



LYNX ELECTRIC CURRENTS

FEBRUARY 2014 NEWSLETTER

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EDITOR'S NOTE

The New Year has been full of energy surprises breaking temperature records both for highs and some serious lows. Through all of the "Polar Vortex" conditions, the NYMEX future gas prices have seen moderate changes from a low of \$4.005 to a high of \$4.418 per MMBTU. However, the spot markets have seen highs as much as \$100 per MMBTU for natural gas. That swing shows a flaw in our infrastructure and the impact of draconic emission regulation without proper planning and developing the support infrastructure needed. The result is price volatility and significant cost for consumers. As natural gas becomes the predominant fuel, over 50%, the economic impact from supply and emission compliance perspective can be severe. Plans for upgrading pipeline capacity should have been done prior to forcing coal plants to switch fuel or close. Granted we have a tremendous supply of newly discovered shale natural

gas but the carrying capacity of pipelines from the well site to the end customer has not seen major upgrades. Coal plants have the advantage of stockpiling coal on site in sufficient amounts to carry them through adverse conditions. Natural gas needs a continuous supply unless they have some type of onsite storage such as LNG (Liquid Natural Gas).

A previously mothballed power plant, Niagara Generation LLC located in Niagara Falls, will be opening; having notified NYISO they will be supplying 50 MW of capacity, as they reopen. That may be the beginning of a trend as smaller plants find profit in selling their capacity into the market. It is critical that electric suppliers and marketers keep current on timely pricing during the volatile pricing the markets have seen. Lynx sends out multiple daily price notices, along with direct staff contact and our *Currents* Newsletter. All

measures reinforce our Lynx Philosophy, that information is key to keeping our customers competitive.

LynxEMS staff will be attending several Energy Conferences and is looking forward to seeing many of our customers. February 3, 4, and 5 we will be at the EUEC Conference in Phoenix, Arizona. *Lynx Currents* editor Bert Spaeth will present a report on Renewable Energy Credits and Greenhouse Gas Allowance Markets. Our President, Kevin Schoener, VP Todd Guichard, and Lisa Klein, Program Administrator, will be attending the Energy Marketing Conference February 27 in NYC. Mr. Schoener will be part of the panel addressing Suppliers ESCO's and Marketers on the current conditions of retail marketing in NYISO. On March 27th our Lynx Technology team will be attending the EdTech Conference, held at Ithaca College, Ithaca NY.

TIP OF THE MONTH: HELP WITH HEDGING

Recent winter weather extremes and a reduction in fuel diversity for generators have caused some major price spikes. In the current climate of price volatility, it is important to track pricing and have access to timely costing information. Our Lynx staff sends out multiple pricing updates for NYISO, and PJM daily, to assist you in making informed selling price decisions.

Since 1999, when the markets became deregulated, we have seen many highly financed companies enter the market with fixed price strategies. Needless to say most did not survive into 2014. However certain market segments, mainly customers with fixed budgets are adverse to market volatility. For those customers we can guide and assist you

with hedging strategies. Hedging strategies diversify your power purchases and allow you avoid or reduce the impact of price spikes. If you are serving risk adverse customers call our Lynx staff to discuss what options are available so that we can assist you in providing competitive power and retain your customer base.

FERC UPDATES

FERC conducted a milestone 1000th meeting Dec. 19 th. FERC was created by Congressional bill in 1977 as part of the [DOE](#). Previously, going back to 1928, before FERC was established, the US had the Federal power Commission. In celebration of the milestone meeting, three former chairman of FERC were in attendance.

An agreement between FERC and [CFTC](#) for compliance in the Dodd-Frank Act has been reached. The two agencies disputed over jurisdiction while Wall Street Reform Act requires a [MOU](#). The agreement allows FERC to perform market regulations in matters concerning competition in energy markets as outlined in the Energy Policy Act of 2005. Under the MOU

the two agencies will coordinate and reciprocate regarding overlapping market issues and investigations. That sharing will include market data pertaining to electric and gas markets. [FERC Chairman La Fleur](#) and [CFTC Chairman Gary Gensler](#) welcome the agreement with the end result of protecting the energy markets from violations and irregularities.

To avoid natural gas curtailment and the impact on NG generators, FERC is invoking [Order 787](#) that allows natural gas transportation and electric transmission operators to share information. Current PJM tariffs and rules do not allow communication between NG and Electric trans-

mission groups. The FERC Order provides PJM a waiver so that NG and Electric entities can communicate and avoid blackouts. The allowed communication is temporary for now, pending stakeholder hearings and PJM tariff changes.

Recent extreme temperatures in the RTO region are expected to push winter capacity to new highs above 136,675 MW. Maximum Emergency Generation Alert has been called allowing generators to operate beyond economic restrictions and non-essentials transmission work has been postponed.

FERC is looking for new pilot projects with hydro generation. The commission feels that hydro generation that utilizes pumping and water storage is a

[Continued on page 5](#)



Photo from Ohio.gov

NYISO UPDATES

Debate over new generator selection, EPA emissions, efficiency and performance continues in NY. At the center of the controversy is the Siemens SGT 6 5000F combustion turbine selected by NYISO. Opponents want the ISO to use GE LMS 100 with selective catalyst reduction technology. They argue that the Siemens unit

would have annual run hour limitations because of EPA emission standards. Meanwhile EPA is still finalizing new greenhouse gas emission standards and looking at new efficiency standards. As the new EPA rules are finalized, decision on turbines and forward capacity pricing will be finalized by NYISO.

The recent “Polar Vortex” plunged temperatures into the sub-zero ranges resulting in a new peak demand of 25,738 MW Jan. 7, 2014. NYISO credits cooperation between FERC generators, NY IOU’s and DR participants in meeting the challenge, stated CEO of NYISO Stephen Whitley.

[Emilie Nelson](#) is the newly

appointed VP of market operations for NYISO. Nelson will be in charge of :

- Installed Capacity
- DR
- Wholesale Power Markets
- Operation Performance and analysis

ISO-NE UPDATES

Massachusetts [DPU Chairman Ann Becwick](#) is ordering utilities to upgrade, making [Smart Grid](#) mandatory. The upgrades will provide consumers with real time pricing, allowing them to make informed power usage decisions. Smart Grid technologies will benefit utilities in detecting grid problems, potential capacity problems and facilitating DG, energy storage and advanced metering. Becwick believes the grid upgrades will improve reliability and provide better access for

renewable energy sources. Plans for cost recovery of smart grid technology are being developed by the PUC. Other initiatives being developed will include provisions for electric vehicle charging.

The forward capacity market in ISO-NE is being challenged by [NEPA](#) in the latest FERC filing. At issue is a 1,500 MW coal fueled plant called [Brayton Point](#). The owners, Energy Capital Partners, want to close the plant. However ISO-NE wants the plant to run as an

out of system-cost of service plant. NEPA claims that entering the Brayton Point plant on a price taker basis would lower capacity pricing in the next auction, costing generators billions in lost revenue. The attorney for NEPA claims the issue is similar to the recent FERC rulings pertaining to minimum price offering rules. Capacity markets function to provide reliability using price signals to get sufficient generation capacity to maintain the grid, while discouraging uneco-

nomical generation. Interfering with the market with must run and a similar mandate discourages development of new cleaner and more efficient plants. NEPA is requesting a FERC ruling by Jan. 27, so the Brayton Point plant would not impact capacity prices in the next auction. NEPA recognizes the need for older units to operate for reliability purposes but they should not participate in capacity auctions.

PJM UPDATES

Marcellus Shale gas continues impacting power generation in PA. Panda Power generation is building a 829 MW combined cycle natural gas station using Siemens H-class gas turbines with an operating efficiency of 60%. The new plant will be located in the Clinton Township, PA, near a deposit which has 330 TCF, the second largest gas field in the world. It is estimated that the field will power the new plant for 15 years.

To meet the challenges of 2014, [PJM CEO Terry Boston](#)

reported on proactive measures to insure reliability. Studying past grid disasters, blackouts and related emergencies to better respond to future events in one plan. Action to harden the grid against cyber-attacks and to safeguard it from potential vulnerabilities are already in place. That includes independent auditing to identify new threats and maintaining sufficient capacity as coal plants are retired for economic reasons and stringent environmental regulations. Mr.

Boston points out that PJM Reliability Pricing has resulted in 28 GW's of new generation.

The question of mandatory [PMU](#) for generators of 100 kW and larger is being reviewed by FERC. PJM claims the PMU units would provide continuous high speed records resulting in improved communication and reliability. At \$20,000 per device, generators are challenging PJM and the need for PMU equipment for the smaller generators. Before approving the requirement FERC wants more de-

tails and justification from PJM, on how the PMU devices will benefit the grid. An additional \$20,000 will discourage small generator projects from being developed. PJM counters that it is paying for the link from generators to PJM monitoring equipment. FERC has given PJM 30 days to cost justify PMU units.

PJM has restructured their 10 year capacity forecast. Based on historical data, PJM had projected a 1.3% annual growth which has

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NY STATE

New York [PSC Chairman Audrey Zibelman](#) addressed the transformation of electric distribution utilities in NY. Among core policies, the PSC acknowledged improving efficiency, [DG](#) and having utilities align with market and customer needs for change. The overall objective continues to be providing reliable electric power at reasonable rates. The PSC also highlighted their policies that include market stimulation and economic investment which are realistic to implement. PSC views new technologies as a

clean resource to be managed. Taking sections from the Moreland Commission, the recommended changes would include:

- Providing information tools for consumers to maximize energy decisions
- System wide efficiency and improvement in energy storage, DR with sufficient rewards for performance
- Resource diversity with increased renewable energy at customer and DR sites
- System reliability and resiliency with better integrating with customer based re-

sources

- Community based energy systems and micro grids, including DG systems

The commission will be evaluating the existing [SBC](#) with emphasis on performance and outcome based incentives. By making the change outlined by Chairman Zibelman, the PSC will be facilitating: Clean Energy Programs, Utility and Market-place Alignments, and Creation of a Robust Market Driven Investment in Clean Efficient Technologies.

[NYPA](#) has announced a \$2 million funding project to assist

REC projects. Additional funding goes to [Munies](#) to purchase electric vehicles for use as fleet vehicles. The project known as "[Power Authority Municipal Electric-Drive Vehicle Program](#)", will provide funding to replace older fossil fuel vehicles in 47 Munies and four co-ops in NY.

The Con Edison rate case has been approved by NY PSC staff but not all stakeholders agreed. The rate case will cut rates by \$76.19 million in 2014 but will jump to an \$123.97 million increase in 2015. The agreement will generate \$1.7 billion in Con

US ENERGY

New technologies are impacting the television industry. Television receivers have new efficiency standards making them 10% more efficient. On a national level, the more efficient units are expected to save 5 million metric tons of CO2. The energy savings are enough MWH to power 700,000 homes. US DOE hopes to use the television receiver upgrades as a model for future energy efficiency standards for appliances.

The recent "polar vortex"

has resulted in PJM hitting a new winter peak of 136,000 MW. The RTO was challenged to keep lights on as 36,000 MW were off line for various reasons. The RTO is checking into why so many generators were not available during the cold snap. It appears availability of natural gas may be the underlying cause. In order to cope and continue service, PJM ordered a 5% reduction in voltage and called on 1,900 MW of DR for morning loads and an additional 3000 MW for

afternoon demand. The heating loads and additional generation demand caused natural gas prices to jump to highs of \$100 per MMBTU in the northeast. Faced with similar but less dramatic demand, NYISO called for DR activation to meet afternoon and evening capacity. A statement issued by [NYISO CEO Stephen Whitley](#) requested all customers to conserve electric wherever possible. Mr. Whitley stated that NYISO is complying with all reliability standards but urged customers to be aware of the potential shortfalls resulting

from availability of natural gas supplies. Adding to the problem is severe cold weather which limits hydroelectric generation. The Niagara Power Project experienced ice blockages for several turbines.

[RESA](#) is in support of New Jersey's new [Basic Generation Services bill # A-4552](#). The bill includes quarterly BGS auction for suppliers. The intent is to have supply pricing reflect actual wholesale prices. The goal is to make markets competitive

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NYSDERDA PON UPDATES

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

- **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.

US ENERGY MARKETS

EIA reports continued to show a drop in electric sales which is attributed to multiple factors such as Weather, Slow Emerging Economy, and Energy Efficiency Upgrades. However the largest contributor to lower electric use is the drop in the industrial segment of the economy. EIA indicates the industrial segment electric use dropped by 9% since 2000. Expansion of DG has also played a role in electric use from utilities. Residential usage share saw a greater market share in electric use

but has little impact on overall electric consumption. Commercial consumption of electricity grew by 1% since 2000.

The latest program impacting energy called "[Quadrennial Energy Review](#)" is being released by President Obama. The purpose of the program is to look at various areas that impact energy including:

- Energy Delivery and Infrastructure
- Energy Delivery Systems
- Energy Transmission

The stated goal is greater climate and energy security, which tie into the President's

"Climate Initiative" specifically EPA's Power Plant Emission Regulations.

Multiple federal agencies met with the US Banking Subcommittee and Financial Institutions on Consumer Protection. Key agencies included: FERC, Federal Reserve, and CFTC. The hearing reviewed the role of banks regarding trading commodities. Potential risks of grid blackouts or reliability failure versus potential collusion between various energy factions are a major concerns. It was pointed out

that FERC has collected \$873 million in civil penalties. The Federal Reserve Board raised concern over risk factors in the energy field siting: oil spills, Enron Scandal, and nuclear disasters to mention a few. FERC stated that they can handle regulating energy markets but pointed out that obtaining accurate and timely data is a problem. More cooperation between FERC and CFTC along with clarification of FERC jurisdiction is currently being litigated by the US Court of Appeals District of Columbia. The court ruling may require additional legislation to clarify FERC's regulatory authority

GLOSSARY OF ACRONYMS

AEPS - Alternative Energy Portfolio Standard

CFTC - Commodities Futures Trading Commission

DG - Distributive Generation

DOE - Department of Energy

DSM - Demand Side Management

EIA - Energy Information Ad-

ministration

EPSA - Electric Power Supply Association

MLP - Master Limited Partnership

MOU - Memoranda of Understanding

Munies - Municipal Utilities

NEPA - New England Power

Producers

NYPA - New York Power Authority

PEPCO - Potomac Electric Power Co

PMU - Phasor Measurement Units

PTC - Production Tax Credit

REC - Rural Electric Coopera-

tives

RESA - Retail Energy Supply Association

RGGI - Regional Greenhouse Gas Initiative

RPM - Reliability Pricing model

SBC - System Benefit Charges

SER - Smart Energy Rewards

TCF - Trillion Cubic Feet

FERC UPDATES (CONTINUED)

great capacity management strategy. The driving legislation comes from the [Hydro power Regulatory Efficiency Act of 2013](#). Criteria for potential pilot sites include:

- Little or no impact on existing water storage.
- Is not connected to continuously flowing water sources.
- Little or no impact on listed endangered species
- Approval from landowners or managing entities

Selected pilot projects are expected to operate for a minimum of two years.

FERC requested recommendations for capacity markets and the responses received held many suggestions for modifications and changes. The American Public Power Association expressed opposition to mandatory forward capacity specifically in the in ISO-NE and PJM. The association wants states to have a greater role in resource adequacy planning. Their recommendation would move capacity from mandatory to voluntary residual markets, resulting in eliminating buyer/seller mitigation. ISO/RTO's would have resource adequacy re-

quirement with heavy penalties for non-compliance.

[EPSA's](#) members have different recommendations from a generator's perspective. EPSA's position is to have ISO/RTO's handle capacity markets, ancillary services and attract resources to ensure sufficient capacity for grid reliability. EPSA points out that capacity markets cover fixed costs and energy revenue covers variable costs. The PJM analysis shows that capacity represents 11% of wholesale costs while supply represents 75% of wholesale costs the rest is margins, taxes and related costs. NYISO also weighed in, stating their monthly capacity auctions sends the proper pricing signals and ensures capacity adequacy. NYISO urges FERC to give the ISO's a chance to address any modifications before FERC makes changes. The PSC wants FERC to have a fair and balanced regulation that allows cost effective development of capacity including renewable generation sources.

The recent wave of cold weather has been straining utilities generating capacity. Generator outages reached a high of 50 GW's. Natural gas prices spiked in the northeast hitting highs of \$100 per MMBTU, a significant jump from \$4.32/MMBTU for recent NYMEX prices. ISO-NE had 1,200 MW that failed to operate because of natural gas shortages. Similarly PJM had 9,046 MW of outages because of lack of natural gas. FERC will be reviewing the data and its impact on energy reliability and economics. While the impacted regions did not have blackouts, the price spikes are cause for concern. FERC will need to analyze natural gas supply, pipelines and the impact of closing coal plants. Reliability and economic energy are key responsibilities of FERC and needs to be addressed.

As a result of freezing sub-zero polar temperatures causing natural gas spikes of \$140 per MMBTU, PJM has requested FERC to grant tariff waivers to allow generators to recover their costs. The request presents two solutions

or mechanisms allowing generators to recover costs plus margin. The proposed tariff changes include:

- A request to raise the \$1,000/MWH cap to cover additional natural gas cost above \$120/MMBTU
- A request to create make-whole payments to generators to ensure grid reliability

Generators are obligated to bid in their capacity, however caps on energy can result in losses to the generators and inability to recover their margins. Dramatic price spikes exceed preset caps resulting in generators operating at a loss. PJM asked FERC for a quick solution allowing generators adequate compensation and PJM enough time to modify their tariff for future fuel price spike episodes. Scarcity prices for natural gas have jumped from an average price of \$4.30 per MMBTU to highs of \$140 per MMBTU. It shows a capacity flaw in the natural gas fuel distribution and may require either dual fuel or LNG on-site storage remedies until additional pipeline capacity can be built, reinforcing the system.

Don't be left out in the cold.

When the power goes out, worrying about your generator's ability to secure your home should be the last thing on your mind. If you have a Cummins Onan generator, it will be. The relative quiet, seamless power supply, and effortless control of the American made and manufactured stand-by generator set is in a league of it's own.

Unsurpassed Power Quality

The Quietest Generator

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Load Management

Fuel Efficient

Email Notification



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PJM UPDATES (CONTINUED)

been reduced to 15 annual growths for the next decade. The revision is based on US Dept. of Commerce's updated economic forecast from Moody's Analytics. The projected summer capacity for 2014 is 157,399 MW and projects a peak demand of 173,852 MW in 2024 according to the Feds. PJM is projecting a 1,318 reduction in capacity for this summer.

Capacity imports in PJM are up 80% in 2013 causing some concerns, resulting in a review of current [RPM](#). Closing coal plants have reduced generator capacity resulting in increased imports of generation from MISO. Recent cold snaps have seen price spikes resulting from natural gas constraints cost constraints have disqualified internal PJM generation plants from submitting capacity into PJM auctions. As a result, PJM and MISO are reviewing rules on capacity import proceedings, all of which will require FERC approval.

The PA-PUC office of Consumer Advocate is reviewing security postings for retail

suppliers. The current amount is a \$250,000 bond for the first year of operation. Following years would require keeping a bond based on 10% of annual receipts. In order to make retailers more competitive [RESA](#) is recommending lower fees comparing NJ to PA charges pointing out interest on bonds cost retailers over \$14 million in annual bond retention fees. The PA-PUC is recommending dropping the required bond level from 10% to 5% saving retailers \$7 million in interest payments per year. RESA is advocating limiting security bond payments to \$20,000 providing additional cost savings for customers. The PJM RTO also experienced the impact of a "Polar Vortex", setting new peak winter demand. DR played a role in maintaining grid stability. The RTO shows 9,000 MW cleared for winter capacity. The recent performance gives a positive signal the DR can be used to provide reliable capacity reduction, throughout the year as needed. As barriers are removed and fair compensation is paid for performance, per

FERC orders DR will be called on more frequently. Not all ISO's are taking full advantage of the DR resource as part of their energy mix.

The PA-PUC has approved allowing customers in "Assisted Living Programs" to participate in [PEPCO](#) retail markets. Customers can now shop for their power, realizing market savings and have the benefit of consumer protection along with pricing caps. [PUC commissioner James Cawley](#) wants retailers to show social responsibility to provide significant savings, and implied that retailers not willing to provide the "best deals" should not participate in this new market.

PJM is proposing reducing DR notification time from 2 hours to 30 minutes. The RTO stated that the 2 hour lead time has resulted in over subscription. PJM plans to utilize more DR this summer in addition to establishing a "pre-emergency" DR to be used before the grid experiences reliability issues. DR is dispatched when the RTO has a level two emergency per NERC. A recent event last September

resulted in protocol \$38 million in payments for DR that was not used. PJM claims 2 hours is too much lead time for DR deployment. DR customers claim certain loads or generators require sufficient lead time to gear up staffing, perform switching and related measures needed to shed loads. NYISO utilizes a 21 hour alert system and a 2 hour notice.

Baltimore Gas and Electric has been testing dynamic pricing in conjunction with a utility based [DSM](#) program. The key for having a successful program include:

- Educated consumers
- Timely and reliable pricing signals
- Smart meters that can provide real-time data

The program called [SER](#) used smart meters which provided time-based interval data. Project Manager Tom Mercer stated quick feedback to keep customers informed and involved in the program. BG&E reported that 93% of eligible customers participated in the peak pricing program.

US ENERGY (CONTINUED)

and sustainable. The bill also lowers hourly pricing for C&I customers that have demand levels above 400 kW. The goal of NJ-PSC is to expand retail markets. C&I participation statistics show a 56% participation rate. Residents show a participation rate of 19% indicating there is still a huge potential market in NJ. [RGGI](#) continues exceeding emission reduction goals. The program sells "Allowances" which permit new emission loads. Customers that reduce their emission get paid for reduction with funding from sold Allowances. The cap for

the next auction is expected to drop to 91 million tons of CO2 this year. Currently Allowances are going for \$2 each. Since inception in 2009 the program has proven extremely successful, showing dramatic reductions in the lowering greenhouse gas emissions. New EPA regulations continue pushing emission reductions, which will tighten available resources for new "Allowances". The effect will lower total emissions below the 2005 base line and should raise the price of "Allowances" available for sale. The cap will be reduced to 8.2 million tons of CO2.

The US Chamber of Commerce issued an update of their 2008 energy plan CO2 for the region. The next auction is scheduled for this spring with qualification applications from bidders due Jan. 28. Should the auction for "Allowances" exceed \$4.00 per "Allowance", RGGI can release 5 million additional "Allowances". The upgraded recommendations would create jobs, generate tax revenue and result in trillions of dollars in private sector investments. The Chamber recommendations are designed to make the US a super power of ener-

gy recommendations from the Chamber include:

- Modify government energy policies that limit energy production
- Open Federal lands for development of oil and natural gas drilling
- STOP THE REGULATORY ASSULT ON COAL PLANTS
- Expand Renewable Energy programs
- Build new nuclear power plants

The chamber is also recommended moving away from [PTC](#) and switching to [MLP](#). MLP can be used to finance energy projects.

February 2014

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6 <i>Monthly Auction Opens</i>	7 <i>Monthly Auction Closes</i>	8
9	10	11 <i>Monthly Auction Results</i>	12	13	14	15
16	17	18	19	20 <i>Certification</i>	21	22
23	24 <i>Spot Auction Opens</i>	25 <i>Spot Auction Closes</i>	26	27 <i>Spot Auction Results</i>	28	

FUTURE DATES

FEBRUARY

6-7 Monthly Auction

11 Monthly Auction Results

20 Certification

24-25 Spot Auction

28 Spot Auction Results

MARCH

10-11 Monthly Auction

13 Monthly Auction Results

21 Certification

25-26 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

	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14
NYISO-A	31.83	33.20	33.00	38.48	43.99	106.48
NYISO-F	34.42	37.06	35.61	40.65	63.61	176.83
NYISO-J	40.12	39.89	37.55	40.82	61.14	175.92
NYISO-K	41.44	45.81	41.21	46.52	76.26	187.11
PJM-PSEG	36.22	37.18	36.33	38.37	45.79	184.41
PJM-JCPL	36.06	37.36	36.12	37.32	42.56	176.63
PJM-APS	33.27	34.16	34.73	34.91	39.15	107.43
PJM-PECO	35.54	35.59	34.70	36.27	40.15	168.45
PJM-PPL	35.06	35.34	34.62	36.09	40.34	167.39
PJM-DLCO	32.03	32.00	33.92	32.93	36.65	83.22
PJM-PENELEC	34.46	35.07	35.82	36.37	40.50	116.57
PJM-METED	35.28	36.27	34.61	36.38	40.44	166.67
PJM-BGE	37.30	40.09	38.17	39.40	44.68	179.66
ISONE-CT	35.30	38.28	34.51	44.70	87.97	166.29

Current Projections

Feb-14	Mar-14	Apr-14	Feb-14 to Jan-15		
Flat	Flat	Flat	Flat	Peak	Off Peak
87.14	46.33	37.30	44.06	52.86	36.44
147.82	67.52	45.13	59.33	70.42	49.74
154.43	69.80	47.80	63.16	76.84	51.33
157.71	81.07	53.65	70.38	85.99	56.87
107.48	53.61	41.36	50.89	62.53	40.82
99.27	51.35	40.11	49.07	59.99	39.61
71.58	45.70	37.53	42.09	50.73	34.62
93.45	50.31	39.37	47.27	58.07	37.92
93.94	49.47	38.58	46.42	56.88	37.37
89.68	40.72	34.07	40.35	50.35	31.69
77.59	46.45	38.22	43.68	52.90	35.69
94.26	49.53	38.65	46.44	56.83	37.45
103.67	53.66	42.63	51.42	63.17	41.24
166.64	76.75	51.81	70.71	81.49	61.39

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.

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.

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