

# Reliability Pricing Model (RPM)

- Provide financial incentives for new resources to enter the market in the right locations to meet resource adequacy reliability requirement
- Retention of existing cost-efficient resources
- Achieve the above two goals at “just and reasonable” rates

*Source – R.Fahey (7-Oct-10)*

# Concept

- Calculate what capacity (MW) will be needed three years from now
- Have an auction where capacity sellers provide bids to meet total requirement
- Select the most economical resources
- Penalties for non-delivery in 3 years
- If target not met, then hold supplemental auctions leading up to date capacity needed