

Fourth Forward Capacity Auction (FCA #4) Results Summary

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Highlights

- FCA #4 was held on August 2-3 and successfully procured resources to satisfy the region's Installed Capacity Requirements (ICR) for the 2013/2014 commitment period
- Nearly 1,500 MW of new resources (generation, imports, demand resources) cleared the auction and have a Capacity Supply Obligation
- ISO's FERC filing on FCA #4 is scheduled for completion by the end of August

FCA #4 Overview

- FCA #4 was held on August 2-3
 - There were seven rounds in which participants could submit bids and offers
 - Starting price was \$9.836/kW-mo
 - Ending price was \$2.951/kW-mo
 - Floor Price for FCA #4

Excess Supply Floor	External Interface Limits	Maximum Capacity Limit (MCL)	Real-Time Emergency Generation (RTEG)
5,462	Capped	Uncapped	Uncapped
5,374	Capped	Uncapped	Capped
4,620	Capped	Capped	Uncapped
4,536	Capped	Capped	Capped

FCA #4 Overview, *cont.*

- Cleared MW in Rest of Pool will receive a prorated payment of \$2.516/kW-mo unless they elect to prorate their MW obligation
- Cleared MW in Maine will receive a prorated payment of \$2.336/kW-mo unless they elect to prorate their MW obligation
- The resource proration election window will open on August 12 and close on August 18
- FCA #4 results are scheduled to be filed with FERC before the end of August

FCA #4 Details

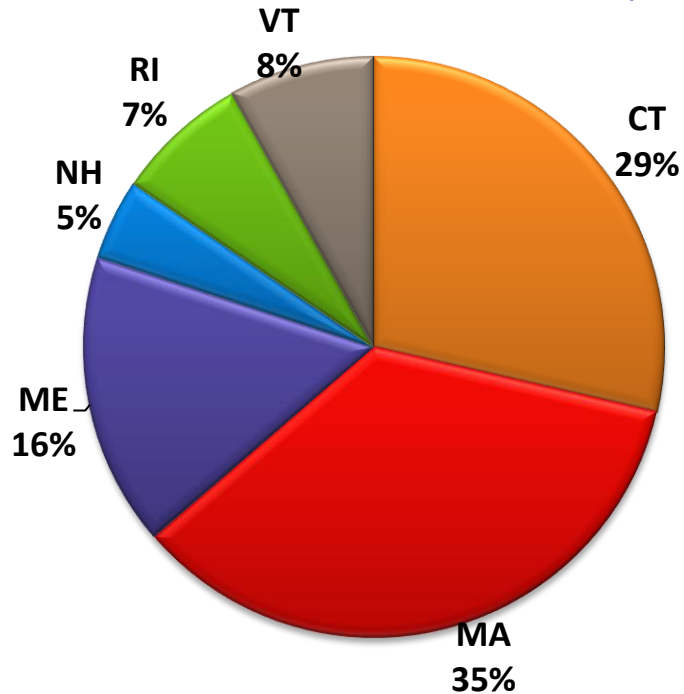
- ICR for June 1, 2013 through May 31, 2014 is 33,043 MW
 - After accounting for 916 MW of Hydro-Québec Installed Capacity Credits, 32,127 MW remained to be procured (Net ICR)
- Approximately 40,412 MW qualified to participate in FCA #4
 - Qualified Existing Resources (37,211 MW)
 - 32,718 MW of Generating Capacity, including Intermittent
 - 1,356 MW of Import Capacity
 - 3,137 MW of Demand Resources
 - Qualified New Resources (3,201 MW)
 - 47 New Supply Resources (2,191 MW)
 - 947 MW Generating Capacity
 - 1,244 MW Import Capacity
 - 122 New Demand Resources (1,010 MW)

FCA #4 Details, *cont.*

- Approximately 37,589 MW (uncapped by Maximum Capacity Limit (MCL) and Real-Time Emergency Generation (RTEG)) remained at the floor price
 - Existing Resources (36,098 MW)
 - 33,264 MW of Existing Supply Resources
 - 32,103 MW of Generation Capacity
 - 1,161 MW of Import Capacity
 - 2,834 MW of Existing Demand Resources
 - New Resources (1,490 MW)
 - 973 MW of New Supply Resources
 - 144 MW of Generation Capacity
 - 830 MW of Import Capacity
 - 515 MW of New Demand Resources
- Approximately 37,501 MW (capped by RTEG) total capacity was used to calculate the effective payment rate

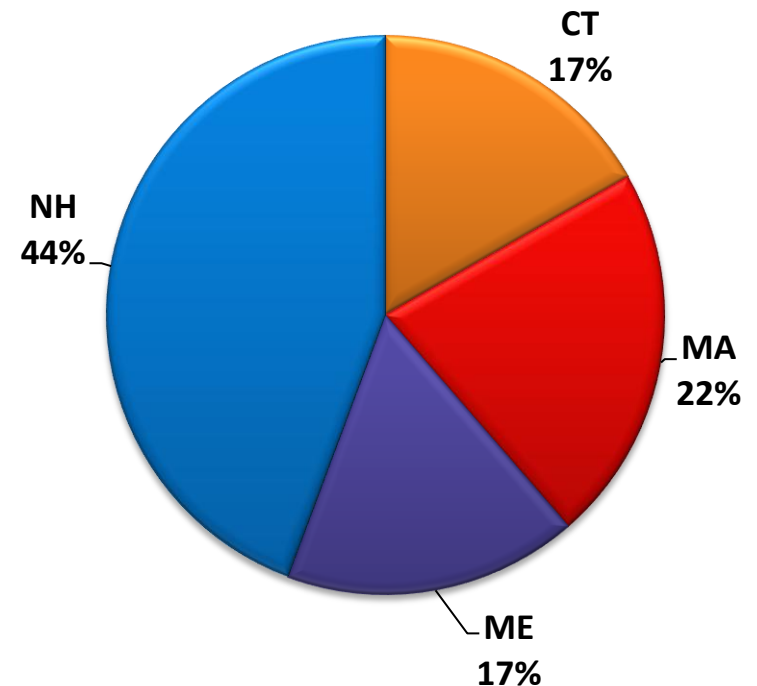
Comparison of New Demand Resources and Generation

New Demand Resources (%)



515 MW Total

New Generation Resources (%)



144 MW Total

results of FCA #4 (for delivery in 2013)
values reflect percent of MW total

FCA #4 Details, *cont.*

- Approximately 281 de-list bids were reviewed for reliability (2,419 MW)
 - De-list Bids $> 0.8 \times$ Cost of New Entry (CONE) (Permanent, Static, Exports and Administrative Export bid) are submitted prior to the auction
 - 119 Resources submitted consisting of 1,248 MW
 - De-list Bids < 0.8 (below \$3.934/kW-mo) \times CONE (Dynamic)
 - 162 Dynamic De-list bids (1,171 MW)

Summary of Auction Rounds with Excess Supply and Price Changes

Round	Start Price	End Price	Delta \$	Excess Start ¹	Excess End ¹	Delta MW
1	9.836	5.902	3.934	6349.475	5639.642	709.833
2	5.902	4.918	0.984	5639.642	5441.218	198.424
3	4.918	4.426	0.492	5441.218	5343.238	97.98
4	4.426	3.934	0.492	5343.238	5245.267	97.971
5	3.934	3.689	0.245	5245.267	4796.808	448.459
6	3.689	3.32	0.369	4796.808	4779.039	17.769
7	3.32	2.951	0.369	4779.039	4619.754	159.285

¹capped by Import Interface Limits and MCL