day maximum duration, if we assume participation at half the maximum MWh of LNG (i.e., 280,000 MWh over 3 days), maximum program cost would be: \$169 million
 - Assumes maximum participation by all other eligible resources
 - Approximate compensated MWh: 1,120,000 MWh