LYNX ELECTRIC CURRENTS

JANUARY 2014 NEWSLETTER

EDITOR'S NOTE

Our best wishes for the new year as we venture into new frontiers impacting our business, our role in energy, our health and our families. As new regulations role out from state and federal office, *Lynx Currents* will strive to keep you updated, and informed. The intent is to keep our customers competitive and provide information that will help guide your business through the myriad changes ahead.

The winter weather has caused a rollercoaster of changes in our energy with natural gas pricing reflecting temperature as prices and gas storage withdrawals increase as temperatures decrease. The NYMEX index shows a low of $3.702 to a high of $4.409 per MMBTU in the past thirty days. Cold temperatures with long range forecast of a warming trend, along with natural gas withdrawals are driving the wide price swings. Since almost 50% of our power generation uses natural gas, the price swings impact electric prices. Recent high prices in NYISO and ISO-NE have our customers asking about the causes for the swings. In the eastern zones of NYISO, specifically zone J (NYC), the high prices are being influenced by ISO-NE. In past newsletters of *Lynx Currents*, we have addressed the Algonquin Gas Transmission capacity issue. The recent cold snap in New England saw natural gas prices double, driving up the cost of generating electricity. The eastern NYISO zones are impacted by ISO-NE as natural gas prices spike when NY generators compete with ISO-NE generators for natural gas. The months of Dec. through March can continue to experience price swings until new pipelines for ISO-NE are built. Algonquin is expected to start construction of new pipelines in 2016. Western and upstate zones are experiencing pricing issues resulting from infrastructure changes. Those changes include transmission line upgrades, new line construction and the retirement of several coal fueled plants. Traditionally Zones A through E have lower prices than Zone J. This past summer's heat and recent cold snap has upstate NY pricing as high as $139/MWh while NYC traded at $85/MWh. Government regulations and social policy is working to lower emissions and hopefully keep the lights on but it comes at a price. For the interim, as long as infrastructure changes, transmission line upgrades and construction continue, market uncertainty will continue price swings in the west.

January is typically a time for New Year's resolutions, new goals and plans for the coming year. As changes and policies impacting our markets are being developed we urge you to become proactive and have your voice heard. Contact your state regulatory commissions when they ask for input from stakeholders regarding marketing changes. Join business groups such as RESA (Retail Energy Supply Association) that represent your interest in state and federal policy issues. Let your voice be heard to improve our business climate and improve market regulations and policies.

INSIDE THIS ISSUE

TIP OF THE MONTH

Over the past few years, we have presented numerous strategies regarding tips for lowering energy consumption and utility bills. The newsletter has also mentioned various strategies electric retailers are using to increase their markets. The two concepts are not always compatible. So this month's tip will focus on some strategies to increase your market share and retain your customer base. Both Kevin Schoener and Bert Spaeth have been involved in electric markets since1999 when deregulation started in NY. The initial surge had retailers compete to be the cheapest cost per kWh and maximizing customers savings. That made the market a commodity game without bringing any extra value to customers (similar to purchasing gasoline in self-pump stations today). We have seen retail companies come and go, having huge promotional fixed price sales only to go under because of various marketing factors, beyond their control. The ones that prospered provided value and earned the trust from their customers but were not necessarily the lowest price retailer. Today's customers are more sophisticated and value conscious,

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FERC UPDATES

In the 2013 annual report, FERC listed various actions, activities, new policies and enforcement accomplishments they achieved. FERC collected $304 million in penalties and an additional $104 million in disgorgement funds used to reimburse parties that were impacted by unfair business practices. Pending fines of $450 million and disgorgement of an additional $34.9 million are waiting for final court rulings as violators challenge and litigate the fines. The FERC Office of Enforcement opened 24 new cases and closed 29 cases during the year. The end result included 360 recommendations for correcting violations and $15.4 million going to impacted parties in the form of refunds.

Chairman Jon Wellinghoff has left his commissioner post at FERC, effective Nov. 21, 2013. President Obama appointed Cheryl La Fleur as Mr. Wellinghoff's replacement. The past Chairman will be joining the law firm of Stoel & Rives, located in San Francisco, CA. When asked about his accomplishments at the helm of FERC, Mr. Wellinghoff mentioned getting DR markets established both for energy efficiency and DG and his involvement with Order 1000. In parting, Mr. Wellinghoff thanked fellow commissioners and staff for their dedication and support during his tenure period.

Cheryl LaFleur was appointed as acting Chairman in November and will serve through June of 2014, at which time, Senate approval will be required for the continuation of her tenure. She has been a member of the FERC Commission since 2010. As the new FERC Chairman, she will hold numerous chairs including: FERC Liaison with the US DOE Electric Advisory Committee, Committee member of NARUC, a Committee member of Electricity and Critical Infrastructure. Ms. La Fleur sees FERC Order 1000 as a major objective, specifically addressing transmission rates and ensuring competitive markets work fairly for the benefit of the consumers.

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NYISO UPDATES

In a small victory for DR suppliers, FERC ruled in favor of DR generators calling the NYISO policies unjust and unreasonable. FERC told NYISO to change their program towards back-up generators, stating NYISO is the only ISO that bans behind the meter generators from receiving compensation for DR. FERC ruled that the current system is discriminatory. NYISO countered that calculating complexities and technical requirements made behind the meter verification difficult to assess from a metering and controlling perspective. NYISO has 180 days to correct their DR program to accommodate behind the meter generators and comply with FERC order 745.

As NYISO moves forward in compliance with the new FERC capacity zone in NY, the ISO is asking FERC to approve demand curves for next year's capacity. The capacity auction for selecting the most cost effective technology and generation to meet the environmental regulations of the region, needs to happen as soon as possible. NYISO is asking FERC to allow a phased in new demand curve based on the economic impact to rate payers. The new demand curves would involve Long Island, NYC and the new lower Hudson Zone.

NYISO is prepared to face winter's challenges. The ISO is a summer peaking system and points out that less than 10% of the NY homes are heated with electric while 70% of NY homes have AC. The summer peak is a high of 33,956 MW. The winter peak is a high of 25,541 MW. Currently 55% of NY generation uses natural gas. Almost 50% of the power plants have dual fuel, oil and natural gas capabilities, should gas pipelines experience delivery problems this winter. The ISO has a generation capacity of 40,196 MW, given the region a 67% cushion for winter peak demand.

ISO-NE UPDATES

With anticipated short falls estimated at 1000 MW, ISO-NE filed capacity market changes with FERC. The filings addressed short falls from the recent capacity auctions covering 2017-2018. The retirement of Yankee Vermont left a 2,500 MW's shortfall for the ISO. As a result the anticipated surplus is now a 1000 MW shortage. To address the problem, the ISO is proposing a change in their format by raising IC rules to have a 1.1 multiplier price for combustion turbines. The second change involves setting a new trigger price at $7.025/kW month for existing generators. A FERC order is needed to implement the changes and avoid capacity shortages. The ISO hopes the rule changes will encourage investment in new generation given the present circumstance. However hope is not always a reliable strategy.

ISO-NE filed changes to forward capacity with FERC, which addresses complaints from NEPA over forward capacity markets as impacted by administrative pricing triggers and what that pricing should be. NEPA is challenging the new rule claiming it lets new generators lock in their first year pricing for four years. As a result existing generators may experience lower prices. NEPA advocates shadow delisting. The ISO is opposed to that policy, claiming it may result in procuring more capacity than actually needed. Previously FERC has ruled against such a rule change.

As ISO-NE moves from a surplus capacity to a 1,547 MW deficit, ICF International issued a white paper addressing the cause of the turnaround. The White Paper is entitled: "ISO-NE Turnaround in Supply/ Demand Balance & Capacity Price Implication". The study cited multiple causes including: Closing or retiring power plants such as Vermont Yankee, FERC eliminating a floor for "the next capacity auction, lack of accountability and disclosure for retiring generators, discriminatory pricing between new and existing generators, and finally FERC ordered penalties and resources that fail to deliver during ISO shortages". ICF predicts potential shortages in some regions and over subscription in areas that

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PJM UPDATES

PJM has submitted rule changes impacting RPM to FERC. The RTO proposes setting ceilings for DR which have binding resource constraints for limited DR, while expanding summer DR. Such a change would allow the downward sloping demand curve model to be inline with annual capacity markets and minimize DR impact, while increasing the amount of limited extended summer DR. PJM pointed out that imported power has increased which results in transmission congestion and delivery curtailment. Meanwhile environmental regulations and lower prices are causing more power plant closings. Future pricing from importers will need to secure firm transmission to reflect more realistic pricing and keep RTO generators competitive.

The PA-PUC Chairman Robert Powelson is urging PA residents to shop for electric and natural gas from retailers. The current participation rate of residents purchasing retail electric and gas is 2.1 million. The Chairman urges customers to review and evaluate their contracts to maximize their savings. Not only can shopping for retail electric and gas save money, it can also provide new products such as: Renewable Energy, Free energy Days, Assistance with Energy Efficiency Upgrades and more.

MX Energy and the PA-PUC reached a settlement over improper marketing practices. The settlement follows an investigation by the PUC's Bureau of Investigations and Enforcement. The Bureau focused on door to door residential marketing practices. MX Energy was a subsidiary of XELON during the alleged marketing violations. The current owner is Constellation. The settlement involves a fine of $22,000, and requires the marketing firm to report marketing activities, provide a list of independent marketers and perform background checks on all agents and independent contractors.

In recent action, the PJM Board has approved $4.6 billion for high voltage transmission upgrades. The RTO has seen changes in capaci-

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NY STATE

RESA and the NY-PSC are at odds over cost allocations for the proposed Indian Point Nuclear Plant closing. The PSC has approved transmission line upgrades, energy efficiency and DR upgrades to cover capacity loss once Indian Point is closed. The tricky part is allocating the cost for the closing. The PSC wants to allocate costs to all load serving entities under NYISO jurisdiction. RESA argues that the state is pushing for the Indian Point closing and replacement capacity as a matter of public policy. Therefore RESA is saying the costs should be allocated to the utilities and not the retail market. Having a social policy cost in the rate base makes all rate payers pay and allows retailers to remain competitive with supply costs. Distribution companies or utilities can recover their costs from rate based tariffs.

NYC announced the development of a 30,000 panel solar project with an expected 10 MW of output. The new solar facility will be located on the Freshkill landfill, which is currently being converted into a park. The solar project is being built by Sun City and will increase the solar capacity of NYC by 50%. Mayor Bloomberg announced the project on Dec. 3, 2013.

US ENERGY

Senator Rob Portman of Ohio and Senator Jean Shaheen of New Hampshire are working on a bipartisan bill to establish new energy efficiency standards. The bill has the support of Senate Energy and Natural Resources Committee and would raise standards for building codes with incentives for states that comply with the federal bill. It would also address equipment efficiency standards and techniques for manufacturing with the end goal of making US manufacturers more competitive in world markets (and thereby reducing our foreign trade deficits). The bill would also address energy reduction for the government, which happens to be the largest consumer in the US. The military is the largest user of energy within the federal government. The ASE is supporting the proposed bill and would like to see major energy productivity improve by a hefty 53% by 2030. That lofty goal would support the President's Climate Action Plan.

NARUC is urging the EPA to work with state commissioners before establishing new EPA regulations that will impact power plants. States have the responsibility to ensure that there is reliable and economic power for their citizens. The environmental circumstances and fuel resources for generation vary across the country. Many states have taken measures through RPS or legislated REC programs, or some type of carbon reduction measures or regulations. Therefore NARUC is urging EPA to consider existing regulations and legislation in individual states that impact: state energy needs, fuel resources within the state, state environmental conditions and economic needs of the state. The EPA should also factor in measures already deployed by states that impact climate change factors. Additional resolutions from NARUC would have the EPA address policies and regulations for DG. Proponents of DG claim it is more efficient by having the generation at a major load site,

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NYSERDA PON UPDATES

Current PON's (Program Opportunity Notices), those are available to qualified customers from NYSERDA.

• **PON 1219 Existing Buildings:** Provides rebates and performance incentives for existing buildings including lighting, motors, generators, HVAC equipment etc. through 12-31-2015.
• **PON 1601 New Construction Financial Incentives:** Provides incentives for new and remodeled buildings, paying for architectural and engineering services, rebates on electric equipment, appliances, HVAC equipment, and building envelope, through 2015.
• **PON 1746 Flex Tech:** Provides funding for a variety of feasibility and energy related studies through 12-31-2015.
• **PON 2112 Solar PV Program Financial Incentive** through 2015
• **PON 2439 Wind Turbines:** This PON pays incentives to certified installers of DG windmills under 2 MW through 2015.
• **Multi Family Performance Partners:** Facilities with 5 or more housing units are eligible for energy audits and energy efficiency funding through 2015.
• **PON 2456 Industrial and Process Efficiency Program:** This PON is can pay up to $4.5 Million per project through Dec. 2015.
• **PON 2568 CHP Acceleration:** Funding for onsite generation with heat recovery (DG/CHP) packaged units through 2015.
• **PON 2758 Gas Station Back up Power Program.** This PON provides emergency power for generators in Downstate gas stations, and will do so until the funding runs out.
• **PON 2689 Emerging Technologies and accelerated Commercialization through Dec.** 2016
• **PON 2701 Combined Heat and Power CHP Performance Program through Dec. 2016**
• **PON 2846 Innovations in Data Center Information & Communications Technology Energy Efficiency:** This PON has funding through April 2015.

TIP OF THE MONTH *(CONTINUED)*

specifically large commercial/industrial customers. Listed here are some concepts, practices, or ideas that may help to grow your business.

• Provide accurate and timely billing
• Have a contract that is understandable without hidden clauses and charges
• Provide annual saving summaries
• Provide an informational newsletter to keep customers engaged and informed
• Perform public service activities in local communities
• Help customers be on the most cost effective utility rate
• Help customers with sales tax exempt paper work, if they are eligible
• Provide assistance with energy efficiency upgrades (Lynx can provide REGEN Controllers)
• Secure funding for customers participating in DR programs
• Provide means of securing backup generators, (Lynx can supply Cummins Generators and Switchgear)
• Promotional sales or discounts for new customers and loyalty pricing for retention or contract renewal
• Provide specialty products such as Green Power and assistance with grants for energy upgrades

Most importantly provide good customer service. If customers have questions and issues, a quick factual response can often retain a customer and help establish customer loyalty.

GLOSSARY OF ACRONYMS

AEPS - Alternative Energy Portfolio Standard

ASE - Alliance to Save Energy

BPI - Bipartisan Policy Institute

CHP - Combined Heat & Power

DG - Distributive Generation

DOE - Department of Energy

GHG - Green House Gas

IC - Insufficient Competition

NARUC - National Association of Regulatory Commissioners

NEPA - New England Power Generators Association

RESA - Retail Energy Supply Association

RFS - Renewable Fuel Standard

RGGI - Regional Greenhouse Gas Initiative

RPM - Reliability Pricing Model

RPS - Renewable Portfolio Standards

SCR - Special Resource Case

SEIA - Solar Energy Industries Association

FERC UPDATES *(CONTINUED)*

As one of her first acts as chairman, Cheryl La Fleur, gave an update to the House Energy & Commerce Subcommittee on Energy and Power. La Fleur discussed capacity markets, highlighting that each region has unique solutions to address capacity. The Chairman pointed out that in regulated states capacity favors generators, but this needs to be restructured to ensure efficient and competitive long term capacity. The future mix will include a variety of strategies including: renewable generation, peaking generators, energy storage and DR programs. The issue of Public Power was raised by Congressman Paul Tonko of NY. He pointed out that recent FERC rulings may limit public power and co-ops from funding new generation resources. Chairman La Fleur countered that co-ops have an option to prove they are cost effective and have the ability to self-supply in order to participate in the marketplace. Another issue addressed DR controversies. The Chairman pointed out the existing diversity but a move toward "industry best practices" may allow more cross regional flexibility. Moving ahead Chairman La Fleur stated she will focus on reliability, resource adequacy, inter-regional filing, and ensuring that deregulated markets are fair and provide reliable low cost energy to rate-payers.

FERC issued a draft rule change affecting interconnection rules for small generators, which by FERC definition is anything below 20 MW. The growth in renewable energy generation is the driver for the rule upgrades. A new filling procedure will include a pre-application process to transmission providers with timelines for response having a $300 fixed filing fee. The new "Fast Track" process raises the threshold from 2 MW to 5 MW. A third change addresses customer options for having a supplemental review, if needed, should the Fast Track application be rejected. The fee for this would be cost based as determined by the transmission provider. A fourth change allows customers to submit written comments on their behalf against various upgrades and costs in the Facility Study Agreement. The FERC goals for the changes are to accelerate the interconnection process for renewable energy generation, keep the cost of transmission interconnection reasonable, and response time swift. Before, deregulation utilities could tie up a project for years and charge fees that would discourage small generation projects.

The latest FERC order for SCR DR programs has pros and cons on both sides. The FERC ruling accepted provisional baseline calculations for new DR. Clarification of shortfall penalties states that penalties are only assessed when an SCR enrolls with a baseline above its actual DR capability. Aggregators are assessed penalties based on their portfolio failure to deliver the contracted demand reduction. FERC told the ISO to clarify their rules as they are confusing. The rules for unreported SCR changes remain. FERC ruled that penalties will force DR suppliers to be more reliable and discourage gaming.

RFS hearings are being conducted by the EPA. The president of the Advanced Biofuel Association, Michael McAdams raised concern over the latest plan proposed by the EPA. Just as the industry has invested capital to gear up production and meet previous government mandates for biofuel, the EPA is recommending cut backs. The proposed cut back by EPA calls for 2.2 billion gallons of bio fuel for the next 20 years. The original statute called for 3.75 billion gallons. McAdams states the reduction would destroy the fledgling industry. Such a rollback appears to go against Climate Change Initiative as well as new carbon mandates for carbon reduction standards. The government is sending conflicting signals to investors and the biofuel industry which will drive investors looking for more stable and overseas markets.

New GHG rules proposed by the EPA are being evaluated. The BPI and NARUC are getting input from various stakeholders to develop recommendations for addressing new EPA regulations. Many coal fueled plants are being mothballed or closed causing hardships for coal producing states as well as coal power plant operators. Maryland Environmental Deputy Secretary, Kathy Kinsey, stated that EPA should take a regional approach. Maryland is part of the northeast RGGI which has successfully reduced emissions by 40% since a 2005 baseline was developed. Regulatory compliance issues along with ownership of credits, dual fuel systems, and tax credits are all on the table. Changes in power plant fuel will be addressed. AEP, a large US generator company plans on retiring 8,000 MW's of coal fueled power plants and converting an additional 7,000 MW from coal to natural gas. NARUC is urging a regional approach and is stressing to the EPA the need for considering improvements already accomplished in certain regions rather than implementing a draconian decree mandating across the board reduction in GHG for all states.

ISO-NE *(CONTINUED)*

do not need additional capacity causing supply imbalance. Measures need to be taken to stabilize the market to avoid price spikes and outages impacting ISO-NE rate payers.

ISO-NE has indicated that winter peaks can see a high demand of 21,935 MW. The ISO has about 1,100 MW of energy efficiency measures installed and has procured 29,835m MW of capacity for this winter. A problem could occur with a prolonged cold snap causing a heavy heating load and the need to provide natural gas to over 50% of the New England generators stressing pipeline capacity. The ISO has contracted dual fuel contractors that can use oil as well as natural gas. In addition the ISO has contracted for 1000 MW of capacity from neighboring regions and an additional 565 MW of DR has also been contracted. The question is at what price. All the planning and preparation by the ISO should keep the lights on this winter. Last winter showed some extreme price spikes that also impacted neighboring regions along with New England. Pricing and marketing signals are being modified to encourage new capacity. However the gas pipeline bottle neck will not be upgraded before 2016.

Massachusetts amended their RGGI regulations by raising emission reductions for 2020 by 90 million tons of CO2. The emission cap will be lowered by 2.5% each year, based on the 2005 baseline levels. RGGI has procured $252 million to date, which is used for energy efficiency and emission reduction technology. The initiative has resulted in the removal of 10 million tons of air pollutants from the atmosphere. Mr. Kenneth Kimmel, Massachusetts Department of Environmental Protection Commissioner states that RGGI is a model for states to use in achieving environmental compliance and to secure funding for needed environmental upgrades.

PJM UPDATES *(CONTINUED)*

ty demand, retirement of old coal plants and construction of renewable and natural gas fueled plants, necessitating investment in transmission lines. The new PSEG line will feed northern NJ with 345 KV lines going into Newark Airport, Hudson Power station and NYC. New generation facilities will require $3 billion in system upgrades. Additional expansion in the RTO will continue upgrading system reliability within the 15 utility systems it serves. Since 2000 PJM has spent $28.9 billion in transmission line expansions and upgrades.

As the merger between NRG and Edison Mission Energy moves forward, concerns have surfaced about competitive market impacts for PJM. The merger will increase the NRG generation in PJM to 18 MW's. Edison Mission Energy is going through bankruptcy proceedings and NRG has a purchase offer of $2.6 billion for their generation facilities. PJM wants FERC to provide some behavioral mitigation to ensure NRG does not pose a monopoly and adheres to competitive market practices. Currently PJM has a tight capacity market for supply and demand. PJM's concern is that a large generation firm having a major concentration in certain regions may adversely impact competitive market forces.

Ohio PUC is reviewing steps to boost retail markets within the states. Statistics show that monopoly states have seen prices adjusted for inflation, increase 7% since 1997 while deregulated states' adjustments for inflation are showing a -4% decrease. Compete Coalition spokesman William Massey states that deregulation does not mean absence of regulation as all markets have rules governing their activities administered by state regulations and FERC. Energy price caps and similar practices protect consumers in the short term but actually hinder savings that result from competition. With the abundance of cheap natural gas in Ohio, advocates for competitive markets are pushing for removing barriers and letting market forces drive energy costs lower. In addition proponents are advocating that Distribution companies focus on delivery service and remove themselves from retail market activities. Such a move would have retailers play a more integral part with customers and allow market forces to operate as intended.

GREEN ENERGY

As state mandates are phased in, suppliers or ESCO's will be required to purchase Green REC's and show documented proof of purchase. Some states require a percentage of Solar REC's or offshore wind depending on the host states social policies. Each category, whether it is called Tier or Class has different pricing and some states mandate a mix. Solar is the most expensive and Tier II the least expensive. Failure to purchase green energy or AEPS or REC's will result in a default REC. Lynx will assist you in locating cost effective green REC's to meet your needs. In addition, Lynx can handle your reporting and assist you in purchasing REC's. The percentage of renewable energy is expected to increase to 18% through 2020.

US ENERGY *(CONTINUED)*

especially when coupled with CHP, which can reach efficiencies of 70%. Efficiencies in power plants to the end user site are typically in the 35% range. Furthermore, NARUC addressed the need for reliability, specifically response to disasters, and regional blackouts. A method for mutual assistance between industrial customers, government agencies, and energy providers needs to be refined with established protocols.

The DOE has allocated $30 million for DG through their Advanced Research Projects Agency (ARPA). The project will fund development of cost effective medium temperature fuel cells. The goal is to have the new fuel cells available to provide grid resiliency, reliability and a source of back-up power. The fuel cells will lower CO_2 emissions over conventional generation providing environmental benefits for the country. RGGI, representing nine northeast states, has asked FERC to use their success as a model for cost effective GHG reductions. The consortium claims a 40% reduction in greenhouse gas emissions since 2005. The emission cap has saved rate payers $1 billion in plant upgrades funded with GHG auctions. Proponents claim RGGI provides a verifiable, cost effective and transparent mechanism for lowering GHG and their format would be useful to develop a national model.

The Obama administration issued a memorandum which raises the renewable energy mix. Federal government agencies have been directed to have 20% of their energy supplied from renewable sources by 2020. The measure is expected to support the President's Climate Action Plan. SEIA reports that solar generation continues to see double digit growth. The Q3 quarter shows a 20% growth over Q2, by adding 930 MW of new photovoltaic installations. With the completion of major solar arrays like Abengoa's Solara and the NRG Ivanpah project, Q4 anticipated growth will be one GW of new solar energy. The cost of solar installations continues to drop with current installed costs averaging $3.00 per watt. California leads the states having installed 455 MW of new solar power in Q3. If all proceeds as planned, 2014 growth will push the US solar energy to 68 MW's above world leader Germany.

US Energy Secretary Ernest Moniz has announced that $150 million in clean energy credits have been approved for manufactures of clean energy equipment. The DOE feels that the tax credits will boost competitiveness of US manufacturers with world markets. Companies receiving the awards are producing equipment that is used for renewable energy such as: Hydro, Wind, Smart Grid, and Fuel Efficient Vehicles. Secretary Moniz states the awards will support the Climate Action Plan, by making clean energy equipment available. Currently DOE R&D is having an impact with technology but the missing link has been the availability of the new technology products. The new initiative should hasten the integration of the new technologies.

January 2014

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1 *New Year's Day*	2	3	4
5	6	7	8	9 *Monthly Auction Opens*	10 *Monthly Auction Closes*	11
12	13	14 *Monthly Auction Results*	15	16	17	18
19	20	21	22	23 *Certification*	24 *Kevin Schoener's Birthday*	25
26	27 *Spot Auction Opens*	28 *Spot Auction Closes*	29	30 *Spot Auction Results*	31	

FUTURE DATES

JANUARY
1 New Year's Day

9-10 Monthly Auction

14 Monthly Auction Results

23 Certification

24 Kevin Schoener's Birthday

27– 28 Spot Auction

30 Spot Auction Results

FEBRUARY
6-7 Monthly Auction

11 Monthly Auction Results

20 Certification

24-25 Spot Auction

28 Spot Auction Results

NYISO SCR CURTAILMENT PROGRAM

Proposed changes by the NYISO will impact SCR customers. Lynx will work to keep you informed and updated as changes get approved. Lynx is providing assistance for our customers with event notification and supplying documentation to the NYISO verifying results. A major obstacle for customers having peak demand less than 500 kW, is having an interval meter. Lynx can help you with securing grants for interval meters, and getting those meters installed. Many customers willing to participate in NYISO programs need help in determining what items can be curtailed and to determine the kW value of those items to be shut off. Lynx can help your customers determining kW loads that can be curtailed. In addition Lynx can now provide Cummins generators which can be used for curtailment purposes along with providing protection for property and life during emergencies. Lynx will work with you to get customers registered in a NYISO program. So help your customers get some cash for shedding electric loads during peak load emergency events. ESCO's or suppliers will also earn funds. With Lynx guidance you can avoid costly pitfalls and potential fines. Call Lisa Klein or Bert Spaeth in our Lynx office at 716-774-1341.

COMMODITY PRICING

Historical - Flat DAM

	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
NYISO-A	46.46	31.83	33.20	33.00	38.48	45.19
NYISO-F	47.65	34.42	37.06	35.61	40.65	64.58
NYISO-J	60.14	40.12	39.89	37.55	40.82	62.30
NYISO-K	78.04	41.44	45.81	41.21	46.52	77.55
PJM-PSEG	51.35	36.22	37.18	36.33	38.37	46.88
PJM-JCPL	52.09	36.06	37.36	36.12	37.32	43.42
PJM-APS	44.88	33.27	34.16	34.73	34.91	39.89
PJM-PECO	48.78	35.54	35.59	34.70	36.27	40.93
PJM-PPL	48.26	35.06	35.34	34.62	36.09	41.21
PJM-DLCO	43.78	32.03	32.00	33.92	32.93	37.30
PJM-PENELEC	47.41	34.46	35.07	35.82	36.37	41.41
PJM-METED	48.65	35.28	36.27	34.61	36.38	41.34
PJM-BGE	50.72	37.30	40.09	38.17	39.40	44.62
ISONE-CT	53.03	35.30	38.28	34.51	44.70	88.04

Current Projections

	Jan-14	Feb-14	Mar-14	Jan-14 to Dec-14		
	Flat	Flat	Flat	Flat	Peak	Off Peak
NYISO-A	51.47	46.24	37.55	38.43	45.31	32.44
NYISO-F	100.52	91.72	50.24	50.98	59.74	43.34
NYISO-J	92.78	83.75	49.82	52.61	62.31	44.15
NYISO-K	94.73	87.03	61.06	59.82	71.45	49.69
PJM-PSEG	52.00	47.55	41.06	41.28	49.51	34.11
PJM-JCPL	49.55	45.92	39.46	40.11	48.00	33.24
PJM-APS	43.40	40.70	37.47	37.16	43.93	31.26
PJM-PECO	45.93	42.98	37.93	38.56	46.08	32.01
PJM-PPL	45.99	42.57	37.79	38.24	45.65	31.78
PJM-DLCO	39.35	37.97	36.60	35.62	41.89	30.15
PJM-PENELEC	44.45	41.71	38.21	38.03	45.13	31.84
PJM-METED	46.66	43.41	37.81	38.41	45.87	31.90
PJM-BGE	49.94	46.53	41.34	41.76	50.13	34.45
ISONE-CT	158.83	150.56	71.78	69.12	78.85	60.64

Note: On-peak is defined as HE08– HE23 Weekdays (less NERC Holidays)

Commodity pricing at MWh reflects an estimate of pricing based on current information available at time of printing from various market sources. The prices are not intended to be used as hard data for contractual purposes. Prices are represented in dollar per MWH.

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