DAI

Consultants in Energy, Power and Renewables

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While the DOE's proposal for resiliency payments may have been doomed from the beginning, it addressed concerns that have been echoed by grid operators and generators alike. Power markets have been "missing something" despite their success. Coal plants, nuclear generators, and their operators have widely noted financial struggles as they search for market revenues to stay afloat. The impact from low natural gas prices has focused that search to capacity-like revenues. These revenues have not been sufficient to keep generators in the supply stack and reliability may be threatened according to many, including the grid operators themselves.

FERC RESILIENCY RULING

Following its rejection of the DOE proposal, FERC directed grid operators to reexamine resiliency needs and report their concerns to the commissioners. Grid operators, such as ISO-NE and PJM, have already explored price formation initiatives and resiliency compensation measures to make their markets more robust. Going forward, these market refinements may not only benefit at-risk generators, but they may also help usher economic mechanisms to help deploy emerging technology and present opportunities to an equally robust set of investors in the process.

Upcoming Events

- Steve Dean, Managing Principal of DAI Management consultants, is scheduled to speak at the ELFA conference on Tuesday, February 27, 2018. His presentation will explore the characteristics of the solar PV market and valuation issues affecting asset values, including the recent tax reform.
- Next month, DAI will be attending the Solar Power Finance & Investment conference in San Diego.

DAI Services

- Appraisal
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