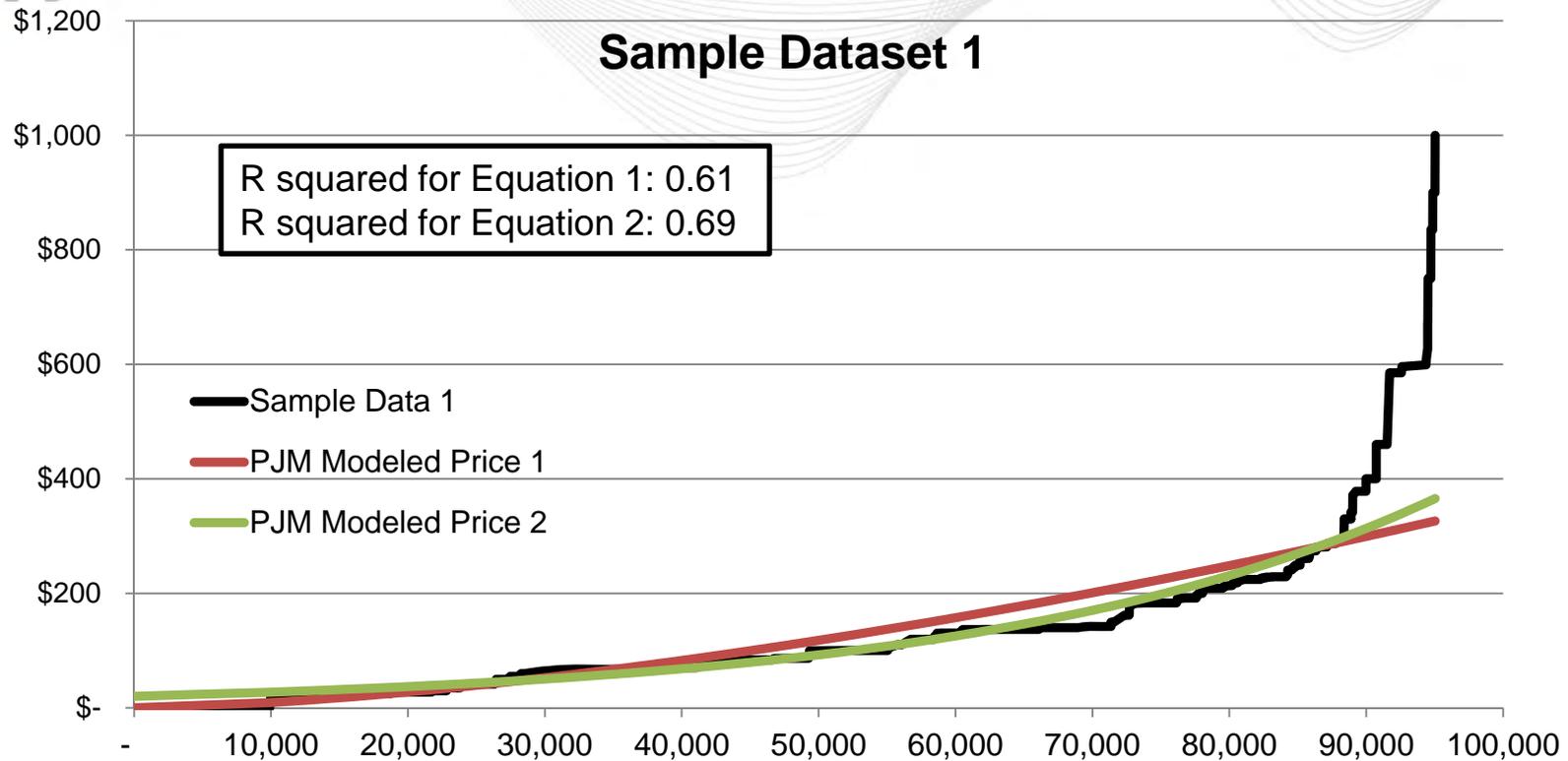# RPM Supply Curve Smoothing
Status Quo Method

FMU/RPM Supply Curve MIC Subgroup

April 2, 2014

The current method of smoothing the supply curve computes curves using two different equations. The equation that produces the better fit is published.
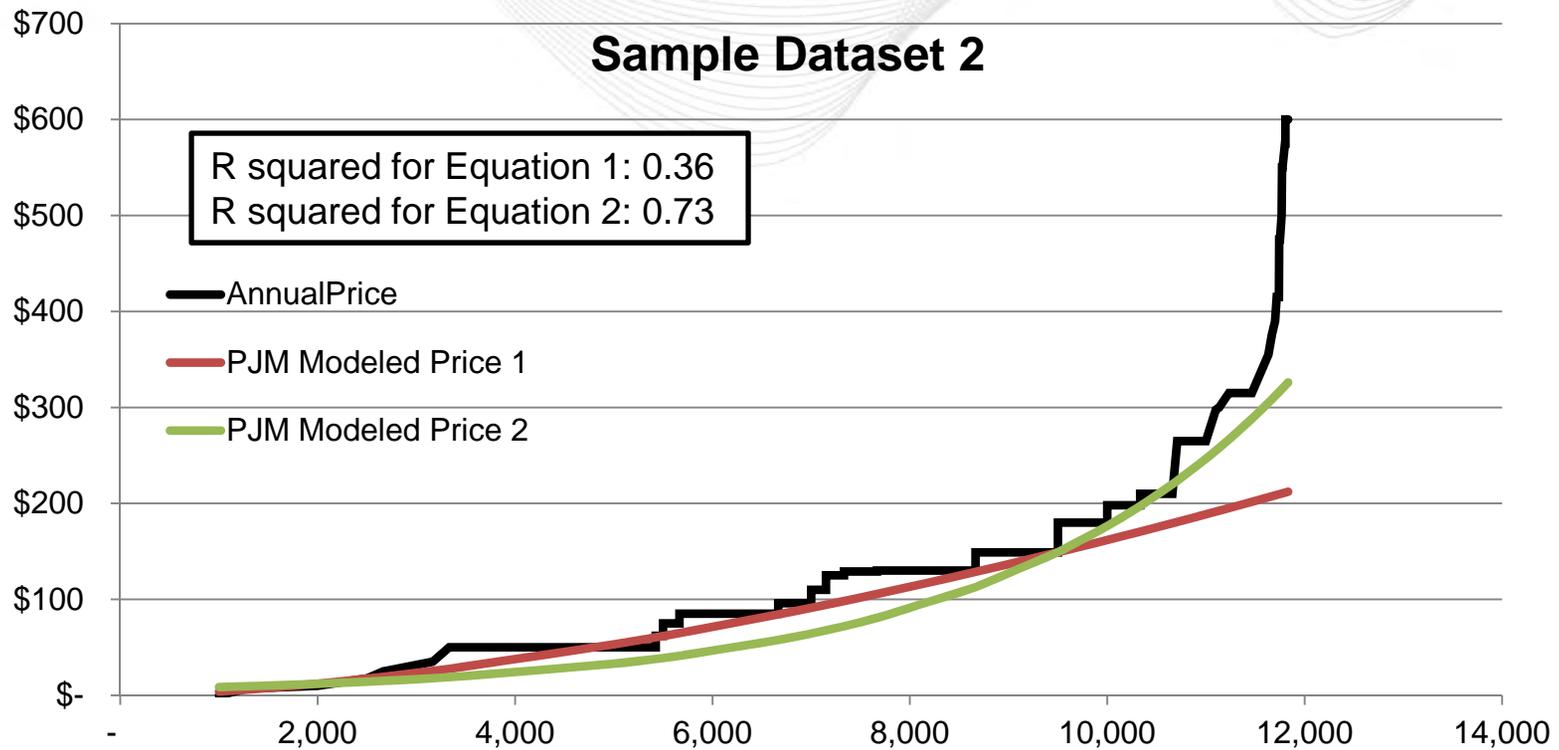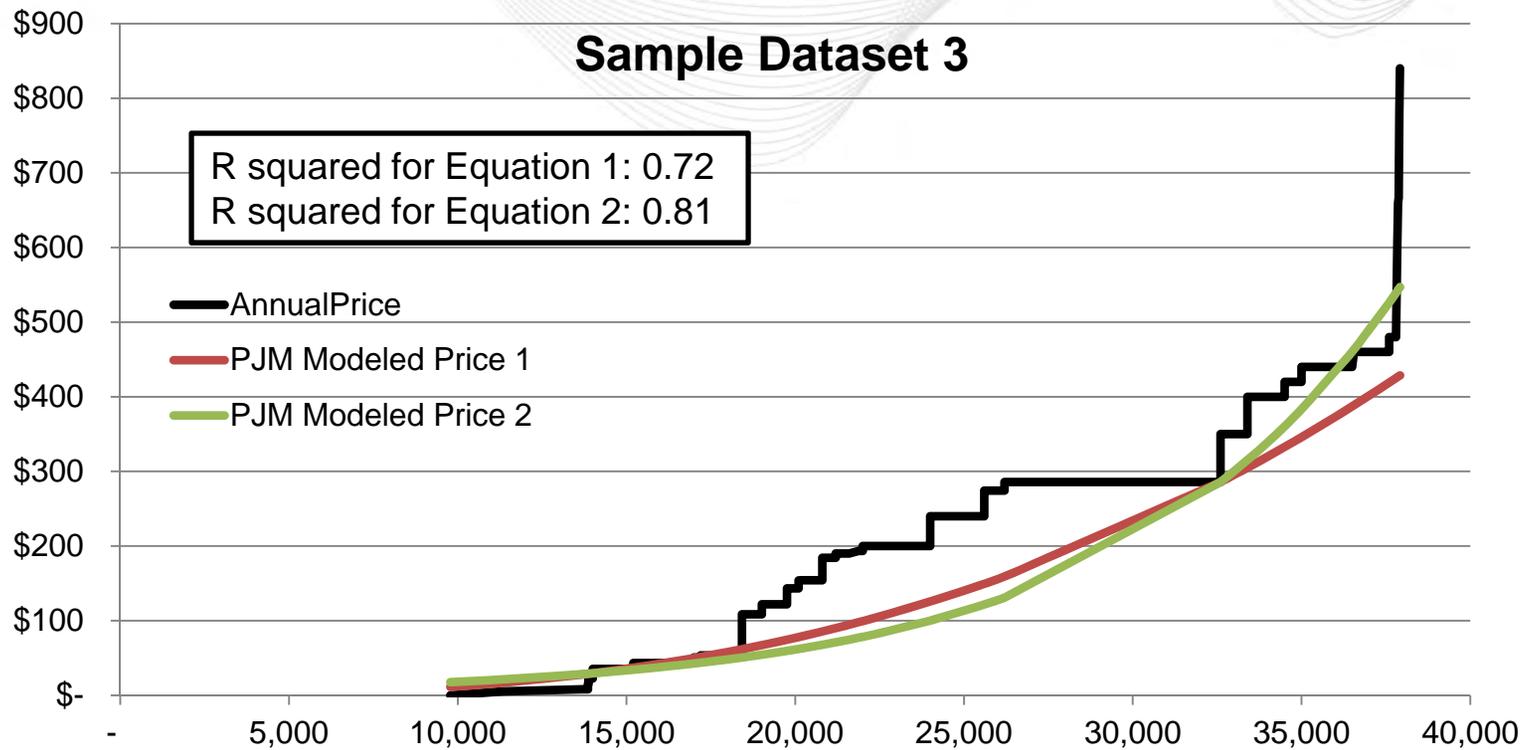
$$y = Ax^B$$
$$y = Ae^{Bx}$$

Sample Dataset 1

R squared for Equation 1: 0.61
R squared for Equation 2: 0.69

Legend:
- Sample Data 1
- PJM Modeled Price 1
- PJM Modeled Price 2

Sample Dataset 2

R squared for Equation 1: 0.36
R squared for Equation 2: 0.73

— AnnualPrice
— PJM Modeled Price 1
— PJM Modeled Price 2

Sample Dataset 3

R squared for Equation 1: 0.72
R squared for Equation 2: 0.81

- AnnualPrice
- PJM Modeled Price 1
- PJM Modeled Price 2

Additional notes:

- The curve is forced to go through the clearing point