VALUE FROM CROSS RTO PRESENCE

TEA Cross-RTO Market Presence Translates to Increased Value for Missouri Municipal

A Missouri municipal partner of TEA joined the Midwest Independent System Operator in April 2005. While their load was internal to the Midwest ISO, the partner had 86 MWs of hourly firm energy in the Southwest Power Pool market that was sinking at MISO external interfaces. This energy could be actively re-marketed across the two Regional Transmission Operators to increase the partner’s revenue and provide more predictable cash flow.

The Partner’s firm energy was sourced from defined capacity resources. TEA’s RTO Trading desk worked to replace the Partner’s capacity requirements and remarket the energy in the SPP market for various terms.

Critical Success Factors

- Strong market presence across RTO’s
- Participation in MISO Voluntary Capacity Auctions
- Locational Marginal Price forecasting
- Physical tagging & financial scheduling expertise
- Expanded Marketing efforts through a broad array of transaction types

Results:

Since beginning this practice in 2005, TEA has optimized over 700,000 MWh for the Partner across markets. These actions have augmented Partner revenues in excess of $2.8 Million, diversified revenue sources and reduced MISO LMP price uncertainty.

Conclusion:

Via TEA’s strong presence in both the MISO & SPP markets, TEA was able to recognize optimization opportunities across markets. As result, the Missouri municipal benefited from increases in revenue and reduced cash flow uncertainty.