

PRODUCT ANNOUNCEMENT

ABB's 25-year electricity and fuel price forecast

The North American Power Reference Case, Spring 2018

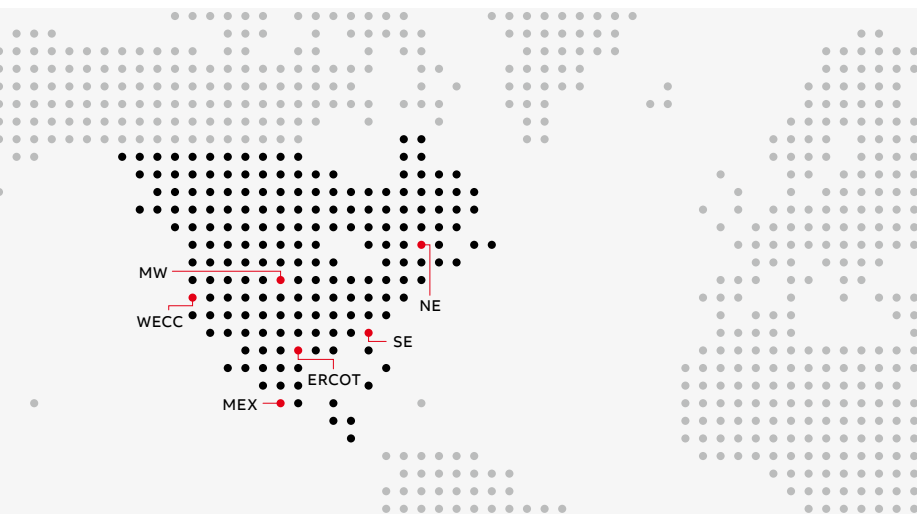


ABB Energy Portfolio Management Advisors are pleased to announce the latest release of the ERCOT, Midwest, Northeast, Southeast, WECC and Mexico Power Reference Cases. The results files for the Spring 2018 North American Power Reference Case¹ are now available.

About the Mexico Reference Case

ABB produces a fundamental analysis of the CENACE electric market twice a year. The Mexico Reference Case is developed using the ABB Ability™ PROMOD® electric market simulation tool, ABB Ability Velocity Suite data and ABB Ability Capacity Expansion, a cost-based, optimal long-term resource planning tool that considers resource additions, retirement, refurbishment and changes in operations

About the ERCOT, Midwest, Northeast, Southeast & WECC Reference Cases

In addition to the Base Case and High and Low Gas Price scenarios, the Spring 2018 Power Reference Case includes a Carbon Tax Scenario with carbon

pricing across all areas of Canada, Mexico and the United States (US) by the early 2020s. Although the likelihood of US federal policy to place a price on power sector CO₂ emissions in the near term is low, it is still possible in the longer term and should continue to be examined.

For simplicity purposes, and the fact that a variety of states are using it in their own power sector policies, the latest Carbon Tax Scenario uses the US government's Social Cost of Carbon (August 2016 update²) with a 3% discount rate. This results in a roughly \$47/short ton price (2018\$) on CO₂ emissions, starting in 2021, placed across Canada, Mexico and the US. All regional carbon programs are also assumed to adopt this approach in 2021.

¹ Formerly known as the Ventyx Power Reference Case

² https://www.epa.gov/sites/production/files/2016-12/documents/social_cost_of_carbon_fact_sheet.pdf

Learn more about the North American Power Reference Case

Twice a year ABB, produces a fundamental analysis of the North American electricity market. This analysis, called the [North American Power Reference Case](#), considers:

- Current and projected new resources; resource retirements
- Fuel prices
- Transmission limits and losses
- Operations and seam issues in neighboring markets
- Hourly loads.

It includes a fundamental base forecast of market clearing prices, which are comprised of hourly, monthly and annual prices for the 25-year study period. A market-based, fundamental model of North American power, gas, coal and environmental markets, the North American Power Reference Case accounts for the interdependency of these markets and provides forecasts based on consistent economic assumptions.

More information

[Click here](#) to request a complimentary executive summary from the Fall 2017 North American report.

Visit the [ABB Energy Market Intelligence site](#) for global market insight, tools, events, blogs and presentations. It's your one stop for the latest information from ABB's Energy Market Intelligence.

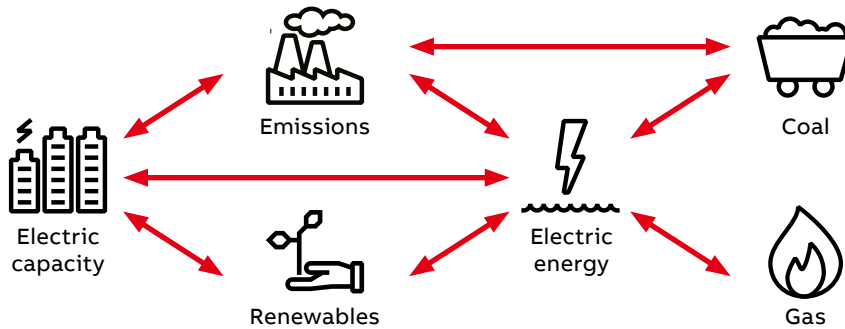
If you have questions about the reports, events or pricing, or to order the North American Power Reference Case, contact ABB at 1-800-868-0497 or by email at info.pges@abb.com.

Power Reference Case methodology

ABB Ability™ Velocity Suite and additional data

Loads	Gas/coal supply and non-power demand curves	Non-power emission reduction supply curves
Generating unit characteristics	Non-gas/coal fuel prices	Power market, emissions, and renewables rules
	Transmission topology	

Integrated model



Capacity

- Additions
- Retirements
- Retrofits

Prices

- Electric capacity
- Fuel
- Emissions
- RECs

ABB Ability™ PROMOD®

Final electric energy prices

new.abb.com/enterprise-software/energy-portfolio-management
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