



argusmedia.com

ARGUS NORTH AMERICAN ELECTRICITY LONG-TERM FORWARD CURVES

Contents:

Introduction	2
Definitions and curve length	2

LAST UPDATED: JANUARY 2015

The most up-to-date *Argus North American Electricity Long-Term Forward Curves* methodology is available on www.argusmedia.com

Introduction

Argus North American Long-Term Electricity Forward Curves delivers daily assessments of forward electricity prices at more than 50 locations in North America.

Argus forward curves provide an independent view of forward prices, informed by a variety of data sources for both liquid and illiquid markets. Argus forward curves are not intended to be “predictive” and do not represent a forecast of what electricity will be worth in future physical prompt markets.

Definitions and curve length

Argus assesses forward physical electricity markets at some locations and forward financial markets (swap futures) at others (see [Argus North American Electricity Forward Curves methodology](#), Table 3).

For both physical and financial assessments, the base period assessed is the calendar month, and Argus assesses multi-month periods (e.g. quarterly, seasonal) as an average of the constituent monthly assessments, weighted according to the number of on-peak, off-peak, RTC, 2*16, or 7*8 hours over the entire period.

Forward physical prices reflect the market’s valuation of a standard quantity of firm physical electricity delivered during predefined hours (see [Table 1](#)) over the course of a month or multi-month period (see [Table 2](#)). Forward financial prices reflect the market price of a swap future that will settle against the monthly average of:

- the location’s day-ahead market clearing price
- the locational marginal price (LMP)
- the average of realtime LMPs for the appropriate hours

For physical delivery points and financial settlement details, see [Argus North American Electricity Forward Curves methodology](#), Table 3).

Table 2: Periods assessed*			
Period	Duration (inclusive)	Number of periods assessed	Earliest period assessed
Month		216	Month 85
*shorter-term curves are available in Argus North American Electricity Forward Curves			

See [Argus North American Electricity Forward Curves methodology](#) for all additional methodology, including:

- timing
- source data
- means of assessment
- currency and units of assessment
- corrections
- ethics and compliance

Table 1: Hours assessed										
Assessment	System operator									
	FRCC	ISO-NE	MISO	NYISO	PJM	SERC	SPP	VACAR	ERCOT	WSPP
On peak	07:00-23:00, Monday-Friday, except NERC holidays								06:00-22:00, Monday-Friday, except NERC holidays	06:00-22:00, Monday-Saturday, except NERC holidays
Off peak	00:00-07:00 and 23:00-24:00, Monday-Friday; 00:00-24:00, Saturday-Sunday, 00:00-24:00 NERC holidays								00:00-06:00 and 22:00-24:00, Monday-Friday; 0000-2400, Saturday-Sunday; 00:00-24:00 NERC holidays	00:00-06:00 and 22:00-24:00, Monday-Saturday; 0000-2400, Sunday; 00:00-24:00 NERC holidays
RTC	00:00-24:00									
2x16									06:00-22:00 Saturday-Sunday	
7x8									00:00-06:00 and 22:00-24:00, Monday-Sunday	