

# RFF RGGI Auction Workshop

July 20, 2006



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# Stakeholder Views

1 Market Dynamics

2 Auction Views

3 Summary



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# Market Dynamics

## Asset Manager Perspective

- Liquid market sooner rather than later
- Accurate market signals and information flow
- Allocate many years of known quantities
- Rule consistency across states for competition
- Ensure market functions (power trading, fuel trading, investment) – currently broken
  - Sales require matching power, fuel & emissions
  - New facilities require 10-15 year PPA's to get built
  - Contracted facilities provisions for cost recovery



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## Auctions Views

- Small Volume Auctions
  - High participation
  - Supplement / Low disruption of OTC markets
  - Accurate pricing signals
- Large Volume Auctions
  - Low participation
  - High cash/credit requirements, off timing to revenues
  - Inaccurate pricing signals
  - Absent a fair allocation methodology a transfer of ownership can be expected for generating assets
  - Shattered secondary markets



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## Summary / Conclusions

- Frequent consistent smaller auctions
- Provide clarity and transparency for credibility
- Allocate known quantities as far into future as possible
- Accurate price signals enable investment
- Enable markets to develop and function