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TRA-015 Data Request Analysis



Definitions & Assumptions

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- **FRS** = The Load Following Energy + Supplier Risk Premium from CLP RFPs
- **LW Millstone + Spot Market Purchases** = Hourly Load Weighted Millstone Price + Spot Market Purchases at the RT LMP
  - To calculate CLP's share before 10/1/2019 we are using 40% of Millstone's output
- **Estimated Self Supply Costs**
  - To simulate a hypothetical spot market, we are applying the historical hourly relationship between the Day-Ahead (DA) and Real Time (RT) loads reported for the CT load zone from the SMD Hourly Data reports from ISO-NE. Source: SMD Hourly Data
    - Example: If DA Demand was 8 and RT Demand was 10 then we assume for that hour we would purchase 80% of our Standard Service load at the DA LMP and the other 20% at the RT LMP. If DA > RT then we sell at the RT LMP
- Comparing just the Energy component

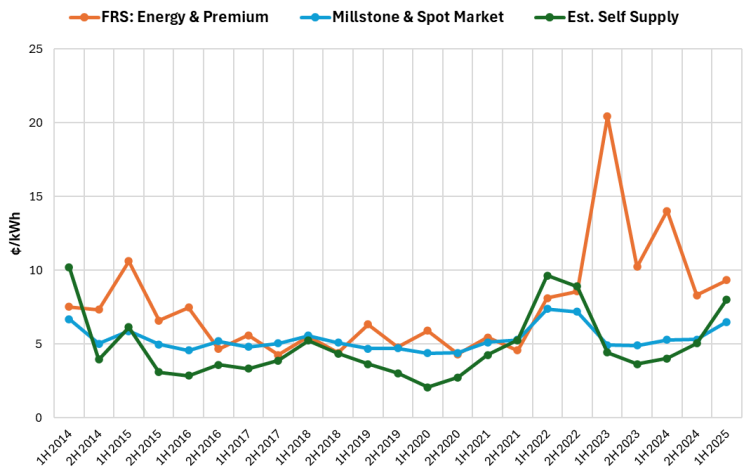
Millstone Comparison

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Rate Period	Avg. Millstone RT LMP ($/MWh)	Avg. Millstone DA LMP ($/MWh)	FRS: Energy & Premium (¢/kWh)	LW Millstone & Spot Market Purchases (¢/kWh)	Est. Self Supply Costs (¢/kWh)
1H 2014	$88.12	$88.78	7.503	6.673	10.213
2H 2014	$35.58	$36.46	7.315	5.011	3.932
1H 2015	$50.87	$52.32	10.611	5.881	6.140
2H 2015	$28.61	$28.19	6.588	4.961	3.084
1H 2016	$24.39	$26.27	7.457	4.571	2.858
2H 2016	$32.26	$31.76	4.654	5.190	3.573
1H 2017	$30.12	$30.74	5.583	4.799	3.315
2H 2017	$36.09	$34.19	4.258	5.046	3.878
1H 2018	$43.94	$45.39	5.518	5.554	5.235
2H 2018	$40.62	$40.05	4.396	5.094	4.356
1H 2019	$32.06	$33.00	6.310	4.669	3.640
2H 2019	$27.49	$27.40	4.763	4.711	3.001
1H 2020	$19.41	$19.38	5.899	4.381	2.069
2H 2020	$25.67	$25.06	4.290	4.402	2.736
1H 2021	$37.30	$37.79	5.434	5.106	4.258
2H 2021	$49.17	$49.86	4.550	5.268	5.251
1H 2022	$85.77	$86.86	8.111	7.361	9.641
2H 2022	$79.11	$78.33	8.567	7.177	8.891
1H 2023	$37.17	$38.37	20.408	4.906	4.424
2H 2023	$32.19	$32.81	10.226	4.892	3.639
1H 2024	$32.40	$35.35	14.002	5.273	4.015
2H 2024	$43.69	$44.13	8.305	5.297	5.034
1H 2025	$68.03	$68.45	9.313	6.485	8.015

Green = lowest; Red = highest for each row

	10 Year Average (¢/kWh)	10 Year Average Excluding 2023 & 1H 2024 (¢/kWh)
FRS: Energy & Premium:	7.568	6.471
LW Millstone & Spot Market Purchases:	5.335	5.382
Est. Self Supply Costs:	4.835	4.956



Potential Unit Tripping Risk

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Illustrative Example of Utilizing 100% Millstone for a 6-Month Period and Millstone Tripping for 2 months

	FRS Forecast	Millstone Self-Supply Forecast	Millstone Self-Supply Revenue	Millstone Self-Supply Cost
Load (GWh)	4,000	4,000	5,500	5,500
Cost ($/MWh)	150	110	110	160
Dollars ($000)	600,000	440,000	605,000	880,000
		-160,000	55,000	275,000
		What You Thought You'd Save	What You Actually Saved	What You Under Collected

Other Key Considerations

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- If the nuclear PPAs are used solely for the benefit of Standard Service (SS) customers, there would be a reduction in benefit to all distribution customers—both SS customer and customers utilizing third-party suppliers—via the NBFMCC.
- This could lead to periods where all customers are paying for contracted resources when spot market energy prices are lower than the contract price, but only SS customers are receiving the benefits when spot market energy prices are higher than the contract price.
- The Millstone PPA expires on September 30, 2029, and the Seabrook PPA expires on December 31, 2029. By the time the Procurement Plan Amendment is filed in February 2026, CL&P expects to have Full Requirements Service contracts executed for all ten tranches for the 2H 2026 rate period and up to three tranches for the 1H 2027 rate period, leaving approximately two years to utilize the nuclear PPA's for SS.
- If the nuclear PPA's were utilized for SS, the wholesale rate for the associated tranches would *not* equal the PPA price since SS is Full Requirements Service.
- Millstone it is not load following energy, has unpredictable output, **and its output is not guaranteed**

Simple Example for the Use of Nuclear PPAs for Standard Service

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Current Practice of RAM Reconciliation				
	A	B	C	D
	Actual Net Cost/(Savings) from Millstone PPA	CL&P Millstone Entitlement	Actual CL&P Distribution load	Cost/benefit to distribution customers (A ÷ C)
Year	$	MWh	MWh	¢/kWh
2022	($232,000,000)	6,904,047	21,000,000	(1.10)
2024	$56,400,000	6,862,148	20,000,000	0.28

Use of Millstone PPA for Standard Service				
	E	F	G	H
	Actual CL&P Standard Service load	Gross Cost/(benefit) to Standard Service customers (A ÷ E)	Opportunity Cost/(benefit) to SS Customers (F - D)	Opportunity Cost/(benefit) to Non-SS Customers (D *-1)
Year	MWh	¢/kWh	¢/kWh	¢/kWh
2022	11,431,000	(2.03)	(0.92)	1.10
2024	8,900,000	0.63	0.35	(0.28)