LYNX ELECTRIC CURRENTS

APRIL 2014 NEWSLETTER

EDITOR'S NOTE

INSIDE THIS ISSUE	
FERC UPDATES	2
ISO-NE	2
PJM	3
NY STATE	3
US ENERGY	3
NYSERDA PON UPDATES	4
US ENERGY MARKETS	4
NYISO	6
TIP OF THE MONTH	6
GLOSSARY OF ACRONYMS	6
NYISO SCR CURTAILMENT	7
APRIL CALENDAR	7
IMPORTANT FUTURE DATES	7
HISTORICAL FLAT DAM PRICING	8
CURRENT PROJECTED PRICING	8
GREEN ENERGY	8

Even though it is officially spring, we are all still feeling the impact of a bitterly cold winter. Lynx urges our customers to provide hedging strategies for their clients to help them cope with pricing spikes. While retail variable price contracts are still better than utility fixed price, this winter saw drastic price spikes. One strategy has suppliers placing caps on what they will charge. Customers would then pay near market prices, but would not exceed the contracted price cap. Suppliers feel this would protect customers and place the burden of managing energy prices on their purchasing and management skills. Suppliers fear that doing nothing will erode confidence in the retail market. Recommendations from suppliers include:

- Price Caps
- Mandatory Reserve Cash for Suppliers
- Promoting Fixed Prices Options
- Accurate and Clear Disclosure statements
- Contract termination cost and steps
- Clear information and timelines for Renewal Process

Suppliers have also asked for faster switching times from utilities. Futhermore, they would like utilities to install smart meters so that customers can manage their own use based on real time market price signals.

Meanwhile, the various regulators and state agencies are beginning to understand what caused the winter price spikes. Unfortunately it will take several years to improve one of the major problems - pipeline capacity. Lack of sufficient natural gas for home heating and increased use by generators drove up prices tenfold this winter. Passing legislation and mandating unrealistic policies, such as CO2 reduction, are costly and require more strategic planning to avoid a repeat of this past winter. Extending the deadlines for air emission compliance deadlines is an option. That would allow existing coal plants to continue operating until gas pipelines and new, cleaner running power plants can be built.

Another matter drawing attention is grid security. The news media brought to light how vulnerable the grid is and the damage caused by a "terrorist" shooting a high powered rifle into a transmission sub-station. Of course, there are switching options as to how to counter the threats. One school of thought would beef up security around substations with concrete walls, install cameras and increase manpower. Another group proposes having more switches and transmission lines so that the grid can reroute power with a minimum amount of customers impacted. Yet a third group is advocating for actually building more DG/CHP installations. That means having generators located at customer sites that have good power factors and can use the thermal energy from the generator engine. FERC has issued orders regarding grid security and the various RTO's and ISO's, along with state regulators, will be working on grid security moving forward. Whatever option is chosen, it will certainly drive the cost of power up with the benefit of greater grid reliability.

NYISO OFFICER CERTIFICATION FORM

All Market Participants must demonstrate compliance with NYISO's minimum participation criteria by providing NYISO with an original notarized NYISO Officer Certification Form by April 30, 2014. Additionally, Market Participants that are utilizing audited financial statements to meet the capitalization criteria must submit the most recent year's audited annual financial statements by April 30, 2014. The financial statements must demonstrate at least US $10 million in assets or at least US $1 million in tangible net worth.

To get the needed form, go to the website

Please feel free to contact the NYISO Credit Department at credit_department@nyiso.com with any questions regarding the annual certification. **NYISO Credit Department,** 10 Krey Boulevard, Rensselaer NY 12144

FERC UPDATES

Concern over electric grid security has resulted in a FERC order that mandates NERC to establish reliability standards in regard to potential threats. FERC chairman LaFleur declared that the new orders must be implemented due to the importance of the electric grid to the national economy and society. Everyone in the energy market must be responsible for reliability and resilience for the market to be successful. NERC has 90 days to develop the implementation standards for owner/operators of wholesale power infrastructure, once the new standards are released. The new FERC order requires physical security for bulk power wholesale infrastructure. Owner/Operators will be required to perform risk assessment for critical infrastructure. Contingency protocol will need to be developed along with confidentiality for all critical data. Methods for storing data and information securely will also be required. NERC Commissioner Norris agrees with the order, however, he cautions overreaction, pointing to the over 55,000 transmission sub-stations. Mr. Norris advocates smart grid technology and transforming the grid to enable more efficient handling of grid interruptions. He has suggested that communication, and coordination can speed up resolution of developing problems.

Monitoring Analytics, led by Joseph Bowring, presented their electric market report in Washington DC. Mr. Bowring stated that PJM continues to face challenges regarding certain aspects of capacity markets. DR and capacity imports are not the same as generators and pose different challenges when clearing capacity markets. Mr. Bowring stated that capacity should be a physical reality when submitted in capacity markets. DR has physical limits. Facing potential retirement of 14,597 MW on the heels of 25,000 MW already retired, PJM faces the challenge of replacing lost capacity. Proper price signals are needed to encourage construction of new facilities to avoid capacity shortages by 2019.

FERC has given the long awaited approval for the purchase of bankrupt Edison Mission Energy by NRG Energy. The acquisition boosts NRG's generation capacity to 54,000 MW's. Despite delays caused by competitive generators and Independent Market Monitor, FERC ruled that insufficient evidence against the merger had been presented, therefore it can proceed. Independent Market Monitor will track and observe NRG market behavior.

While NEPOOL has presented their case to FERC, requesting specific data covering recent winter price spikes, ISO-NE is asking FERC to ignore the request. NEPOOL expressed concern when ISO-NE withheld information from stakeholders thereby affecting feedback to FERC. The ISO claims that the information was available during the ISO monthly "Participants Committee Meetings", in which the ISO presents new information and conducts a Q&A session. The concerns appear to center around capacity market changes and the impact on capacity markets this winter. Should FERC rule in favor of the NEPOOL request, the ISO fears litigation and delays for summer capacity bids. The ISO wants their recommended capacity regulations approved by mid-May while NEPOOL wants more detailed information.

In order to ensure energy markets are following the letter of the law, FERC and CFTC have implemented their

ISO-NE UPDATES

Philip Shapiro will be replacing ISO-NE Chairman Kathryn Jackson, who will be moving on to Portland General Electric. Mr. Shapiro is currently the CEO of Babson College.

The Massachusetts legislature is reviewing a long term contract with Hydro Quebec Power. NEPGA opposes the move. The association would like to see new infrastructure developed in NE, which would provide new energy and jobs, rather than importing power from Quebec. Improving the infrastructure would encourage competition, develop greater efficiencies, and lesson environmental impacts for the region. Market forces are better equipped to develop cost effective solutions versus government regulators. The pending Quebec Hydro Power bill would impact market forces from developing new plants, renewable energy sources and transmission infrastructure. NEPA has shown their ability and commitment to increasing efficiency and reliability by building new facilities. Therefore NEPA is opposing passage of the Quebec Hydro contract by Massachusetts legislature. A similar battle occurred in the 1990's between New York utilities and Hydro Quebec. At that time the jobs at New York generator plants was a major concern. In addition, Native Americans raised issues with their tribal lands being flooded for supplying Hydro plants. Environmentalists had concerns that adding so much surface area covered by water would have climate implications. At that time the Quebec Power purchase did not move forward.

Massachusetts Department of Public Utilities took steps to lock in $.08 per kWh pricing with long term power purchases. The power purchases procured 409 MW of renewable energy. The new renewable energy capacity is being developed by: Iberdrolla, Evergreen Wind II, and Blue Sky West. State utilities with oversight by DPU are expected to meet Massachusetts renewable energy mandates. The new capacity compliments existing 566 MW of solar power and wind-power.

In an effort to have a more realistic picture of scarcity pricing, ISO-NE is pushing for "pay for performance" in capacity markets. NEPOOL is opposed to changes and claims despite harsh winter conditions sufficient capacity was available this winter. To support their claims, NEPOOL wants the ISO to provide documentation showing how markets worked this winter. The analysis should look at generator performance, natural gas costs, natural gas availability, amount of fuel oil imported, and amount of DR and imported electricity was needed to supply the ISO's demand needs. NEPOOL requested that the ISO have the analysis available before FERC rules on any capacity market changes. Careful review of all factors can have significant impact on having secure cost effective capacity.

In order to maintain reliability NEPGA and NESCOE raised concerns about Hydro power that is imported from outside the ISO. Facing a potential of future capacity shortages, the ISO has made numerous

PJM UPDATES

The push to get consumers to purchase retail power continues. Illinois, Michigan and Ohio are working on educating their public, making sure utilities and suppliers are following the rules, and pushing for greater participation in retail markets. Ohio PUC encourages participation in retail power programs, by pointing out customers can save energy costs. However, variable rate customers during extreme winter conditions have experienced 25% increase in costs in some cases. Standard utility offer customers can expect higher costs with a generation adder of $0.01755 per kWh. AEP projects that 1.3 million customers in Ohio can realize significant rate hikes. The utility is looking at using a block of generation capacity to protect customers from high winter spikes and spreading out higher costs over multiple months. Customers consuming 800 kWh and higher will be impacted the most, based on AEP rates and winter fuel cost spikes.

FERC has approved the joint operating agreement between MISO and PJM which will allow the two systems to coordinate planning regarding ARR's. ARR are available because of improvements and enhancements made by merchant transmission owners. The FERC order allows MISO and PJM to study the impacts of grid upgrades on congestion and power flow on both systems. Reducing congestion saves money. FERC pointed out that upgrades will improve reliability of the transmission system and resolve impacts from neighboring ARR activities.

The latest round of auctions for 2014-2015 has Ohio PUC approving AEP's offer at $42.78 per MWH. Additional auctions are scheduled through November to cover the extra needed capacity. The auctions are based on a 2012 ESP order from the PUC. The auctioneer is National Economic Research Associates.

The push for renewable energy continues with the

Continued on page 5

NY STATE

The NYS-PSC approved their new "Electric Utilities Emergency Plan" on March 27, 2014. The recommendations are based on the Moreland Commission Study, initiated by Governor Cuomo in response to the catastrophic storms of 2013. The report looked at: Emergency management, Emergency Response, Emergency Preparedness by utility as well as government agencies. A major change is involvement by the National Guard during such events. SOME is meeting with the National Guard to discuss their capability for restoration and support services, along with core National Guard responsibilities. Utilities and other various communication venues, including media sources, are also involved. More details are available at the NYS-PSC website: Case Number 13 E-0550.

The PSC is requiring utilities to provide price calculators so that consumers can compare retail offers to utility standard offers. The recent Arctic temperatures caused prices to spike. Retailers purchasing wholesale power on the DAM or spot market show actual costs unless a hedging strategy or fixed price contract is in place. As a result, RESA is claiming the National Grid prices will be inaccurate and is urging the NY-PSC to suspend the comparison order. The actual calculations will favor the utilities. Retailers do not have the option of pushing costs into the future like utilities have. That process spreads out costs making utility rates appear cheaper.

A technical conference has been scheduled for April 7 at the PSC office in Albany. The purpose of the workshop is to develop plans for implementing retail market orders issued by the PSC in February. The conference will look at "Uniform Business Practices" and market changes needed to make retailers accountable.

US ENERGY

Predictions that the demise of the electric grid will follow the pattern of telephone land lines to cell-phones, have been made by NRG CEO David Crane. Technology improvements in solar panels and DG fueled by natural gas will lead to the changes. NRG plans on installing solar panels and DG units on customer sites, making their revenue from service and maintenance. Mr. Crane feels the transition may take 20 years but independence from the grid is possible. Nuclear power remains a viable generation option for lowering CO2 emission. However new plant construction would require government backing for nuclear plants to have a major impact on meeting national energy needs. With the current political climate and budget woes, any nuclear expansion possibilities are bleak at best. Mr. Crane pointed out the game changers will be: Smart Grid upgrades, more efficient appliances, more on site customers generating during on-peak periods, and more customer DG installations. He said the industry will have to adjust and provide new services. Overall DG with heat recovery, making it DG/CHP is 30 to 40% more efficient than conventional large generating plants with the added grid infrastructure. Utilities like NRG may have to consider selling services for maintenance of DG switch gear, servicing DG generators , etc.

Energy leaders met in Washington DC this past month to discuss the direction and future of the energy industry. While some utilities recognized the need for change and adapting to customer needs, others want to maintain the status quo. In light of state and federal mandates for renewable energy, EPA emission standards, deregulation and new energy efficiency standards, maintaining status quo will be extremely difficult. Previously Lynx *Currents* addressed the impact of legislated social policies on the electric energy industry. Other changes include the percentage of fuel mix as it changes with solar and wind making massive inroads while natural gas generators displace coal plants. Smart grid, smart meters and smart appliances will change how energy is transported avoiding congestion and carrying capacity issues. It will also impact how and when electricity is used. Integrating more cus-

continued on page 5

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.

US ENERGY MARKETS

Another RTO is moving forward as SPP (Southwest Power Pool) begins implementing an "Integrated Marketplace". CEO Nick Brown described the new structure that will improve grid reliability and help the grid select the most cost effective generators to meet supply and capacity needs of the region. The new structure contains a "day-ahead market" real time balancing markets and congestion markets, with price hedging options. The RTO anticipates the new market structure will provide $100 million in benefits for the region by handling 30,000 MW of capacity on a daily basis. It remains to be seen how states like Arizona who elected not to open retail markets will integrate with the new integrated market.

The latest state to weigh in on effectiveness of deregulated markets is Illinois. Moving from being the highest priced electricity in the Midwest to the lowest, business analysts concluded that Illinois consumers have saved $37 billion in electric costs in the past 16 years. The report containing the analysis is called "Electricity and Natural Gas Customer Choice I Illinois-A Model for Effective Public Policy Solutions". Skepticism remains as utilities and generators challenge the cost savings and benefits. However, the numbers clearly indicate the savings from having supplier competition, regional distribution infrastructure, effective policies and a working deregulated market. In contrast, neighboring states of Indiana and Michigan have experienced a $3 billion cost increase in the past 12 months. As a result, state legislators have passed legislation to remove the participation caps for state residents so they can participate in retail purchasing. State representative Mike Sharkey pointed out that going from deregulated markets back to a regulated monopoly in 2008 had severe economic impacts on the state. Sharkey has introduced bill HB 51484 which will remove the 10% cap on retail market participation opening up for full access to retail power purchases.

It appears that Washington DC is making $1 billion in grid investments to protect their electric grid. Electric distribution and transmission lines will be moved from being above ground to underground. The move, mandated by legislation, will reduce the impact of severe weather and reduce the potential for terrorism attacks on the grid. The project is expected to be completed by 2024. The measure will cost ratepayers an estimated 3.23% above current rates according to Pepco and DDOT (District Department of Transportation).

ISO-NE UPDATES *(CONTINUED)*

stakeholder meeting in an effort to find the best solutions. Additional natural gas pipelines are needed and will not be available before 2017. They require permitting, financing, and construction. Financing, specifically who is paying for the natural gas lines, still remains to be resolved and approved by regulators. Generators feel that government mandated initiatives such as RGGI and RPS impact private capital investments negatively in deregulated markets.

Changes in leadership at the Massachusetts DPU have David Cash taking the helm as the new Commissioner of the Department of Environmental Protection. Governor Deval Patrick also announced that Kate McKeever will join the Utility Regulatory Commission. Mr. Cash will be replacing retiring Commissioner Kenneth Kimmel.

PJM UPDATES *(CONTINUED)*

latest action taken by Maryland state legislators. Maryland's new energy bill, has established a new RPS in which 40% of the state energy mix will be renewable energy by 2025. The measure is expected to add around $2.00 per typical residential account monthly bill. That is on top of a previously passed offshore wind measure adding another $2.00 per month for residential customers. Officials expressed concern that deregulation will be blamed for higher prices, when in fact the legislated add-ons will be the actual reason for price increases. Reinforcing that concern MEGC claims that 40% renewable Energy would cost consumers billions of dollars and hurt the state economy. Having such a high percentage of renewables can make it difficult for grid operators to maintain reliability and capacity. Solar and wind reliability is under 40% which means generators need sufficient conventional capacity to make up the difference. MEGC calculates it will cost the average retail consumer up to $215 per year by 2025 for the new renewable REC's mandate.

The Maryland Governor has set a goal of 15% energy reduction for state agencies by 2015. State agencies have already reduced energy consumption by 11% since 2008. Maryland is using Energy Cap to manage their data, DR Projects and Utility purchases.

In response to Hurricanes Irene and Sandy, the PA-PUC has established the "Critical Infrastructure Interdependency Working Group" similar to actions taken by the NY-PSC. The group consists of all the major utilities such as electric, natural gas, water, telecom, and ancillary services such as cable and Wi-Fi. The goal of the working group is to establish protocol for communications assuring quicker response and coordination between involved entities during emergencies. Emergencies can occur for a variety of reasons including weather, equipment failure, fire, earthquake and terrorist or cyber- attacks. Utilities and various government groups need to keep the public informed about the nature of the problem, instructions, and timelines for assistance. The end goal is to make sure all parties are informed and working together to restore services and protect the public.

FERC UPDATES *(CONTINUED)*

joint MOU. The agreement, signed on Jan. 2 2014, allows the two federal agencies to communicate, thereby fostering coordination and information sharing. FERC Chairman LaFleur stated the agreement will strengthen market oversight ensuring markets are competitive, fair and effective. CFTC chairman stated the new "Surveillance & Data Analysis Working Group", sets a new milestone for interagency cooperation.

NYISO and PJM have received approval from FERC for tariff changes allowing Inter RTO/ISO power exchanges. The changes will allow suppliers to shop in each other's territories to obtain the cheapest power available and are expected to save anywhere from $9 to $26 million per year for rate payers. Following tariff changes, the new system will allow more energy transactions with neighboring transmission lines. Both the RTO and ISO expect to have the new energy transaction policies and protocol fully operational by November of 2014. Further "Broader Regional Markets" will continue to expend as Coordinated Transaction Scheduling becomes implemented, providing more reliability and economic benefits for all participants.

US ENERGY *(CONTINUED)*

tomer owned generation, specifically DG/CHP, will impact utilities as customers and utilities determine the best way to work together. As the role of utilities is being redefined, utilities are becoming the back up for DG systems and will require a fair compensation tariff still to be determined in many states. Regulators will face huge challenges integrating all the new technologies, providing reliable and economic power while maintaining grid margins. Redefining utility rates and establishing new service provider service opportunities such as DG maintenance and new innovative applications appear to be the future.

The impacted states are looking at the winter price spikes across the states. Maryland PSC said customers paid over $.40 per kWh, well above the typical $0.05 per kWh average. PA customers saw prices above $0.20 per kWh. New York PSC allowed National Grid, to spread the price spikes over 3 months to lessen the impact on customers. Retail customers with variable price contracts were impacted the most. NEMA pointed out that despite the price spikes retail customers have realized savings. Marketers will face challenges and need to provide different contracts and purchasing plans besides the standard variable rates and fixed rate plans in order to stray competitive in the marketplace. Suppliers will be faced with more innovative products and value added benefits for their retail customers.

RGGI is adjusting allowances based on banked allowances and meeting the established CO2 goals. An allowance is one ton of CO2 emissions per year. The RGGI states are located in Mid Atlantic and New England. RGGI is a type of Cap and Trade that auctions off allowances for large CO2 emitters. The funds collected are used to pay for emission reduction, fuel switching, and renewable energy projects. Solar, wind biofuels and energy efficiency upgrades are recognized programs that reduce CO2 emissions.

NYISO UPDATES

Debate over the new Lower Hudson NYISO zone continues as multiple factions including NYISO, IPPNY and the NY-PSC call for a rehearing on the FERC order. The PSC is claiming that a new zone is not needed as new approved transmission lines will move power from upstate NY and will be operational by 2018. However, the PSC noted that should FERC insist on the new zone, it should be phased in over 3 years to lessen a $230 million impact on ratepayers. IPPNY opposes the FERC order claiming that the analysis performed by outside consultant Brattle Group for FERC used the wrong technology for their analysis. As a result, IPPNY is challenging the generator technology Brattle Group is recommending for NY. The new zone is scheduled to be operational this spring. Concern over rate shock seems to be a source of contention. The argument is based on new transmission lines which will supply power from Hydro Quebec. Meanwhile IPPNY argues that the technology for new power plants in Lower Hudson should be changed. The current selection consists of Siemens F-Class turbines with SCR emission controls. FERC stands by their decision in the selection for the turbine to support capacity for Lower Hudson. The Brattle Group also has diverging opinions towards using the Siemens Turbines. For now the FERC ruling stands.

NYISO has announced that Adam Sieminski from EIA will be the keynote speaker at the June 23 "Grid Modernizations and Competitive Markets". The theme of the conference is grid modernization, fuel mix diversity, DG Distributive Generation and power markets. NYC will be the host site for the conference at the Grand Hyatt.

TIP OF THE MONTH

Our staff recently presented at the "Ed Tech" conference held at Ithaca College, NY. Lisa Klein, our Program Manager, addressed funding sources for the various technologies and how IT business can lower their energy costs. This month's "Tip of the Month" will recap some of the highlights.

When it comes to energy savings it boils down to four factors:

- Decrease the amount of energy used
- Purchase cheaper power (Wholesale versus Retail)
- Use power in off peak or peak limiting manner
- Use equipment that increases productivity so you are doing more without additional power input

To make the investment in energy efficient equipment and upgrade technology and productivity, there are a variety of funding sources available as well as tax credits , tax deferment, sales tax exemptions, interest by-down, utility rebates and grants. Tax credits are typically federal in nature and allow income tax reduction based on the energy savings. We recommend you check with your accountant to see if your facility qualifies. Sales tax exemptions are typically handled by IDA and avoid taxes on customers' purchases of equipment and upgrades.

Utility rebates vary by regions, states and utilities. Typically the utilities have a list of pre-approved technologies or measures that qualify for rebates. Grants come in many forms and multiple funding sources. In New York we have NYSERDA PONs which fund a variety of energy saving measures. There are competitive grants in which projects, usually research or pilot in nature, that are selected by a technical panel. Simply applying does not guarantee funding and applications may cost tens of thousands of dollars to develop. Prescriptive grants on the other hand, are typically performance based. For example if the PON pays for energy efficiency upgrades using premium efficiency motors, new lighting technology, and new HVAC equipment you are paid up to the program cap on a shared cost basis for the savings achieved. There is a base line established by engineering firms that calculate the potential savings and a verification process proving that you reduced the kW and kWh, which determines the incentive.

We can assist you, should you choose to take advantage of any of these programs. Contact Lisa Klein at 716-774-1341 to get more details on enrollment packages. Our staff can assist you with the registration, reporting, and paper work with both NYISO and ConEdison.

GLOSSARY OF ACRONYMS

ARR - Auction Revenue Rights

AEP - American Electric Power

CFTC - Commodity Futures Trading Commission

DAM - Day Ahead Market

DG - Distributive Generation

EIA - Energy Information Administration

ESP - Electric Security Plan

IPPNY - Independent Power Producers of New York

MEGC - Maryland Energy Group

MISO - Midwest ISO

MOU - Memorandum of Understanding

NEPGA - New England Power Generators Association

NEMA - National Electrical Manufacturers Association

NEPA - National Environmental Policy Act

NEPOOL - New England Power Pool

NESCOE - New England States Committee on Electricity

RGGI - Regional Greenhouse Gas Initiative

RPS - Renewable Portfolio Standards

SOME - State Office of Emergency Management

April 2014

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8 NYISO ICAP Monthly Auction	9 NYISO ICAP Monthly Auction	10	11 NYISO ICAP Monthly Auction Results	12
13	14	15	16	17	18 Certification	19
20 Easter	21	22 NYISO ICAP Spot Auction	23 NYISO ICAP Spot Auction	24	25	26
27	28	29 NYISO ICAP Spot Auction Results	30			

FUTURE DATES

APRIL

8-9 NYISO ICAP Monthly Auction

11 NYISO ICAP Monthly Auction Results

18 Certification

22-23 NYISO ICAP Spot Auction

29 NYISO ICAP Spot Auction Results

May

8-9 NYISO ICAP Monthly Auction

13 NYISO ICAP Monthly Auction Results

21 Certification

23-26 NYISO ICAP Spot Auction

29 NYISO ICAP 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. ***We urge our customers to get their information in to our office now before the summer strip starts. Should you miss the deadline customers can still participate on a monthly basis but will miss out on May payments for 2014***. Call Lisa Klein or Bert Spaeth in our Lynx office at 716-774-1341.

COMMODITY PRICING

Historical - Flat DAM

	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
NYISO-A	33.00	38.48	43.99	106.48	73.00	87.01
NYISO-F	35.61	40.65	63.61	176.83	135.16	114.81
NYISO-J	37.55	40.82	61.14	175.92	122.84	110.51
NYISO-K	41.21	46.52	76.26	187.11	145.94	117.17
PJM-PSEG	36.33	38.37	45.79	184.41	89.93	83.56
PJM-JCPL	36.12	37.32	42.56	176.63	78.12	78.82
PJM-APS	34.73	34.91	39.15	107.43	69.25	68.96
PJM-PECO	34.70	36.27	40.15	168.45	74.00	77.50
PJM-PPL	34.62	36.09	40.34	167.39	74.13	76.93
PJM-DLCO	33.92	32.93	36.65	83.22	57.65	54.50
PJM-PENELEC	35.82	36.37	40.50	116.57	72.96	71.47
PJM-METED	34.61	36.38	40.44	166.67	73.72	77.17
PJM-BGE	38.17	39.40	44.68	179.66	75.97	82.40
ISONE-CT	34.51	44.70	87.97	166.29	153.89	118.82

Current Projections

	Apr-14	May-14	Jun-14	Apr-14 to Mar-15		
	Flat	Flat	Flat	Flat	Peak	Off Peak
NYISO-A	45.14	40.90	43.56	45.74	54.54	38.07
NYISO-F	50.70	44.30	50.42	59.81	71.44	49.67
NYISO-J	52.28	47.77	55.93	62.13	75.12	50.81
NYISO-K	58.13	59.57	64.26	69.32	84.28	56.28
PJM-PSEG	48.41	46.53	47.88	52.14	64.02	41.78
PJM-JCPL	47.01	45.32	47.06	50.80	62.66	40.45
PJM-APS	42.91	41.15	42.20	43.84	53.05	35.81
PJM-PECO	45.00	43.13	45.19	47.76	58.74	38.19
PJM-PPL	45.08	42.96	44.74	47.21	57.95	37.85
PJM-DLCO	40.19	38.13	38.86	39.70	47.70	32.72
PJM-PENELEC	43.67	41.82	43.59	45.26	55.14	36.64
PJM-METED	45.25	43.10	44.95	47.41	58.19	38.00
PJM-BGE	48.97	46.89	50.53	52.73	65.04	41.99
ISONE-CT	54.70	44.63	60.33	70.94	82.04	61.26

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 (Renewable Energy Credits) 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. Suffice it to say, Solar is the most expensive and Tier or Class II is the least expensive. Failure to purchase green energy or AEPS (Alternative Energy Portfolio Standard) or REC's will result in a default REC. PJM customers would pay Alternative Energy Credits (AEP) at $500 per credit. Connecticut has a default rate as well. 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 up to 27% in certain states by 2025.

Note: To ease the burden of purchasing annually and the large cash expenditure, Lynx is recommending purchasing REC's on a quarterly basis to avoid higher prices at the end of the reporting period.

Lynx EMS

Address:

2680 Grand Island Blvd, Suite 2

Grand Island, NY 14072

Phone: 716-774-1341

Fax: 866-316-8599

Website: www.LynxEMS.com

Contacts:

Kevin Schoener: KHSchoener@LynxEMS.com

Lisa Klein: LRKlein@LynxEMS.com

Bert Spaeth: BASpaeth@LynxEMS.com