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# TRA-015 Data Request Analysis

## Definitions & Assumptions

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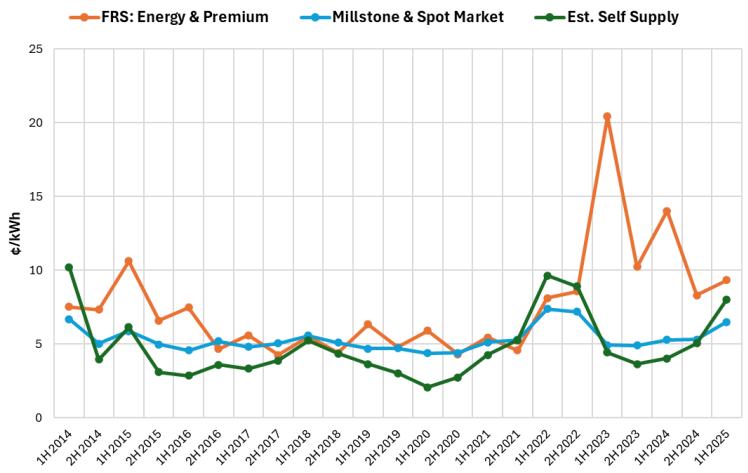
- **FRS** = The Load Following Energy + Supplier Risk Premium from CLP RFPs
- **LW Millstone + Spot Market Purchases** = Hourly Load Weighted Millstone Price + Spot Market Purchases at the RT LMP
  - To calculate CLP's share before 10/1/2019 we are using 40% of Millstone's output
- **Estimated Self Supply 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 |

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## 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) |