

THIS FILING LETTER DOES NOT CONTAIN ANY PRIVILEGED OR CONFIDENTIAL INFORMATION. REPORT SECTIONS II AND III DO NOT CONTAIN ANY PRIVILEGED OR CONFIDENTIAL INFORMATION. THE BODY OF REPORT SECTION I, THE REDACTED VERSION OF ATTACHMENT 1 (MARKED PUBLIC) AND ATTACHMENT 3 TO REPORT SECTION I, DO NOT CONTAIN ANY PRIVILEGED OR CONFIDENTIAL INFORMATION. ATTACHMENTS 1 AND 2 TO REPORT SECTION I CONTAIN PRIVILEGED AND CONFIDENTIAL INFORMATION, AND ARE SUMMITTED IN A SEPARATE, CLEARLY MARKED, ENVELOPE.

December 20, 2010

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: Annual Report in Docket Nos. ER01-3001-____, ER03-647-____ and
Request for Privileged Treatment of Attachments 1 and 2 to Report Section I

Dear Ms. Bose:

Enclosed for filing in the above-referenced dockets is the New York Independent System Operator's ("NYISO's") annual report to the Federal Energy Regulatory Commission ("Commission") on the NYISO's Installed Capacity ("ICAP") Demand Curves and New Generation Projects in the New York Control Area.¹ By order dated March 25, 2010, the Commission granted the NYISO permission to submit this annual report by December 20, 2010² and by Order dated February 3, 2010, directed the NYISO to file this report for informational purposes only.³

I. List of Documents Submitted

The NYISO submits this report comprised of the following separate sections:

- I. Capacity Market Report and Withholding Analysis
- II. Report on New Generation Projects
- III. New Generation Projects and Net Revenue Analysis

¹ *New York Independent System Operator, Inc.*, 117 FERC ¶ 61,086 (2006); *New York Independent System Operator, Inc.*, 103 FERC ¶ 61,201 (2003), 108 FERC ¶ 61,280 (2004), 121 FERC ¶ 61,090 (2007), 123 FERC ¶ 61,206 (2008). In Docket ER03-647, the NYISO files an annual report regarding its Demand Side Management programs on January 15, and a semi-annual report on its Demand Side Management programs and new generation projects on June 15 each year.

² *New York Independent System Operator, Inc.*, 130 FERC ¶ 61,237 (2010).

³ *New York Independent System Operator, Inc.*, Order, Docket Nos. ER01-3001 and ER03-647 (Feb. 3, 2010).

II. Request for Confidential Treatment of Attachments 1 and 2 of Report Section I

In accordance with Sections 388.107 and 388.112 of the Commission's Regulations,⁴ Article 6 of the NYISO's Market Administration and Control Area Services Tariff, Sections 1.0(4) and 4.0 of the NYISO's Code of Conduct, the NYISO requests Privileged and Confidential treatment of the contents of Attachments 1 and 2 of Report Section I (the "Confidential Attachments"). The NYISO also requests that Confidential Attachments be exempted from public disclosure under the Freedom of Information Act ("FOIA"), 5 U.S.C. § 522.⁵

The Confidential Attachments contain privileged and commercially sensitive, and trade secret information that is not made public by the NYISO and that could cause competitive harm to the affected Market Participants,⁶ and could adversely affect competition in the markets administered by the NYISO, if publicly disclosed. This information includes the identity of Installed Capacity Suppliers and offers, and the basis therefor, and costs of the Installed Capacity Suppliers. This confidential, commercially sensitive information is exempt from disclosure under 5 U.S.C. § 522(b)(4). For this reason, the NYISO requests that the contents of Confidential Attachments received Privileged and Confidential treatment and be exempt from FOIA disclosure.

A redacted, public version of the contents of Attachment 1 is provided with the Report.

The NYISO requests waiver of any obligation it may have under the Commission's regulations or the Secretary's rules to submit a redacted version of Attachment 2. The NYISO incorporated into the body of Report Section I a masked or aggregated version of the information that is contained in Attachment 2 and thereby makes publicly available the information contained in Confidential Attachment 2 that is not confidential and commercially sensitive. In that regard, the NYISO has provided a redacted version of the information contained in Attachment 2 within the body of the report.

Attachments 1 and 2 are identified and marked in accordance with the Commission's regulations and rules published by the Secretary's Office for submitting Privileged information.

⁴ 18 C.F.R. §§ 388.107, 388.112 (2010).

⁵ The information provided by the NYISO for which the NYISO claims an exemption from FOIA disclosure is labeled "Contains Privileged Information – Do Not Release."

⁶ Terms with initial capitalization not defined herein have the meaning set forth in the NYISO's Market Administration and Control Area Services Tariff.

Kimberley D. Bose, Secretary

December 20, 2010

Page 3

III. Correspondence

Copies of correspondence concerning this filing should be addressed to:

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Respectfully submitted,

/s/

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Michael Mc Laughlin
Kathleen E. Nieman
Daniel Nowak
Rachel Spiker

CERTIFICATE OF SERVICE

I hereby certify that I have on this day served the foregoing document on the official service lists compiled by the Secretary in these proceedings. I have also electronically served the foregoing on all market participants, on each participant in its stakeholder committees, on the New York State Public Service Commission, and on the electric utility regulatory agency of New Jersey.

Dated at Washington, DC, this 20th day of December 2010.

/s/ Cathy Karimi
Hunton & Williams LLP
1900 K Street, NW
Washington, DC 20006
(202) 955-1500

I. Installed Capacity Demand Curves Report

Capacity Market Report and Withholding Analysis

This report (the “December 2010 Report”) reviews the outcomes in New York Independent System Operator (“NYISO”)-administered Capacity markets, assesses the effectiveness of the Installed Capacity¹ (“ICAP”) Demand Curves in attracting investment in new generation, and examines potential withholding activity in NYISO-administered Capacity auctions for the three Capacity regions in the New York Control Area (“NYCA”): New York City, Long Island, and the NYCA. The December 2010 Report covers the Winter 2009-2010 and Summer 2010 Capability Periods, which span from November 2009 through October 2010. The results of similar analyses conducted by the NYISO for the previous Winter and Summer Capability periods and extending through November 2009 were reported to the Commission in a filing on January 15, 2010. Similar filings cover earlier periods. The analyses conducted for this report is consistent with the methodology that was established for the January 2010 Report² covering November 2008 through November 2009. The December 2010 Report includes a new table that shows monthly unoffered, and offered but unsold, capacity for each Locality, entitled “Table 1. Monthly Unoffered and Unsold Capacity by Locality”.³

Capacity prices during the Winter 2009-2010 Capability Period exhibited more variation than all previous Winter Capability Periods for the NYCA, as well as in the New York City and Long Island Localities. The removal from service of a large generator in the New York City Locality at the end of January 2010 led to higher prices in New York City from February through the remainder of the Winter Capability Period. NYCA prices also initially rose with this removal due to reduced supply, but fell in subsequent months concurrent with increases in higher imports. Auction prices for the Long Island Locality were set by the NYCA Market-Clearing Price in all six months of the Winter Capability Period.

During the Summer 2010 Capability Period, Capacity auction prices in New York City remained stable, but were significantly higher than the Summer 2009 Capability Period. ICAP

¹ Terms in upper case not defined herein shall have the meaning set forth in the NYISO’s Market Administration and Control Area Services Tariff (“Services Tariff”).

² NYISO Updated Status Report at pp. 3-4. See also Section III.C of this report, which contains the updated NYCA unsold capacity analysis.

³ The NYISO proposed to provide greater transparency into potential withholding behavior by including unoffered and unsold capacity in the New York City Locality in its Installed Capacity Demand Curves Reports that are filed annually with the Commission. See *New York Independent System Operator Inc.*, Compliance Filing at 16, Docket Nos. ER10-2210-000 (filed August 12, 2010) (“NYISO August 2010 Compliance Filing”).

Spot Market Auction prices for Summer 2010 were \$4.71/kW-month higher on average than Summer 2009 prices, which was mostly driven by the removal from service of the large generator mentioned above. Capacity prices in Long Island and for the NYCA were lower on average in Summer 2010 than in Summer 2009. The Long Island price was set by the NYCA price for the inner four months of the Summer Capability Period, June through September.

For the December 2010 Report period, there was no change in the proportion of Load Serving Entity (“LSE”) Capacity requirements being met from purchases in the NYISO-administered Capacity markets versus other sources, such as bilateral contracts, when compared to previous years. In UCAP terms, in the Winter 2009-2010 Capability Period, 47.52% of LSE Capacity requirements were met through bilateral purchases, while the remaining percent of LSE obligations were met through the NYISO-administered auctions. Similarly, in the Summer 2010 Capability Period, 45.07% of LSE capability requirements were met through bilateral purchases, while the remaining LSE obligations were satisfied through purchases made in the NYISO-administered auctions. The amount of UCAP purchased through the NYISO-administered actions was 2.73% and 5.51% greater than the previous Winter and Summer values, respectively.

Overall, the clearing prices resulting from the ICAP Demand Curves in the ICAP Spot Market Auctions support the conclusion that the ICAP Spot Market Auctions continue to be attractive to Installed Capacity Suppliers and provide a venue for them to offer available Capacity Resources for the month. In the three NYISO Capacity zones, the quantities of unsold and unoffered capacity are less than three percent of available supplies (*see* Charts 7 and 8). In addition, the Capacity offered and purchased in each of the two Localities and in the NYCA consistently exceeded the minimum Capacity requirements, and prices have been below the net cost of new entry (“Net CONE”) reflected on the ICAP Demand Curves. Thus, the results of the analysis in this report as well as the performance of the market do not raise concerns about withholding in the NYCA, New York City, or Long Island markets.

It continues to be difficult to correlate the effects of the ICAP Demand Curves on investment in new generation in the NYCA mainly because over the past several years New York has had Capacity available in excess of the minimum amount to satisfy reliability requirements. The NYISO understands that developers will look to anticipated future revenues when making investment decisions in the near term. At this time, the current ICAP market structure provides sufficient market signals to anticipate future revenues. While there were no Reliability Needs identified in the NYISO’s 2010 Reliability Needs Assessment, the NYISO will

continue to monitor potential reliability risks and other issues that may affect the reliability outlook of New York's electric system. This effort will include tracking the planned development of generation, transmission and demand response resources as well as evaluating the cumulative effect of emerging environmental regulations on the existing generation fleet.

The NYISO has initiated several efforts to evaluate and enhance its Installed Capacity Markets. For example, the NYISO spent considerable time in 2008 and 2009 working with stakeholders to evaluate the use of a forward Capacity market. After extensive stakeholder meetings and input from a consultant, the NYISO decided not to pursue a forward Capacity market at that time, and its stakeholders concurred. Other efforts were the subject of NYISO proposed Tariff revisions, while others are still underway. For example, the buyer-side mitigation measures pertaining to In-City Installed Capacity Suppliers have been clarified over the past year through NYISO filings and FERC orders.⁴ The NYISO also developed, through an extensive stakeholder process proscribed by its tariff, and filed with the Commission the Demand Curves for the Capability Years of 2011/2012, 2012/2013, and 2013/2014.⁵ Also, the criteria upon which to assess the addition of a new Capacity zone has been developed in the stakeholder process and will be the subject of the NYISO's compliance filing on January 4, 2011.⁶ Further, alternative methodologies for baseline calculations for Special Case Resources are currently being evaluated through the NYISO's stakeholder process.

The NYISO continues to believe that the ICAP Demand Curves, and the use thereof for the NYCA ICAP market, remain sound. The Demand Curves are structured to provide incentives to develop new Capacity when and where it is needed, particularly when compared to the *de facto* vertical demand curves in place prior to the Summer 2003 Capability Period. Although the specific parameters of the ICAP Demand Curves (*i.e.*, the slope and the height), likely will continue to be subject to debate in the ICAP Demand Curve reset process, there can be little doubt that the resulting incentives are positive when viewed against a vertical demand

⁴ See, e.g., *New York Independent System Operator, Inc.*, 131 FERC ¶ 61,170 (2010); *New York Independent System Operator, Inc.*, 133 FERC ¶ 61,178 (2010); *New York Independent System Operator, Inc.*, Proposed Enhancements to In-City Buyer-Side Capacity Mitigation Measures, Docket No. ER10-3043-000 (filed September 27, 2010); *New York Independent System Operator, Inc.*, Initial Compliance Filing, Docket No. ER10-3043-001 (filed December 7, 2010).

⁵ *New York Independent System Operator, Inc.*, Tariff Revisions to Implement Revised ICAP Demand Curves for Capability Years 2011/2012, 2012/2013 and 2013/2014, Docket No. ER11-2217-000 (filed November 30, 2010).

⁶ *New York Independent System Operator, Inc.*, 127 FERC ¶ 61,318 at P 53 (2009); *New York Independent System Operator, Inc.*, Notice of Extension of Time, Docket Nos. ER04-449-018, and 019 (issued October 4, 2010).

curve. The ICAP Demand Curves by their very design ameliorate the unstable prices resulting from the prior *de facto* vertical demand curves, provide market-driven compensation for Capacity above the minimum Capacity requirement, and reduce incentives for withholding.

Recent Installed Capacity Auction Results and Capacity Purchases

Committed Capacity remains well above minimum Installed Capacity requirements for the NYCA, as well as in the New York City and Long Island Localities.

In general, the Dependable Maximum Net Capability (“DMNC”) available from many generators in the NYCA increases in the winter because of the lower ambient temperatures. Capacity offers from External Control Areas also increase and decrease seasonally. Further, the NYCA Demand Curve price declines to zero when supply exceeds the minimum Capacity requirement in the NYCA by 12 percent or more.⁷ Accordingly, the NYCA auction clearing prices are consistently at or below half of the estimated net cost of new entry for the peaking unit Capacity.

The amount of Capacity committed to the NYCA, including imports, continues to be high. The import levels were 1,293.9 MW in the Winter 2009-2010 Capability Period and 2,203.1 MW in the Summer 2010 Capability Period. While these total NYCA values were lower than the previous year, the declines in imports into the ROS were offset by increases in imports over Scheduled Lines into the New York City and Long Island Localities. Nevertheless, the total Capacity committed to the NYCA continues to be well in excess of the minimum requirements.

ICAP Market Clearing Prices and auction activity levels from November 1999 through October 2010 for the NYCA, New York City, and Long Island are shown in tabular form in Appendix A. Market clearing prices are depicted in graphic form in Charts 1, 3, and 5, and Capacity commitment levels (including unsold MW) are depicted in Charts 2, 4, and 6, below. The NYCA Unsold MW depicted in Chart 2 includes unsold MW located in Rest of State, as well as the Unsold MW depicted in Charts 4 and 6 for the New York City, and Long Island localities, respectively.

⁷ For the Winter 2009/2010 and Summer 2010 Capability Periods covered in this report, the NYCA Demand Curve has a zero-crossing point at 112 percent of the NYCA minimum capacity requirement.

Chart 1

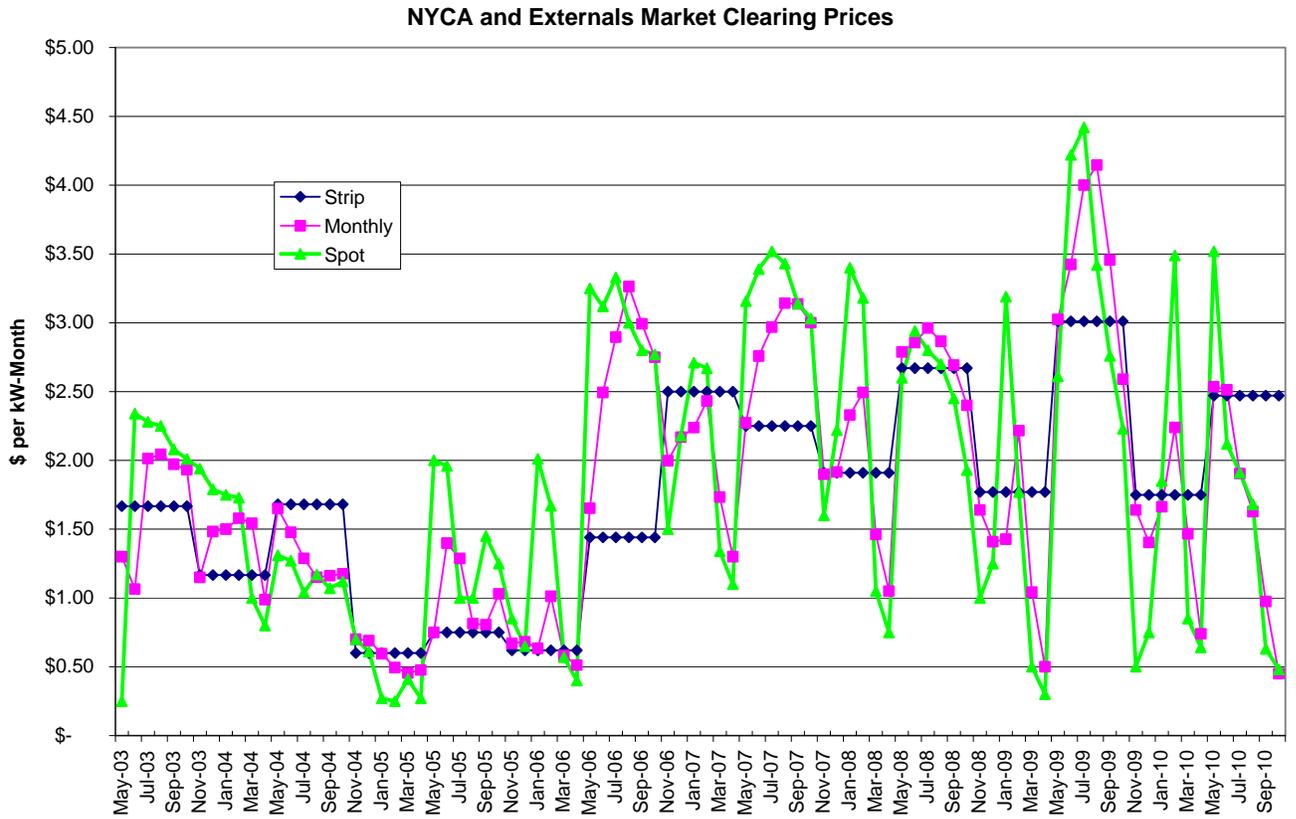


Chart 2

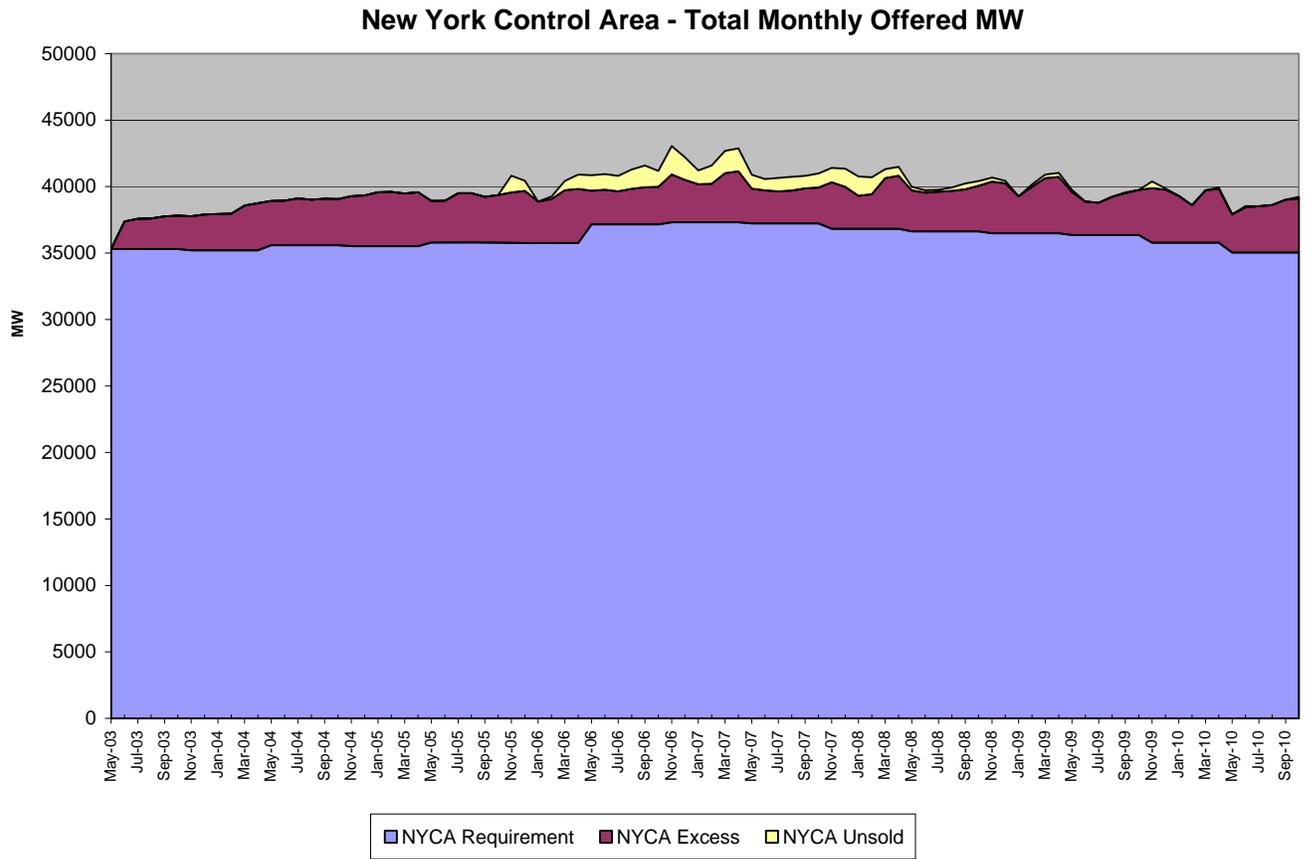


Chart 3

New York City Market Clearing Prices

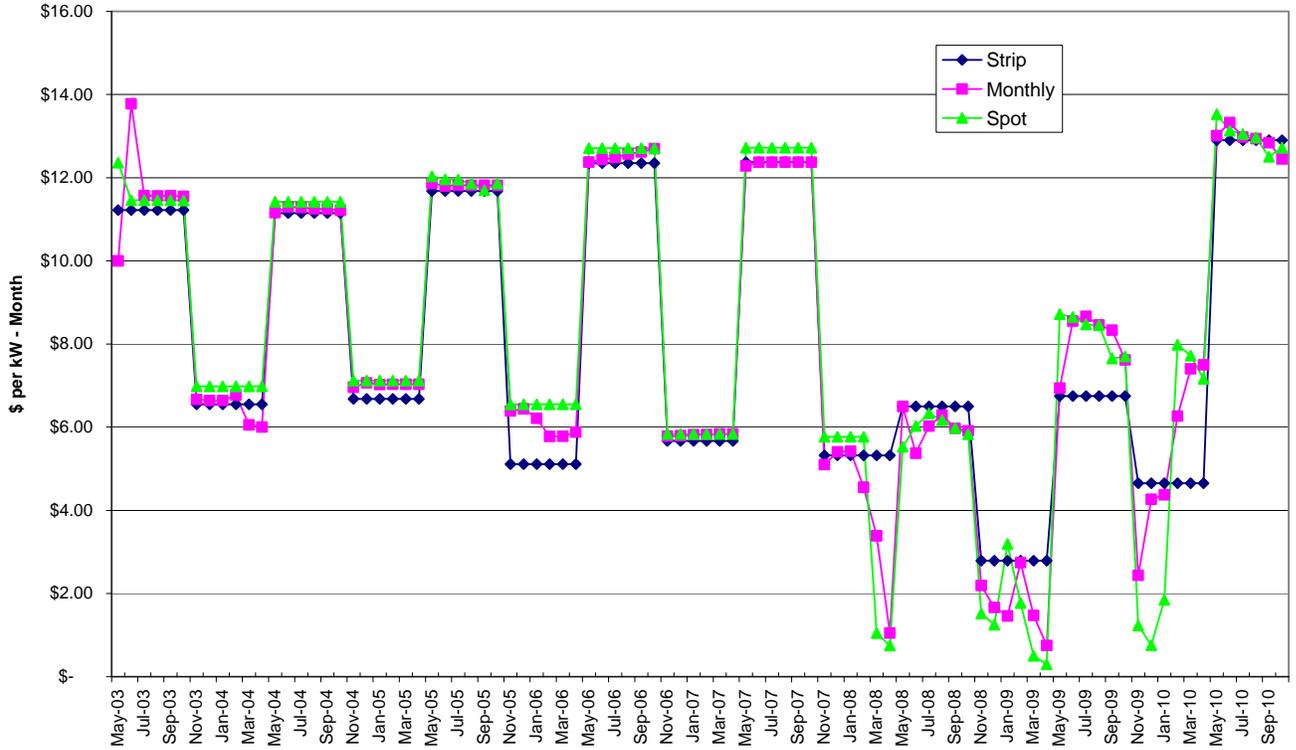


Chart 4

New York City - Total Monthly Offered MW

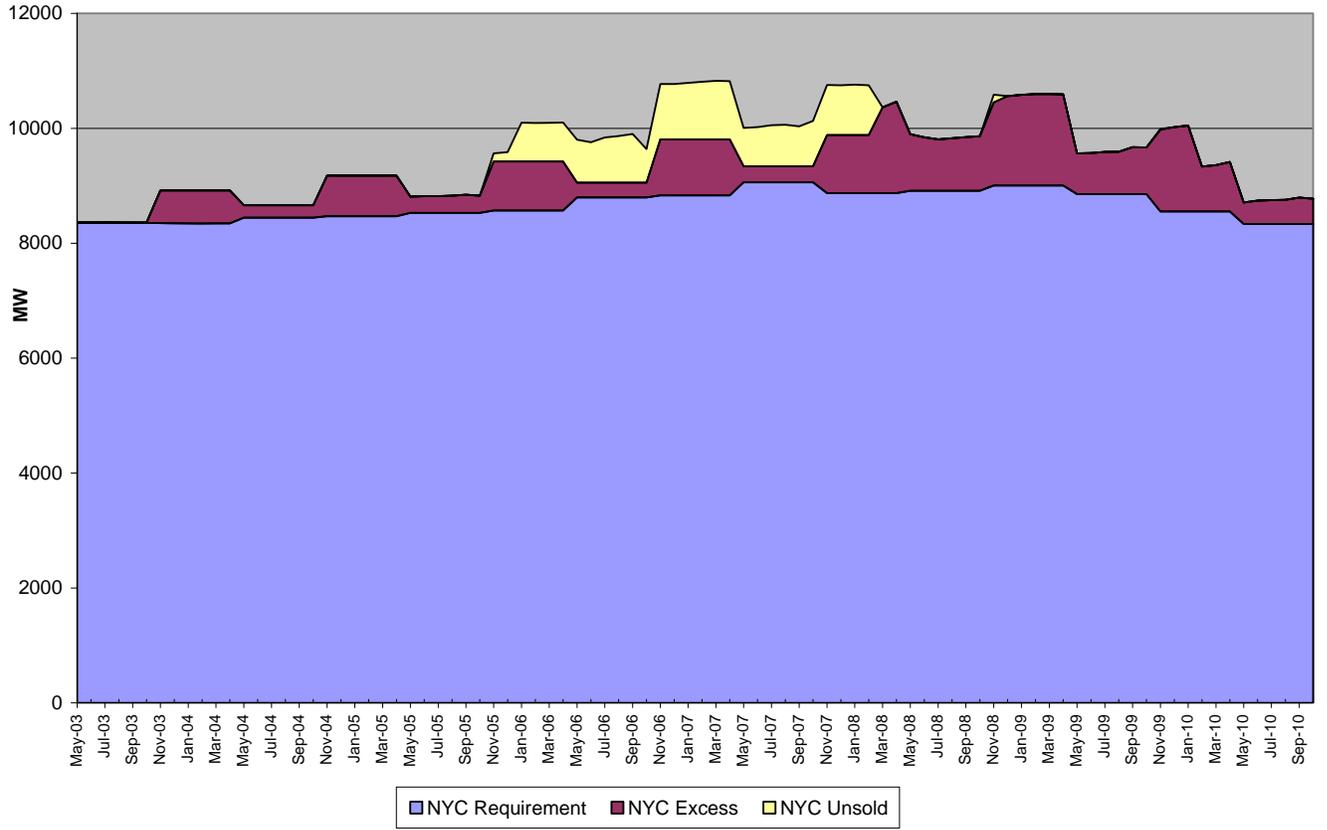


Chart 5

Long Island Market Clearing Prices

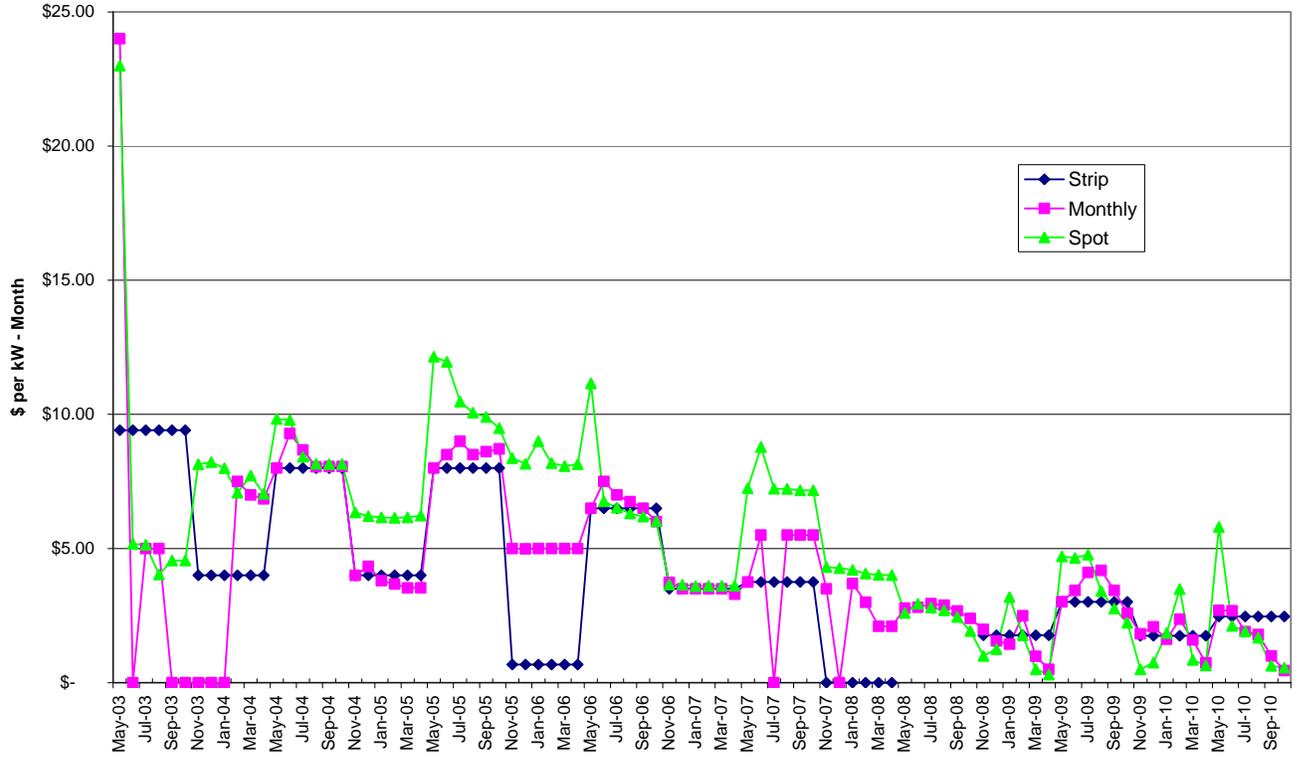
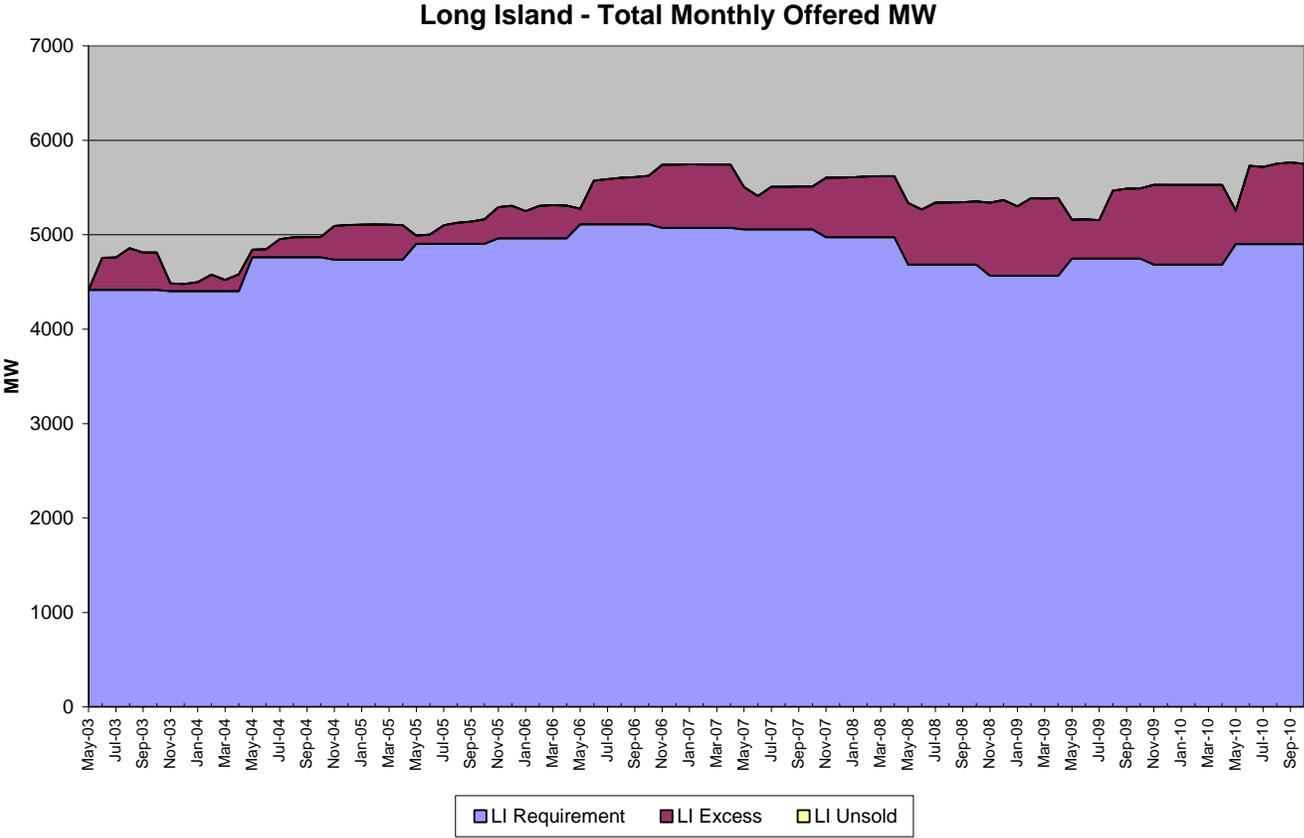


Chart 6



Potential Withholding in the Capacity Markets

A. All Regions in the NYCA

This section of the report addresses potential withholding in NYISO-administered Capacity auctions in all regions in the NYCA from November 2009 through October 2010. It focuses on market outcomes and related behavior since May 2006.

In order to determine whether any potential withholding occurred, the NYISO analyzed the differences between available supply and the supply committed through self-supply, bilateral transactions, and NYISO-administered auctions. In particular, the NYISO examined:

- the available NYCA Capacity that was not offered into the Spot Market Auctions (“unoffered capacity”),⁸
- available NYCA Capacity that was offered into the Spot Market Auctions but did not sell (“unsold capacity”),
- unoffered capacity as a percentage of available Capacity, and
- unsold capacity as a percentage of offered Capacity.

Capacity that is offered but not sold – as distinct from MW not offered at all – is an indication that economic withholding may have occurred. Correspondingly, Capacity available but not offered for sale is an indication that physical withholding may have occurred. The amounts of unoffered and unsold capacity are determined from the Spot Market Auction results, because this auction is the last opportunity for suppliers to sell Capacity. The existence of unoffered and unsold capacity, however, does not necessarily imply the intent to raise market prices. Extraneous market factors, including arrangements that predate the implementation of the Demand Curves⁹ and the increasingly variable flows of Capacity between Control Areas, must also be considered.

As reflected in the NYISO’s previous Installed Capacity Demand Curves reports, patterns of unsold capacity have varied across each of the Localities. For the entire NYCA, there generally has been more unsold capacity in winter months than summer months, albeit at very low levels (less than one percent of available Capacity, on average). In Long Island, only a few

⁸ Available supply is defined as the lesser of the NYISO-accepted DMNC tested capacity and the Capacity Resource Interconnection Service (“CRIS”) MW value, with the Equivalent Demand Forced Outage Rates (“EFORd”) applied.

⁹ Prior to the May 2003 ICAP Spot Market Auction, Deficiency Auctions used a “stepped” demand curve with a vertical line segment at the minimum requirement level. All NYISO Demand Curves have horizontal sections above and below these line segments, at \$0.00 and a maximum price, respectively, as defined in the Services Tariff.

tenths of a MW were unsold over the past four years. In New York City, the high amounts of unsold capacity between Summer 2006 and Winter 2007-2008 coincided with the addition of approximately 1,000 MW of new Capacity in New York City. These amounts subsided with the introduction of the supply-side mitigation rules, and unsold capacity has remained at or near zero percent since.

There are three types of auctions in each Capability Period: a Capability Period Auction (also referred to as the “six-month Strip Auction”), six Monthly Auctions, and six ICAP Spot Market Auctions. Capacity may be offered into any or all of the auctions. The NYCA ICAP requirements are settled in three categories: one each for the New York City and the Long Island Localities, and one for the NYCA as a whole. Local reliability rules require LSEs in New York City and on Long Island to procure minimum levels of Capacity from facilities that are electrically located within their respective Load Zones. Such Capacity is also credited toward each New York City and Long Island LSE’s overall NYCA obligation. The NYISO establishes Locational Minimum Installed Capacity Requirements on an annual basis according to NYISO Procedures.¹⁰

With the exception of the New York City Locality, the Services Tariff does not require Installed Capacity Suppliers to offer Capacity into the ICAP markets. Until the implementation of the mitigation measures set forth in Attachment H of the Services Tariff, which were effectuated in May 2008, the majority of Capacity in New York City – that of the Divested Generation Owners – had been subject to Commission-approved ICAP market mitigation measures that imposed bid caps and required the units’ Capacity to be offered into the ICAP auctions. Capacity resources constructed subsequent to the Commission’s approval of the bid caps were not subject to bid caps or the mandate to offer into the auctions. That Capacity and other Capacity inside and outside of the New York City Locality could be sold in bilateral transactions or offered in one or more of the NYISO’s ICAP auctions. The Commission’s March 7, 2008 Order¹¹ removed the requirements unique to the Divested Generation Owners and approved mitigation measures applicable to all In-City Capacity. The March 7, 2008 Order effectuated new In-City mitigation measures, based on Pivotal Supplier determinations combined with offering conduct and price impact thresholds, to determine whether an abuse of market

¹⁰ See Section 2 and Attachment B of the NYISO Installed Capacity Manual.

¹¹ *New York Independent System Operator, Inc.*, Docket No. EL07-39-000, Order Conditionally Approving Proposal, 122 FERC ¶ 61,211.

power has occurred. These measures are set forth in Attachment H of the Services Tariff (herein referred to as “Mitigation Measures”).

In developing the information for this report, the NYISO examined auction outcomes from the following Capability Periods:

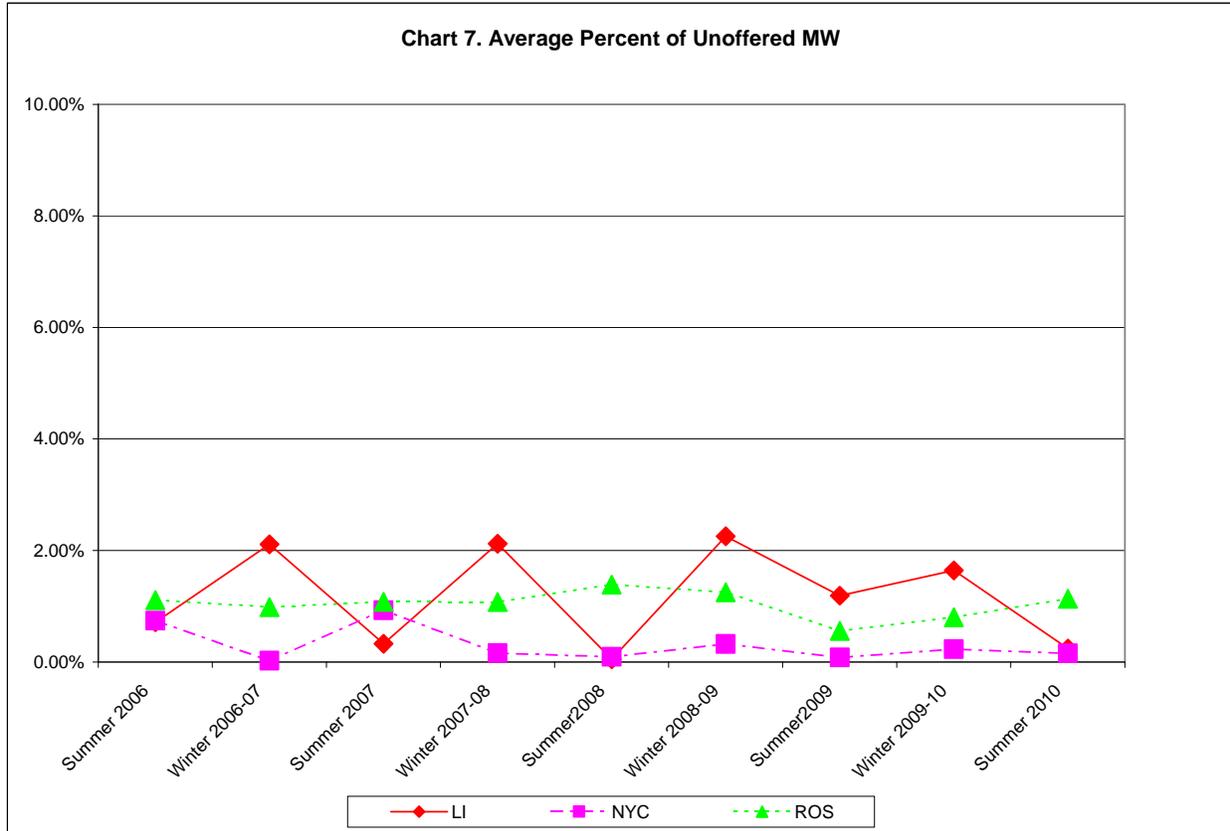
- Summer 2006 (May 1, 2006 through October 31, 2006)
- Winter 2006-2007 (November 1, 2006 through April 30, 2007)
- Summer 2007 (May 1, 2007 through October 31, 2007)
- Winter 2007-2008 (November 1, 2007 through April 30, 2008)
- Summer 2008 (May 1, 2008 through October 31, 2008)
- Winter 2008-2009 (November 1, 2008 through April 30, 2009)
- Summer 2009 (May 1, 2009 through October 31, 2009)
- Winter 2009-2010 (November 1, 2009 through April 30, 2010)
- Summer 2010 (May 1, 2010 through October 31, 2010)

Since the Capacity product transacted in NYISO-administered ICAP auctions is UCAP, the following information was examined:

1. Certification data, reflecting the certified MW of UCAP from all Resources within New York available to supply Capacity to the NYCA. The analysis did not include resources physically located outside of the NYCA.
2. The amount of UCAP supplied (sold, certified as self-supplied against an LSE’s Capacity obligation, or committed through bilateral transactions) in all categories.

Unoffered Capacity

Chart 7 displays the percentage of Capacity in the NYCA that was neither offered for sale, certified against an LSE’s Capacity obligation, nor committed through bilateral transactions. Unoffered capacity is expressed as a percentage of Capacity available in each of the three regions.



Given the relatively small amounts of available Capacity that were not offered in each Capacity region, physical withholding is not a concern.

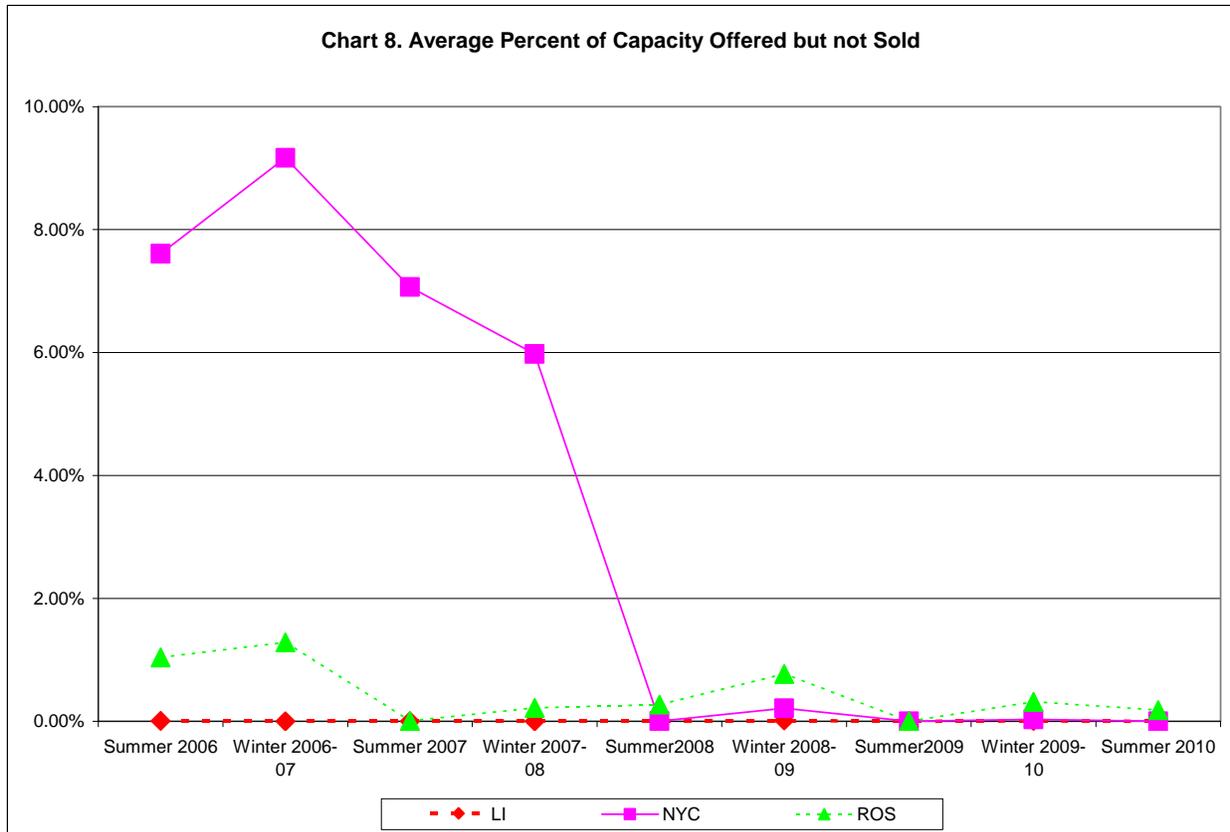
The Long Island Locality reveals seasonality in the amounts of unoffered capacity. The Long Island Locality is characterized by Capacity procurement chiefly through bilateral transactions and self-supply. While it appears the amount of unoffered capacity on Long Island fluctuates between 0.01% and 2.26%, much of the unoffered capacity is not actually available. A portion of the unoffered capacity in Long Island is associated with generation stations permitted for less than 80 MW, although the DMNC of the units at each station when aggregated exceeds 80 MW. For example, in four instances on Long Island, there are two units at a site, and each individual unit at that site can produce more than 40 MW. In the event that one unit is out of service and the Market Participant wishes to run the other unit at output levels higher than 40 MW, the NYISO must have that higher (actual) DMNC value in its software system in order for the bid to pass validation. These units do not offer all of their available Capacity because the site permit restrictions limit the combined output to 79.9 MW.

Prior to Summer 2008, in New York City, the low level of unoffered capacity was principally due to the must-offer requirement applicable to the Divested Generation Owners.

Since the Summer 2008 Capability Period, the near absence of unoffered capacity can be attributed to the Mitigation Measures effectuated in 2008.

The ROS region had small amounts of unoffered capacity relative to available Capacity, as evidenced by offers in excess of close to 99% of the available Capacity.

Chart 8 displays the offered but not sold Capacity as a percent of available Capacity for each of the three regions.



Offered and Unsold Capacity

For all Capability Periods beginning with Summer 2006, nearly all Long Island Capacity that was offered was sold. In New York City, the average amount of unsold capacity as percentage of available Capacity trended at near zero levels since the Summer 2008 Capability Period. Since the Summer 2007, nearly all the MW of resources located in Rest of State that offered Capacity into the ICAP auctions were sold despite a reduction in the NYCA Installed Reserve Margin from 18% to 16.5% for the 2007-2008 Capability Year, and from 16.5% to 15% for the 2008-2009 Capability Year. The NYCA Installed Reserve Margin for the 2009-2010 Capability Year was 16.5%, and it increased further to 18% for the 2010-2011 Capability Year. As discussed below in the Rest of State section, and also in the January 2010 Report, the amount

of unsold capacity compared to the MW of Rest of State Capacity offered under the NYCA Demand Curve generally was a small percentage of the total.

For the December 2010 Report, the NYISO has added a new table: “Table 1. Monthly Unoffered and Unsold Capacity by Locality”. As part of the NYISO’s August 12, 2010 FERC Compliance Filing,¹² the NYISO proposed to include unoffered and unsold capacity in the New York City Locality in its Installed Capacity Demand Curves Reports that are filed annually with the Commission. The intent of the table is to provide greater transparency into potential withholding behavior in the Long Island Locality. The unoffered and unsold capacity values for NYC and ROS are also included to give a full representation of the data that underlies this report.

Table 1. Monthly Unoffered and Unsold Capacity by Locality

Month	Unoffered			Unsold		
	NYC	LI	ROS	NYC	LI	ROS
Nov-09	16.6	88.9	145.9	17.0	1.9	329.1
Dec-09	16.2	93.1	233.2	2.0	0.0	3.1
Jan-10	16.4	94.7	199.9	0.0	0.0	0.0
Feb-10	47.6	92.5	237.7	0.0	0.0	0.0
Mar-10	21.2	88.5	179.5	0.0	0.0	2.5
Apr-10	16.3	110.2	166.2	0.0	0.0	127.6
May-10	17.3	7.5	157.4	0.0	0.0	0.0
Jun-10	12.4	9.2	233	0.0	0.0	87.8
Jul-10	12.6	22.2	301	0.0	0.1	0.0
Aug-10	12.4	11.8	225.2	0.0	0.0	12.8
Sep-10	12.4	6.6	458.2	0.0	0.0	0.4
Oct-10	12.4	17.5	210.1	0.0	0.0	158.0

B. The New York City Locality – Additional Details

In New York City, Pivotal Suppliers are subject to Market Mitigation Measures. A Pivotal Supplier is an ICAP Supplier that, along with its Affiliated Entities, Controls In-City Capacity in excess of the pivotal control threshold.¹³ The Capacity controlled by Pivotal Suppliers (“Mitigated UCAP”) must be offered into the Spot Market Auction at a price at or below the lesser of the default UCAP Offer Reference Level (“Default Reference Price”) or the ICAP Supplier’s Going-Forward Costs. There is not a “must-offer” requirement for Capacity located in the Rest of State or Long Island Localities.

¹² See August 2010 Compliance Filing at p. 16.

¹³ See Sections 23.2.1 and 23.4.5 of Attachment H of the Services Tariff.

The New York City Capacity that was not sold, as a percent of available Capacity, was less than 0.25% per month on average for the Winter 2009-2010 and Summer 2010 Capability Periods. The low levels can be explained by the implementation of the supply side mitigation measures that became effective in the Summer 2008 Capability Period.¹⁴

Chart 9 below illustrates the effects of the ICAP In-City mitigation measures. As depicted in the chart, these measures include a Pivotal Control Threshold determined by the amount of New York City Capacity excess above the Locality Capacity Requirement. An Entity is deemed a Pivotal Supplier if the number of MW it Controls is greater than the threshold. If an Entity is Pivotal, it is subject to the Default Reference Price. The Default Reference Price, as shown in Chart 9, becomes the cap the Pivotal Supplier must offer at or below in the ICAP Spot Market Auction unless the Pivotal Supplier's Going Forward Costs ("GFCs"), as submitted to and accepted by the NYISO, are higher than the Default Reference Price. To date, no Market Participant has submitted a GFC request.

The level of unoffered and unsold MW can be inferred from Chart 9 by comparing the New York City Spot Market Auction price to the Default Reference Price. The Default Reference Price is the price on the demand curve if all available UCAP is offered and sold. The difference between the Spot Market Auction Price and Default Reference Price can be attributed to Capacity that is either not offered at all, or offered at a price above the Default Reference Price. Note that the New York City Spot Market Auction Price will diverge from the Default Reference Price when the NYCA ICAP Spot Market Auction sets the New York City Spot Market Auction price, which occurred in January 2010. This divergence is the result of the auction rules, and is not caused by unoffered or unsold NYC Capacity.

In November 2009, one Market Participant had 17 MW of unsold capacity and another Market Participant did not offer approximately 16 MW. These two events explain the slight price divergence in November 2009. In January 2010, the price divergence was caused by the NYCA auction setting the NYC price, and in February 2010, 47.6 MW unoffered caused the price divergence. For the Winter 2009-2010 Capability Period, the higher Winter Capacity ratings reduced the Default Reference Price and increased the Pivotal Control Threshold. In Chart 9, the price trends invert from February 2010 onward, reflecting the retirement of a large In-City generator. In the Summer 2010 Capability Period, there is very little divergence between

¹⁴ See earlier reports for the analysis of the New York City capacity area prior to the effectuation of the Mitigation Measures in accordance with the March 7, 2008 Order and removal of the bid-caps.

the Spot Market Auction price and Default Reference Price, indicating very few unsold and unoffered MW. Other price divergences can be explained by comparing the unoffered and unsold values in Table 1 with Chart 9.

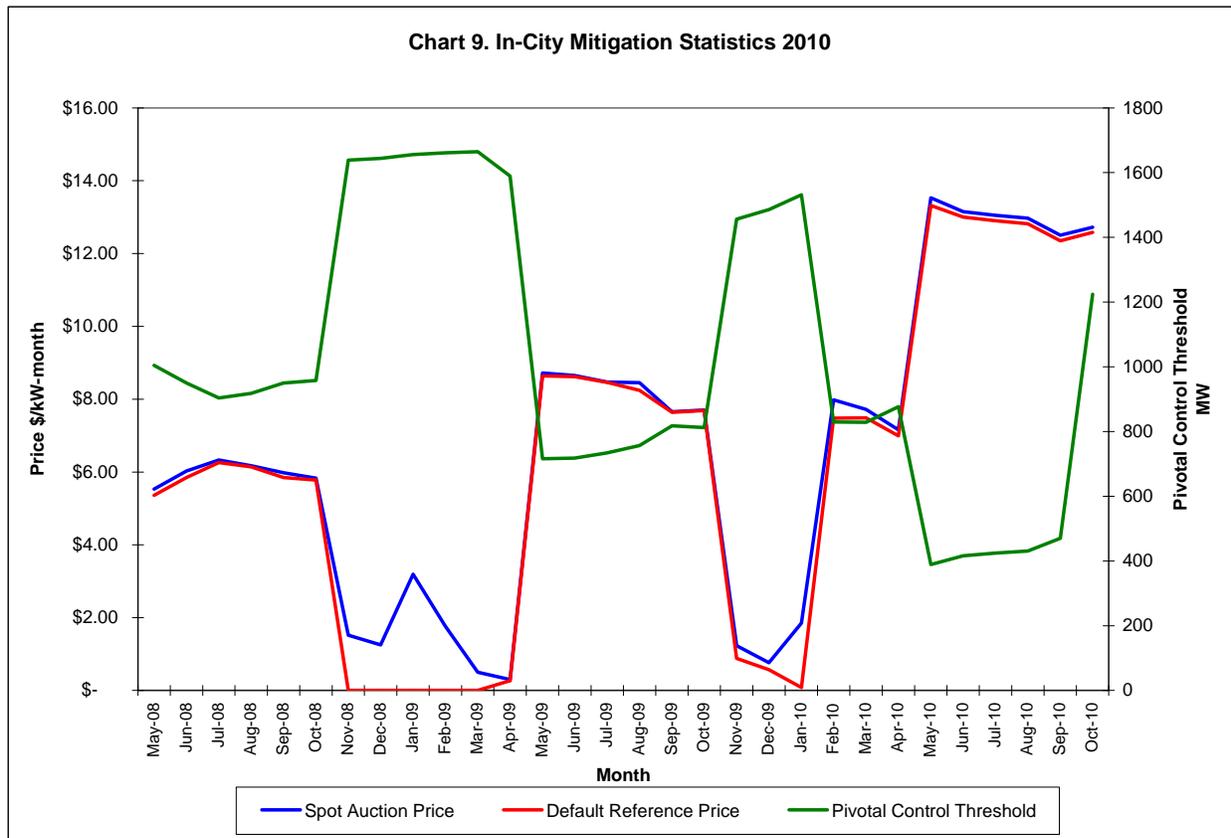
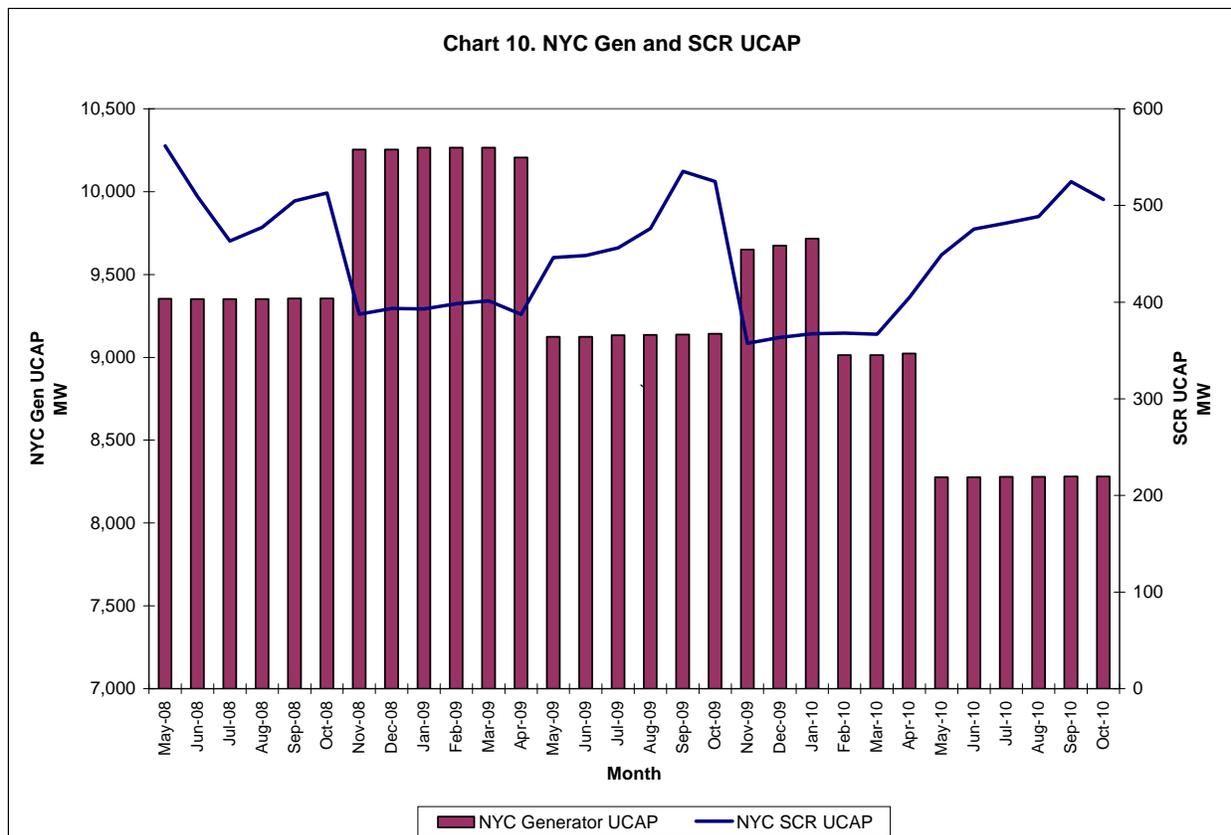


Chart 10 depicts the levels of available generator UCAP and SCR UCAP in the New York City Locality. The data show that the level of available generator UCAP remains stable within each Capability Period. The decrease in generator UCAP in the second half of the Winter 2009-2010 Capability Period results from the retirement of a large generator in New York City. The Winter 2009-2010 derating factor was 11.29%, which is 5.36% higher than the previous Winter 2008-2009 Capability Period.¹⁵ The Summer 2010 Capability Period derating factor was 11.13%, 2.99% higher than the Summer 2009 Capability Period. Special Case Resource UCAP values follow a pattern similar to the previous Capability Periods. The largest declines in Special

¹⁵ The increase in EFORD was associated with more frequent and longer duration forced outages over the past two years for some generators.

Case Resource MW occur in the early months of the Winter Capability Periods, and the peaks appear in the latter months of the Summer Capability Period.



C. The NYCA Capacity Market

1. Additional Details

This section of the report addresses possible withholding of Capacity in the Rest of State region from November 2009 through October 2010. This analysis is based on resources located in the Rest of State, including resources that export Capacity. It does not include Capacity located in New York City and on Long Island.

For this review, the NYISO conducted a detailed analysis of:

- the amount and the composition of Rest of State Capacity¹⁶ that was neither offered for sale, certified to meet an LSE’s Capacity obligation, nor committed in bilateral transactions in NYCA or to external control areas, *i.e.*, unoffered capacity, and

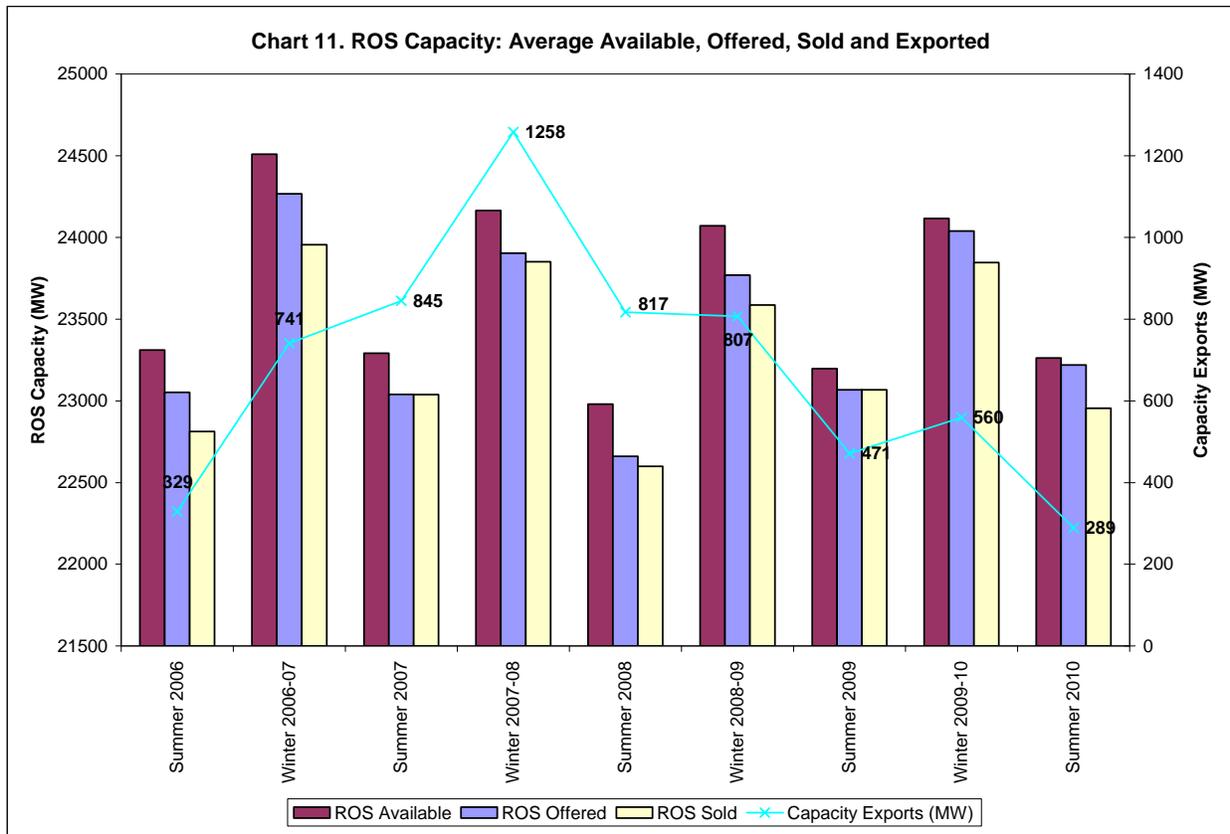
¹⁶ This capacity includes capacity that was certified in the region outside the New York City and Long Island Localities.

- the amount and composition of Rest of State Capacity offers from resources located in Rest of State that were not accepted, *i.e.*, unsold capacity.

The NYISO conducted a detailed examination of the following data for the May 2006 through October 2010 period:

1. Monthly UCAP ratings of Capacity, including Special Case Resources,
2. Monthly sales awards of Capacity,
3. Spot Market auction offers and awards for each month, and
4. Monthly figures for Rest of State Capacity committed to external control areas, (*i.e.*, exports).

Chart 11, below, shows the four broad Rest of State Capacity aggregates – Available, Offered, Sold, and Exported Capacity.



Examination of Rest of State Capacity data pertaining to individual Market Participants revealed general patterns in unsold and unoffered capacity. The patterns suggest a three-way classification of suppliers by market sector: All generation-owning Transmission Owners, five

ROS generation owners, and other suppliers, which includes Special Case Resources.¹⁷ Note that these classifications and, accordingly, the following table follow the same approach in displaying the unoffered and unsold capacity in the Rest of State area as was used in the NYISO's January 2010 Report.¹⁸ Table 2 of this December 2010 Report summarizes the monthly averages for each Capability Period from the Summer 2007 Capability Period through November 2010.

As originally compiled for the January 15, 2009 Filing and prior Demand Curve reports, Table 2 focused on the difference, if any, between the available UCAP of ROS Capacity Resources and the MW sold from that Resource. During the preparation of Table 2 for the July 27, 2009 filing, it was found that Table 2 did not include "resale capacity" – Capacity that was purchased in the strip or monthly auctions or through a bilateral transactions, but not certified towards a sale. The issue was addressed in the July 27, 2009 Filing by providing three versions of Table 2, which showed the amounts of resale capacity that was unoffered or unsold. The December 2010 Report and future reports will include resale capacity in the "All Others Including SCRs" category, thus consolidating the three tables into one, as set forth in Table 2.

¹⁷ Special Case Resources participate in the NYISO's Capacity markets through Responsible Interface Parties.

¹⁸ See ER01-3001, ER03-647, Motion for Leave to Respond, and Response, of the New York Independent System Operator, Inc. filed July 27, 2009.

Table 2 - Breakout of Average Monthly ROS Unoffered and Unsold Capacity MW by type of Market Participant

	Summer 2007		Winter 2007-2008		Summer 2008		Winter 2008-2009		Summer 2009		Winter 2009-2010		Summer 2010	
	Unoffered MW	Unsold MW	Unoffered MW	Unsold MW	Unoffered MW	Unsold MW	Unoffered MW	Unsold MW	Unoffered MW	Unsold MW	Unoffered MW	Unsold MW	Unoffered MW	Unsold MW
All ROS TOs	139.6	0.0	175.6	0.0	204.5	0.0	64.1	0.0	69.2	0.0	91.0	0.0	158.2	0.0
	49.85%	0.00%	61.43%	0.00%	60.11%	0.00%	21.22%	0.00%	56.79%	0.00%	46.98%	0.00%	59.90%	0.00%
5 ROS GenCos	94.0	1.5	43.3	51.3	67.9	61.6	79.5	173.8	24.5	0.0	68.7	51.4	23.3	14.1
	33.58%	100.00%	15.14%	97.44%	19.96%	100.00%	26.30%	95.00%	20.09%	0.00%	35.44%	66.69%	8.82%	32.66%
All Others incl. SCRs	46.4	0.0	67.0	1.4	67.8	0.0	158.7	9.2	28.2	0.0	34.1	25.7	82.6	29.1
	16.57%	0.00%	23.43%	2.56%	19.93%	0.00%	52.49%	5.00%	23.12%	0.00%	17.58%	33.31%	31.28%	67.34%
Total Unoffered/Unsold	280.0	1.5	285.9	52.6	340.2	61.6	302.3	183.0	122.0	0.0	193.7	77.0	264.2	43.2
Total Available MW	23,292.0		24,164.0		22,980.0		24,071.0		23,197.0		24,116.5		23,262.1	

Notes:

- (1) All Rest of State Transmission Owners category includes TOs' Special Case Resources
- (2) 5 Rest of State Generating Companies category was used to maintain continuity with the previous reports

Salient facts from the above tables for the last four capability periods are:

- The group of all Rest of State generation-owning Transmission Owners consistently had unoffered capacity which ranged from 21% to 61% of total unoffered capacity for the period Summer 2007 through Summer 2010.
- The group of all Rest of State generation-owning Transmission Owners had no unsold capacity for the period Summer 2007 through Summer 2010.
- The group of five generation owners consistently had unoffered capacity which ranged from 8% to 35% of total unoffered capacity for the period Summer 2007 through Summer 2010.
- The group of five generation owners had unsold capacity which accounted for 0% to 100% of total unsold capacity for the period Summer 2007 through Summer 2010.
- The group of all Others including Special Case Resources consistently had unoffered capacity that ranged from 16% to 52% of total unoffered capacity for the period Summer 2007 through Summer 2010.
- The group of all Others including Special Case Resources had unsold capacity that ranged from 0% to 67% for the period Summer 2007 through Summer 2010.

2. Analysis of Unoffered Capacity

As with previous reports, this section of the report includes a detailed analysis of the unoffered capacity in the Rest of State region by Capability Period and by market sector. It also presents the maximum price impact of the unoffered capacity, in each month and averaged over the six months of the Capability Period consistent with the January 2010 Report. In addition, the NYISO contacted each Installed Capacity Supplier that had 15 MW or more of unoffered capacity in any one month in either the Winter 2009-2010 Capability Period or the Summer 2010 Capability Period for an explanation of its behavior.

In general, the findings support the view that for the vast majority of the Capacity that was not offered, the Installed Capacity Suppliers' respective reasons for not offering the Capacity were benign, and none of the instances evidence behavior intended to artificially raise

prices. The following information was provided to the NYISO by ICAP suppliers that had 15 MW or more of unoffered capacity in any one month in a Capability Period:¹⁹

1. A generation-owning Transmission Owner routinely does not offer the full quantity from several of its resources, an amount that ranges, in aggregate, from approximately 30 MW to 157 MW in each month from November 2009 through October 2010. This action was explained to be primarily due to a conservative operating approach.
2. A generation-owning Transmission Owner keeps roughly 30 MW of aging gas-fueled generation out of operation for the first five months during the Summer Capability Period due to environmental restrictions.
3. A renewable generation owner routinely does not offer roughly 15 MW to 25 MW of UCAP due to regulatory restrictions in neighboring states.
4. Three ROS generation owners inadvertently failed to offer Capacity: 54.7 MW in September 2010, 180.6 MW in September 2010, and 31.6 MW in February 2010.
5. A generation owner has a PURPA contract that prohibits it from selling any Capacity above the level of the bilateral contract. The amount of unoffered capacity ranges from 23 MW in Summer Capability Period months to 67 MW in Winter months.
6. A ROS generation owner did not offer 48.4 MW in June and July 2010 to reflect an “economic shutdown” condition by which the plant was attempting to limit financial losses.
7. A large ROS Special Case Resource did not offer 22 MW in November 2009 and 25.5 MW in July 2010 to reflect Change of Status conditions. The SCR anticipated a load reduction that met the Change of Load thresholds identified in Section 4.3.3 of the ICAP Manual, and the SCR adjusted its UCAP sales accordingly.
8. A generation-owning Transmission Owner did not offer 54 MW in each of the Winter 2009-2010 months due to a natural gas fuel restriction that prevents the plant from being able to run at full Capacity.
9. One Responsible Interface Party inadvertently failed to offer 17.1 MW of Capacity that it purchased in a previous auction for February 2010.

¹⁹ Attachment 2 is filed as a confidential attachment, which provides Market Participant explanations for behavior with regard to unoffered and unsold Capacity greater than 15 MW.

Table 3 below shows the maximum price impact of the unoffered capacity based on the slopes of the demand curves for the relevant capability periods. The maximum price impact is calculated as the greater of (1) the product of the monthly unsold MW and the slope of the demand curve and (2) the Spot Market Auction price, since the price impact cannot exceed the auction price.²⁰ Monthly basis and seasonal averages are reported. The maximum price impact of the unoffered capacity, averaged over the six months of the Winter 2009-2010 and Summer 2010 Capability Periods, was \$0.46/kW-mo and \$0.58/kW-mo, respectively.

Table 3 – Total Maximum Price Impact of the Unoffered Capacity

Month	Total Unoffered MW	Monthly Maximum Price Impact	Seasonal Average Maximum Price Impact
Nov-09	145.9	\$0.34	\$0.46
Dec-09	233.2	\$0.55	
Jan-10	199.9	\$0.47	
Feb-10	237.7	\$0.56	
Mar-10	179.5	\$0.42	
Apr-10	166.2	\$0.39	
May-10	157.4	\$0.41	\$0.58
Jun-10	233	\$0.61	
Jul-10	301	\$0.79	
Aug-10	225.2	\$0.59	
Sep-10	458.2	\$0.63	
Oct-10	210.1	\$0.48	

3. Analysis of Unsold Capacity

As with previous reports, this section of the report analyzes and reports on Capacity that was offered but not sold (“unsold” capacity) in the ICAP Spot Market Auction by Capability Period and by market sector (*See* Table 2 above). It also presents the maximum price impact of the unsold capacity, in any one month and averaged over the six months of the Capability Period. In addition, the NYISO contacted each generator for an explanation of its behavior if (a) the class of generators that it was in had more than 15 MW of unsold capacity in a given month; and (b) if the generator had a spot market offer that was greater than the generator’s class-based average Net GFC with half net revenues (“GFCs with half net revenues”, as described below).

²⁰ The January 2010 report did not reduce the maximum price impact to the Spot Market Auction price. The corrected methodology used here will be continued in future reports.

In addition to calculating the monthly maximum and average maximum price impacts, three metrics were calculated in this year's report:

- a. Class-based going forward costs ("GFCs") (with and without a risk adjustment);
- c. Amount of unsold capacity offered at prices above class-based GFCs; and
- d. Estimated monthly price impact of unsold capacity associated with offers above class-based GFCs.

i. Monthly Price Impacts

Table 4 includes the maximum price impact of average monthly unsold capacity for each Capability Period. The NYISO analyzed GFCs only if the monthly maximum price impact exceeded the price impact thresholds: \$0.20/kW-month for the monthly average unsold capacity in a Capability Period, and \$0.35/kW-month for the unsold capacity in any single month in that capability period. If either threshold was exceeded, the NYISO calculated the class average Net Going Forward Costs as described in Section (ii) below. When the thresholds were not exceeded, the total maximum price impact was reported, and the analysis was concluded.

Price impacts due to errors by ICAP Suppliers, if documented, are included in the impact calculation but are not used as a basis for conducting GFC analyses, or included in the evaluations against the thresholds listed above.²¹ There were no such omissions for the December 2010 Report.

The NYISO calculated the maximum price impact of average monthly unsold capacity for Winter 2009-2010 and Summer 2010 Capability Periods (*See* Table 4 below). The maximum price impact of the unsold capacity, averaged over the six months of the Winter 2009-2010 and Summer 2010 Capability Periods, was \$0.14/kW-mo and \$0.11/kW-mo, respectively.

²¹ Two examples of the types of errors previously set forth in NYISO reports are a data entry error and an unintended failure to save offers in the NYISO system. The exclusion of unoffered, and offered but unsold, MW due to errors, as described here, is limited to instances in which there are circumstances that make it apparent to the NYISO that a mistake was involved; and that the circumstances do not indicate a reason for a conclusion other than an error (such as repeated conduct); and in which the generator provides the NYISO with a written explanation. The NYISO states the basis for its conclusion in such cases in the report.

Table 4 – Maximum price Impact of Unsold MW

Month	Total Unsold MW	Monthly Maximum Price Impact	Seasonal Average Maximum Price Impact
Nov-09	329.1	\$0.50	\$0.14
Dec-09	3.1	\$0.01	
Jan-10	0.0	\$0.00	
Feb-10	0.0	\$0.00	
Mar-10	2.5	\$0.01	
Apr-10	127.6	\$0.30	
May-10	0.0	\$0.00	\$0.11
Jun-10	87.8	\$0.23	
Jul-10	0.0	\$0.00	
Aug-10	12.8	\$0.03	
Sep-10	0.4	\$0.00	
Oct-10	158.0	\$0.41	

ii. Class-based Going Forward Costs

Class-based GFCs for generators are defined for purposes of the report as costs (other than production costs) that could be reasonably expected to be avoided or deferred if the plant was mothballed for at least one year. (See Table 5 for definitions.) GFCs may provide insight into why a generator offered its Capacity at a non-zero offer price. The assumption is that an Installed Capacity Supplier would only want to sell Capacity from a generator if the Capacity revenues it receives cover the generator’s net GFCs. In this analysis, GFCs will be calculated for the entire Capacity of the plant.

The NYISO recognizes that generators face uncertainty about their expected net revenues, which may influence the prices at which they offer Capacity. To account for this revenue uncertainty, the NYISO has calculated class-based GFCs with and without certainty of net revenues. The GFCs with certainty of net revenues are calculated by subtracting the full amount of realized net revenues from the GFCs. Conversely, GFCs without certainty of net revenues have a zero value substituted for realized net revenues, which results in the highest possible GFC estimates.

Table 5 – Definitions

Going Forward Costs (GFCs)	Costs that would be avoided or deferred if a generator was mothballed for a year or more, but not including production costs, based on the calculation of the industry average cost data for the type of generator
Net energy and ancillary services revenues (net revenues)	Estimated energy plus ancillary services revenues minus estimated production costs, with a minimum value of zero
GFCs with full net revenues	GFCs minus net revenues. This value is used as a proxy for Net GFCs with certainty of net revenues
GFCs with no net revenues	GFCs. This value is used as a proxy for Net GFCs without certainty of net revenues
GFCs with half net revenues	GFCs minus 0.5 times net revenues. This value is used as a proxy for Net GFCs with some uncertainty
Unit Specific Net GFCs with Recognized Adjustments	GFCs plus unit-specific adjustments (i.e., the dollar amount identified by the generator for an adjustment that is readily recognizable as an appropriate adjustment (for example, a Payment in Lieu of Taxes agreement)), minus the unit specific revenues.
Unit Specific Net GFCs with all Adjustments	GFCs plus all unit-specific adjustments identified by the generator, minus the unit specific revenues.

If the price impact threshold was exceeded, the NYISO calculated class-based GFCs for the generator classes that contributed to the price impact, provided that the class had more than 15 MW of unsold capacity. Specifically, if the \$0.20/kW-month average threshold is exceeded, GFCs were calculated for classes with more than an average of 15 unsold MW over the Capability Period, and all months in that Capability Period are designated as “Analysis Months”. If the \$0.20/kW-month average threshold was not exceeded, but the \$0.35/kW-month monthly threshold is exceeded for one or more months, the months in which the \$0.35/kW-month monthly threshold is exceeded are designated as “Analysis Months,” and GFCs are calculated only for classes that had more than 15 unsold MW in those Analysis Months. If both thresholds were exceeded, the respective rules of both tests apply for the selection of classes. In all instances the NYISO reported the amount of unsold MW in each class. The NYISO estimated Net GFCs for generator classes that met the above-described criteria.

Based on the maximum price impact results shown in Table 4 above, the NYISO calculated class-based Net GFCs for November 2009 because the estimated maximum price impact for the monthly threshold was exceeded. The monthly price impact threshold of \$0.35/kW-month was exceeded in November 2009, which had a monthly price impact of

\$0.50/kW-month. The monthly price impact threshold was also exceeded in October 2010, but GFCs were not calculated because all 158 MW of unsold capacity was from three large ROS Special Case Resources that are their own Responsible Interface Parties. The methodology proposed by the NYISO in its Updated Status Report does not propose nor contemplate calculating Going Forward Costs for Special Case Resources.²²

The methodology used to estimate going forward costs was the same as that used for the estimates of going-forward costs in ROS in support of previous NYISO filings.²³ The generating units whose Capacity offers were not accepted (*i.e.*, unsold capacity) were natural gas combined cycle cogeneration units, No. 6 fuel oil steam turbine units, sub-critical coal steam turbine units, and coal-fired cogeneration units.

The NYISO reviewed a list of the principal generating units in ROS provided in the NYISO's Load and Capacity Data Report applicable to November 2009 through October 2010 (referred to as the "Gold Book"), and divided the units into classes based on primary fuel and technology. A number of units fell within the classes of units for which GFCs were estimated for ROS and NYC in previous filings. The classes estimated in prior filings were: 1) Natural gas combined cycle (Class A); 2) Natural gas combined cycle cogeneration (Class B); 3) Natural gas simple cycle turbine (Class C); 4) No. 2 fuel oil simple cycle turbine (Class D); 5) Kerosene simple cycle turbine (Class E); 6) No. 6 fuel oil steam turbine (Class F); 7) Natural gas steam turbine (Class G); 8) Sub-critical coal steam turbine units (Class H); 9) Coal-fired co-generation unit (Class I).

All of the units whose Capacity offers were not accepted in November 2009 fell into Classes B, F, H and I. Other classes could be defined for generating units in ROS because of the diversity of fuel and technologies in this region. These classes were not analyzed for this effort because no generating units whose Capacity offers were not accepted in November 2009 were found in these classes.

²² See NYISO Updated Status Report at pp. 9-13, Att. A & B (filed with the Commission in these dockets on November 12, 2009).

²³ The NYISO employed the same method for the estimation of going forward costs for the May 4, 2009 filing of "Response of the New York Independent System Operator, Inc. to Deficiency Letter Dated April 2, 2009," Docket Nos. ER01-3001-021, ER03-647-012, ER01-3001-022 and ER03-647-013; the July 25, 2008, "Compliance Filing of the New York Independent System Operator, Inc.," Docket Nos. ER01-3001-019, and ER03-647-011, and the October 4, 2007, "Compliance Filing of the New York Independent System Operator, Inc., Regarding the New York City ICAP Market Structure," Docket No. EL07-39-000.

Generator avoidable costs were estimated on an annual basis assuming that decisions to mothball a unit would be made for a period of at least one year, if not longer. Recovery of avoidable costs would not all have to occur in any one month. It is assumed that one-twelfth of those costs (seasonally adjusted as appropriate) can be recovered in a given month to permit a given unit to remain an ICAP supplier for that month.

Net Energy and Ancillary Services revenues were estimated by NYISO for ROS generating units whose Capacity offers were unsold for November 2009. For these generating units, the net Energy and Ancillary Services revenues were estimated for the period November 2008 through October 2009. This period was chosen because it immediately preceded November 2009, the month in which unsold offers met the threshold to be studied. Net revenues were equal to estimated energy revenues plus ancillary services revenues minus estimated production costs, with a minimum value of zero.²⁴ If production cost estimates exceeded Energy and Ancillary Services revenues, a value of zero was used as the net revenue figure.

The net revenues were determined from the books and records of the NYISO. The net revenues were estimated based on actual energy and ancillary services revenues less the average cost-based reference price information for the relevant ROS ICAP Suppliers with Capacity offered but not sold. To calculate the average cost-based information, the NYISO used monthly average spot natural gas prices.

Two of the five units with unsold capacity had negative net revenue estimates. The estimates are not unreasonable given the Capacity factors of some of the units and the economic conditions during the analysis timeframe. Of the five units, two showed slightly negative net revenues near break-even levels, one showed mild gains, and two showed large gains. The two generators with negative net revenues had Capacity factors of less than one percent.

The NYISO's estimation method may have overestimated or underestimated production costs for units with low Capacity factors if these units operated on days when the price of natural gas was substantially different from the monthly average price of natural gas. Another possible source of overestimation or underestimation in the NYISO's calculations comes from the use of

²⁴ The values of class average going-forward costs minus net revenues for ROS generating units with unsold offers in November 2009 are summarized in Attachment 3. The estimates are shown on a UCAP basis to allow direct comparison to capacity offers and market prices for capacity. Three estimates were prepared in accordance with Attachment A to the New York Independent System Operator, Inc.'s November 12, 2009, "Updated Status Report on Stakeholder Discussions Regarding Annual Installed Capacity Demand Curve Reports and Plan for Future Reports," Docket Nos. ER01-3001-021, ER01-3001-022, ER03-647-012, and ER03-647-013.

average reference levels. Average reference costs are unbiased estimators for units that are frequently dispatched throughout their entire operating range, but may lead to overestimation or underestimation of net revenues if the unit is consistently dispatched at its lower or upper ranges. The estimation of net revenues is, by its very nature, an estimate and may not account entirely for the specific characteristics of a unit or its dispatch. Therefore, any resulting negative unit net revenue values are set to zero in the analysis.

GFCs are calculated from industry data, such as labor rates, expenses for contract services, administrative and general, and insurance. Energy and Ancillary Services revenues are estimated from NYISO billing information, and production costs are estimated from NYISO unit specific reference level data and inputs to the reference calculation(s). The production costs are intended to reflect the costs incurred by a generator to produce Energy or provide Ancillary Services that it would not have incurred if it had not produced that Energy or provided those Ancillary Services. Attachment 3 of this report includes a table of GFCs with three levels of net revenues.

GFCs with full net revenues were calculated for use as a proxy for net going forward costs with certainty of net revenues. Annual going forward costs minus full net revenues for the November 2009 to October 2010 period varied from \$(4.01)/kW-year for Class I to \$27.69/kW-year for Class H. Summer values ranged from \$(0.45)/kW-month to \$3.00/kW-month, and Winter values ranged from \$(0.28)/kW-month to \$1.87/kW-month.

GFCs with half net revenues was calculated for use as a proxy for net going forward costs with some uncertainty. Annual going forward costs minus half net revenues for the November 2009 to October 2010 period vary from \$14.56/kW-year for Class B to \$37.03/kW-year for Class H. Summer values range from \$1.74/kW-month to \$4.16/kW-month. Winter values range from \$1.08/kW-month to \$2.60/kW-month.

GFCs with no net revenues were calculated for use as a proxy for net going forward costs without certainty of net revenues. Annual going forward costs with no net revenues for the November 2009 to October 2010 period vary from \$16.12/kW-year for Class B to \$78.06/kW-year for Class I. Summer values range from \$1.92/kW-month to \$8.77/kW-month. Winter values range from \$1.20/kW-month to \$5.48/kW-month.

Table 6 below shows the amount of Capacity unsold by month for which class-based Net GFCs were calculated. Table 6 also shows the amount of Capacity unsold for which class average Net GFCs were not calculated (*i.e.*, unsold capacity that belongs to classes with less than

15 MW). Class-based Net GFCs were calculated for four classes because the unsold capacity within each of the four classes exceeded 15 MW. Class-based Net GFCs were not calculated for one class because the class sum did not exceed 15MW.

Table 6 – Unsold MW used for GFC calculations

Month	Total Unsold MW	Total Unsold MW for which class average GFCs calculated (Unsold MW > 15)	Total Unsold MW for which class average GFCs not calculated (Unsold MW < 15)
Nov-09	329.1	308.2	20.9
Dec-09	3.1	0.0	3.1
Jan-10	0.0	0.0	0.0
Feb-10	0.0	0.0	0.0
Mar-10	2.5	0.0	2.5
Apr-10	127.6	0.0	127.6
May-10	0.0	0.0	0.0
Jun-10	87.8	0.0	87.8
Jul-10	0.0	0.0	0.0
Aug-10	12.8	0.0	12.8
Sep-10	0.4	0.0	0.4
Oct-10	158.0	0.0	158.0

iii. Class based Going Forward Costs with Unit Specific Adjustments

As part of the unsold capacity analysis, the NYISO contacts generator owners for unit-specific information if a generator’s offer for unsold capacity exceeded the “GFCs with half net revenues”. In the November 2009 to October 2010 timeframe, no offers for unsold capacity were offered at prices above GFCs with half net revenues. Attachment 3 shows the values that must be exceeded in order for generator owners to be contacted. The Winter 2009-2010 values corresponding to November 2009 are \$0.93/kW-mo, \$1.48/kW-mo, \$2.21/kW-mo, and \$2.37/kW for classes B, F, H, and I respectively. These class average values were all greater than the unsold capacity offer prices for the respective units. Therefore, no generator owners were contacted, and no unit-specific GFC adjustments were made.

For each Analysis Month, and in each of six GFC scenarios set forth in Table 5, the report includes (a) the total number of MW of unsold capacity in that Analysis Month that was offered at a price above the Unit Specific Net GFCs in that scenario (*i.e.*, with or without certainty of Net Revenues and without Adjustments, with Recognized Adjustments, or with all Adjustments, as stated for that scenario); and (b) the estimated price impact of all generators

offering unsold capacity at prices above their Unit Specific Net GFCs for that scenario, when the Unit Specific Net GFCs are below the Spot Market clearing price for the Analysis Month (*i.e.*, the difference between the actual NYCA ICAP price for the Analysis Month and the price that would have been calculated if all unsold capacity offered at a price above Unit Specific Net GFCs had instead been offered at Unit Specific Net GFCs). In each of these analyses for each scenario, if Unit Specific Net GFCs are not calculated for a given unit, the class average Net GFCs for that scenario are used if available. The NYISO did not analyze the impact on price of unsold capacity offered by units for which class averages were not calculated. To complete the analysis of unsold capacity, the NYISO additionally reports the total number of MW of unsold capacity offered at a price less than unit-specific Net GFCs but greater than the Spot Market clearing price.

Unsold capacity offered at a price greater than the ICAP Spot Market Auction Clearing Price is presumed to have no effect on the clearing price because those MW would not have cleared in the auction. Therefore, if offer prices for unsold capacity are set equal to the Unit Specific Net GFC used in a given scenario (or the class average net GFCs for that scenario, when that is available and the Unit Specific Net GFC is not available), and this value is greater than the Spot Market clearing price, the offer would have no price impact. As a result, these offer prices are excluded from the calculation of estimated price impact.

Given the offer levels and estimates of Net GFCs with half net revenues, none of the generators' offers for unsold capacity exceeded the "GFCs with half net revenues". Therefore, the scenarios that the NYISO evaluated collapsed into two scenarios, both with no GFC adjustments: (1) GFCs with full Net Revenues, and (2) GFCs with no Net Revenues. Attachment 3 shows these scenarios and also includes GFCs with half Net Revenues.

The January 2010 Report included a table of auction simulation results. During the reporting period covered in last year's report, several units had unsold offers that were offered at prices above the unit specific Net GFCs or class average Net GFCs with half net revenues. The appropriate Net GFC values were substituted for the unsold offers, and the Spot Market Auctions were rerun using the substituted values. A price reduction only occurred in one month under two scenarios: a \$0.12/kW-mo reduction in February 2009. In most instances, the substituted offer prices were either greater or equal to the Spot Market Auction clearing price. In both instances, the offers either remained marginal or did not clear at all; thus, the price was unaffected.

No auction simulations were necessary for the December 2010 report because for the units with unsold offers, the values of the class average Net GFCs with half Net Revenues were all greater than the Spot Market Auction clearing price. Replacing the original offer prices with these values would not reduce the clearing price.

In the January 2010 Report, the NYISO reported the amounts of unsold capacity offered at prices above unit specific Net GFCs, and unsold capacity offered at prices less than unit specific GFCs but greater than the Spot Market Auction clearing price. In this year's report, no unit specific calculations were necessary, so no unsold capacity falls into either of these categories.

iv. Conclusions

As can be seen from Table 2 above, on average, 77.0 MW of Capacity was unsold in each month of the Winter 2009-2010 Capability Period. This value was down over 100 MW from the previous Winter Capability Period. During this period, the NYCA minimum Capacity requirement was 35,785.3 MW, and there was significant excess above this amount.²⁵ Thus, during the Winter 2009-2010 Capability Period, the amount of ROS Capacity offered but not sold constituted less than one percent of the NYCA minimum Capacity requirement. Similarly, unsold capacity amounts in the Summer 2010 Capability Period were very low.

These results show that the small amount of ROS Capacity that was offered but not sold was very unlikely to constitute economic withholding. As the Commission has recognized, "withholding is less likely to occur when: (1) the amount of unsold capacity in the Rest of State does not exceed a few percent of available supplies; (2) Capacity purchased has consistently exceeded the minimum requirements; and (3) prices have been below the costs of entry."²⁶

The competitiveness of the NYCA Capacity market in the Winter 2009-2010 Capability Period and the Summer 2010 Capability Period is confirmed by the analysis of estimated Going Forward Costs for ROS units presented in Section III.C.3 of this report.²⁷ The analysis shows that an estimation of Going Forward Costs did not indicate that significant economic withholding occurred in the Winter 2009-2010 Capability Period, during which an average of 77 MW of ROS Capacity was offered but not sold. During this period, the ICAP Spot Market Auctions cleared

²⁵ All capacity figures in the following analysis are in UCAP terms.

²⁶ *New York Indep. Sys. Operator, Inc.*, 121 FERC ¶ 61,090, fn. 19 (2007).

²⁷ See also Attachment 3 for GFC estimates.

well below the estimated Going-Forward Costs for majority of the units with unsold capacity, which indicates the absence of significant economic withholding.

Section I-Attachment 1

AUCTION TYPE	AUCTION MONTH	LOCATION DESCRIPTION	OFFER CAPACITY	OFFER PRICE	PTID NAME	AWARDED CAPACITY	MARKET	
							CLEARING PRICE	UNSOLD
Spot	11/1/2009	ROS	806.7	0.5	Unit 14	777.8	0.5	28.9
Spot	11/1/2009	ROS	50	0.5	Unit 9	48.2	0.5	1.8
Spot	11/1/2009	ROS	42.2	0.5	Unit 22	40.7	0.5	1.5
Spot	11/1/2009	ROS	15	0.5	Unit 17	14.5	0.5	0.5
Spot	11/1/2009	ROS	1.7	0.5	Unit 12	1.6	0.5	0.1
Spot	11/1/2009	ROS	1.2	0.5	Unit 15	1.2	0.5	0.0
Spot	11/1/2009	ROS	0.9	0.5	Unit 16	0.9	0.5	0.0
Spot	11/1/2009	ROS	71	0.55	Unit 11	0.0	0.5	71.0
Spot	11/1/2009	ROS	14	0.6	Unit 18	0.0	0.5	14.0
Spot	11/1/2009	ROS	50	0.75	Unit 9	0.0	0.5	50.0
Spot	11/1/2009	ROS	50	1	Unit 9	0.0	0.5	50.0
Spot	11/1/2009	ROS	3.6	1	Unit 5	0.0	0.5	3.6
Spot	11/1/2009	ROS	0.8	1	Unit 7	0.0	0.5	0.8
Spot	11/1/2009	ROS	0.6	1	Unit 2	0.0	0.5	0.6
Spot	11/1/2009	ROS	0.6	1	Unit 3	0.0	0.5	0.6
Spot	11/1/2009	ROS	0.3	1	Unit 8	0.0	0.5	0.3
Spot	11/1/2009	ROS	0.2	1	Unit 4	0.0	0.5	0.2
Spot	11/1/2009	ROS	0.1	1	Unit 6	0.0	0.5	0.1
Spot	11/1/2009	ROS	53	1.06	Unit 21	0.0	0.5	53.0
Spot	11/1/2009	ROS	50	1.25	Unit 9	0.0	0.5	50.0
Spot	11/1/2009	ROS	1	1.56	Unit 21	0.0	0.5	1.0
Spot	11/1/2009	ROS	1	1.73	Unit 21	0.0	0.5	1.0
11/1/2009 Total			1213.9			884.8		329.1
Spot	12/1/2009	ROS	3.1	1	Unit 20	0.0	0.75	3.1
12/1/2009 Total			3.1			0.0		3.1
Spot	3/1/2010	ROS	1.6	1	Unit 20	0.0	0.85	1.6
Spot	3/1/2010	ROS	0.9	1.2	Unit 16	0.0	0.85	0.9
3/1/2010 Total			2.5			0.0		2.5
Spot	4/1/2010	ROS	247.4	0.64	Unit 13	119.8	0.64	127.6
4/1/2010 Total			247.4			119.8		127.6
Spot	6/1/2010	ROS	25	2.24	Unit 10	0.0	2.12	25.0
Spot	6/1/2010	ROS	3.2	2.48	Unit 19	0.0	2.12	3.2
Spot	6/1/2010	ROS	25	2.49	Unit 10	0.0	2.12	25.0
Spot	6/1/2010	ROS	34.6	2.64	Unit 10	0.0	2.12	34.6
6/1/2010 Total			87.8			0.0		87.8
Spot	8/1/2010	ROS	2	1.68	Unit 19	1.2	1.68	0.8
Spot	8/1/2010	ROS	2	1.7	Unit 19	0.0	1.68	2.0
Spot	8/1/2010	ROS	2	1.72	Unit 19	0.0	1.68	2.0
Spot	8/1/2010	ROS	2	1.74	Unit 19	0.0	1.68	2.0
Spot	8/1/2010	ROS	2	1.76	Unit 19	0.0	1.68	2.0
Spot	8/1/2010	ROS	2	1.78	Unit 19	0.0	1.68	2.0
Spot	8/1/2010	ROS	2	1.8	Unit 19	0.0	1.68	2.0
8/1/2010 Total			14			1.2		12.8
Spot	9/1/2010	ROS	0.4	0.75	Unit 19	0.0	0.63	0.4
9/1/2010 Total			0.4			0.0		0.4
Spot	10/1/2010	ROS	110.5	0.5	Unit 17	0.0	0.48	110.5
Spot	10/1/2010	ROS	40	0.5	Unit 18	0.0	0.48	40.0
Spot	10/1/2010	ROS	7.5	0.5	Unit 12	0.0	0.48	7.5
10/1/2010 Total			158			0.0		158.0

Classification of ROS Generating Units

	Class B	Class F	Class H	Class I
Technology	Combined Cycle	Steam Electric	Steam Electric	Steam Electric
Primary Fuel	Cogeneration	Coal	Coal	Coal
Total Units in Group	Natural Gas	#6 Fuel Oil	Coal	Coal
Dual-Fueled Units in Group	20	7	13	4
Average Capacity Factor	4	4	3	1
Average In-Service Date	23.9%	2.0%	50.7%	21.9%
Average Nameplate Rating (MW)	1-Sep-1992	18-Dec-1968	4-Jun-1961	24-Apr-1975
Net Plant Capacity - Summer (MW)	149.9	461.9	198.7	46.2
Net Plant Capacity - Winter (MW)	121.7	433.1	188.6	42.0
Net Plant Capacity - Summer/Winter Average (MW)	140.7	436.3	187.9	42.4
	131.2	434.7	188.3	42.2

Fixed O&M and Fixed Cost Assumptions

	Class B	Class F	Class H	Class I
Average Labor Rate, incl. Benefits (2010\$/hour)	56.76	56.76	56.76	56.76
Number of Operating and Maintenance Staff (full-time equivalents)	9.00	32.00	41.00	19.00
Labor - Routine O&M (2010\$/year)	1,062,588	3,778,089	4,840,676	2,243,240
Routine Materials and Contract Services (2010\$/year)	970,313	6,253,125	2,305,031	968,156
Administrative and General (2010\$/year)	204,844	582,188	768,703	322,359
Other Fixed Cost Assumptions				
Insurance Rate	0.30%	0.30%	0.30%	0.30%
Market value of plant (2010\$/kW)	1,464	755	863	1,078
Insurance (2010\$/year)	658,263	1,045,738	514,136	149,347
Total Fixed O&M and Fixed Costs	2,896,007	11,659,140	8,428,547	3,683,103
\$/kW-year (2010\$)	\$19.32	\$25.24	\$42.42	\$79.76

Avoidable Cost Percentages for a Mothballed Unit

	Class B	Class F	Class H	Class I
Labor - Routine O&M	73.37%	75.42%	88.71%	88.71%
Materials and Contract Services - Routine	90.00%	90.00%	90.00%	90.00%
Administrative and General	61.41%	80.06%	90.16%	90.16%
Insurance	60.00%	60.00%	60.00%	60.00%
PJM Category for Percent Avoidable	CC Cogen Frame B or E	Oil and Gas Steam	Subcritical Coal	Subcritical Coal

Annual Avoidable Costs for a Mothballed Unit (2010\$/year)

	Class B	Class F	Class H	Class I
Labor - Routine O&M	779,620	2,849,486	4,294,237	1,989,978
Materials and Contract Services - Routine	873,281	5,627,813	2,074,528	871,341
Administrative and General	125,795	466,085	693,097	290,639
Insurance	394,958	627,443	308,482	89,608
Total Annual Avoidable Costs	2,173,654	9,570,826	7,370,344	3,241,567
Total Annual Avoidable Costs (2010\$/kW-year)	\$14.50	\$20.72	\$37.09	\$70.20

Section I-Attachment 3

2010 Capability Year																					
EXISTING GENERATING FACILITIES AS OF OCTOBER 2010																					
REF. NO.	Owner, Operator, and / or Billing Organization	Station	Unit	Zone	PTID	Location			In-Service Date YYYY-MM-DD	Name Plate Rating (MW)	2010 Capability (Megawatts)		Co-Gen Y/N	Unit Type	F T	C S	Fuel			2009 Net Energy (GWh)	CF
						Town	Cnty	St			Summer	Winter					Type 1	Type 2	Type 3		
1315	Indeck-Corinth LP	Indeck-Corinth		F	23802	Corinth	091	36	1995-07-01	147.0	128.8	132.3	Y	CC	Y	NG	FO2			443.0	38.7%
1130	Energy Systems North East LLC	Energy Systems North East		A	23901	North East	049	42	1992-08-01	88.2	79.4	88.0	Y	CC		NG				9.0	1.2%
1316	Indeck-Olean LP	Indeck-Olean		A	23982	Olean	009	36	1993-12-01	90.6	77.6	83.6	Y	CC		NG				188.7	26.7%
1318	Indeck-Yerkes LP	Indeck-Yerkes		A	23781	Tonawanda	029	36	1990-02-01	59.9	49.4	58.1	Y	CC		NG				6.7	1.4%
1504	Niagara Mohawk Power Corp.	Fortistar - N.Tonawanda		A	24026	N Tonawanda	029	36	1993-06-01	55.3	52.3	61.1	Y	CC		NG				4.8	1.0%
1679	Seneca Power Partners, L.P	Batavia		B	24024	Batavia	037	36	1992-06-01	67.3	49.1	61.0	Y	CC		NG				27.5	5.7%
1082	Carr Street Generating Station LF	Carr St.-E. Syr		C	24060	Dewitt	067	36	1993-08-01	122.6	86.9	103.8	Y	CC		NG				0.0	0.0%
1127	Dynegy Power Marketing, Inc	Independence		C	23800	Scriba	075	36	1994-11-01	1,254.0	943.2	1,097.6	Y	CC		NG				2,938.0	32.9%
1314	Indeck Energy Services of Silver Springs	Indeck-Silver Springs		C	23768	Silver Springs	121	36	1991-04-01	56.6	49.8	62.5	Y	CC		NG	FO2			4.2	0.9%
1317	Indeck-Oswego LP	Indeck-Oswego		C	23783	Oswego	075	36	1990-05-01	57.4	50.5	62.3	Y	CC		NG				3.8	0.8%
1326	Integrus Energy Services, Inc	Syracuse		C	23985	Syracuse	067	36	1993-09-01	102.7	87.4	93.3	Y	CC		NG				20.2	2.6%
1575	Niagara Mohawk Power Corp.	Nottingham High School		C	23634		067	36	1988-06-01	0.2	0.0	0.0	Y	CC		NG				0.0	0.0%
1648	Power City Partners, L.P	Massena		D	23902	Massena	089	36	1992-07-01	101.8	82.6	92.8	Y	CC		NG	FO2			1.4	0.2%
1324	Integrus Energy Services, Inc	Beaver Falls		E	23983	Beaver Falls	049	36	1995-03-01	107.8	79.2	90.1	Y	CC		NG				15.7	2.1%
1643	NYSEG Solutions, Inc	Carthage Energy		E	23857	Carthage	045	36	1991-08-01	62.9	56.6	66.5	Y	CC		NG				4.8	0.9%
1701	Sterling Power Partners, L.P.	Sterling		E	23777	Sherrill	065	36	1991-06-01	65.3	51.9	63.3	Y	CC		NG				8.4	1.7%
1083	Castleton Power, LLC	Fort Orange		F	23900	Castleton	083	36	1992-01-01	72.0	62.1	71.2	Y	CC		NG				58.5	10.0%
1674	Selkirk Cogen Partners, L.P.	Selkirk-I		F	23801	Selkirk	001	36	1992-03-01	95.0	78.3	107.6	Y	CC		NG				372.3	45.7%
1675	Selkirk Cogen Partners, L.P.	Selkirk-II		F	23799	Selkirk	001	36	1994-09-01	288.0	290.6	336.6	Y	CC		NG	FO2			1,395.3	50.8%
1697	Shell Energy North America (US), L.P	Rensselaer Cogen		F	23796	Rensselaer	083	36	1993-12-01	103.7	77.4	82.7	Y	CC		NG				2.0	0.3%
Class B Averages									1992-09-01	150	122	141								275	23.9%
1638	NRG Power Marketing LLC	Oswego 5		C	23606	Oswego	075	36	1976-02-01	901.8	839.7	851.2	N	ST	W	A	FO6			26.6	0.4%
1639	NRG Power Marketing LLC	Oswego 6		C	23613	Oswego	075	36	1980-07-01	901.8	835.7	831.0	N	ST	W	A	FO6			48.0	0.7%
1121	Dynegy Power Marketing, Inc	Danskammer 1		G	23586	Newburgh	071	36	1951-12-01	72.0	61.7	68.2	N	ST	T	A	FO6	NG	FO2	12.4	2.2%
1122	Dynegy Power Marketing, Inc	Danskammer 2		G	23589	Newburgh	071	36	1954-09-01	73.5	64.0	62.5	N	ST	T	A	FO6	NG	FO2	10.7	1.9%
1128	Dynegy Power Marketing, Inc	Roseton 1		G	23587	Newburgh	071	36	1974-12-01	621.0	615.5	621.2	N	ST	T	A	FO6	NG	FO2	207.9	3.8%
1129	Dynegy Power Marketing, Inc	Roseton 2		G	23588	Newburgh	071	36	1974-09-01	621.0	605.2	612.2	N	ST	T	A	FO6	NG	FO2	223.5	4.2%
1327	International Paper Company	Ticonderoga		F	23804	Ticonderoga	031	36	1970-01-01	42.1	10.1	7.7	Y	ST			FO6			0.0	0.1%
Class F Averages									1968-12-18	462	433	436								76	2.0%
1007	AES Eastern Energy, LF	Somerset		A	23543	Somerset	063	36	1984-08-01	655.1	684.2	680.4	N	ST	W	A	BIT			3,368.3	56.4%
1630	NRG Power Marketing LLC	Dunkirk 1		A	23563	Dunkirk	013	36	1950-11-01	96.0	76.7	76.0	N	ST	T	A	BIT			368.9	55.2%
1631	NRG Power Marketing LLC	Dunkirk 2		A	23564	Dunkirk	013	36	1950-12-01	96.0	76.1	75.6	N	ST	T	A	BIT			366.7	55.2%
1632	NRG Power Marketing LLC	Dunkirk 3		A	23565	Dunkirk	013	36	1959-09-01	217.6	187.1	186.9	N	ST	T	A	BIT			999.5	61.0%
1633	NRG Power Marketing LLC	Dunkirk 4		A	23566	Dunkirk	013	36	1960-08-01	217.6	187.1	186.1	N	ST	T	A	BIT			889.4	54.4%
1635	NRG Power Marketing LLC	Huntley 67		A	23561	Tonawanda	029	36	1957-12-01	218.0	190.0	190.0	N	ST	T	A	BIT			996.7	59.9%
1636	NRG Power Marketing LLC	Huntley 68		A	23562	Tonawanda	029	36	1958-12-01	218.0	190.0	188.0	N	ST	T	A	BIT			1,030.9	62.3%
1001	AES Eastern Energy, LF	Cayuga 1		C	23584	Lansing	109	36	1955-09-01	167.2	152.2	151.5	N	ST	T	A	BIT			790.1	59.4%
1002	AES Eastern Energy, LF	Cayuga 2		C	23585	Lansing	109	36	1958-10-01	155.3	153.5	154.4	N	ST	T	A	BIT			840.0	62.3%
1006	AES Eastern Energy, LF	Greenidge 4		C	23583	Torrey	123	36	1953-12-01	112.0	106.3	105.0	N	ST	T	A	BIT	WD	NG	435.2	47.0%
1009	AES Eastern Energy, LF	Westover 8		C	23580	Union	007	36	1951-12-01	43.8	80.8	82.0	N	ST	T	A	BIT			247.5	34.7%
1123	Dynegy Power Marketing, Inc	Danskammer 3		G	23590	Newburgh	071	36	1959-10-01	147.1	135.7	130.7	N	ST	T	A	BIT	NG	FO2	767.5	65.8%
1124	Dynegy Power Marketing, Inc	Danskammer 4		G	23591	Newburgh	071	36	1967-09-01	239.4	232.5	236.2	N	ST	T	A	BIT	NG	FO2	1,271.9	62.0%
Class H Averages									1961-06-04	199	189	188								836	50.7%
1328	Jamestown Board of Public Utilities	Jamestown 5		A	1658	Jamestown	013	36	1951-08-01	28.7	22.4	21.8	Y	ST			BIT			66.2	34.2%
1329	Jamestown Board of Public Utilities	Jamestown 6		A	1658	Jamestown	013	36	1968-08-01	25.0	19.5	19.0	Y	ST			BIT				0.0%
1723	Trigen-Syracuse Energy Corp.	Syracuse Energy ST1 & ST2		C	323597	Syracuse	067	36	1991-08-01	73.0	72.7	72.8	Y	ST			BIT	FO2		98.8	15.5%
1689	Shell Energy North America (US), L.P	Fort Drum		E	23780	Watertown	045	36	1989-07-01	58.0	53.3	56.2	Y	ST			BIT			77.4	16.1%
Class I Averages									1975-04-24	46	42	42								81	21.9%

Going Forward Costs with Revenue Uncertainty and Owner-Identified Adjustments	November 2009 - October 2010 (2010\$)			
	Class B ROS	Class F ROS	Class H ROS	Class I ROS
Technology	Combined Cycle			Steam Electric
Primary Fuel	Cogeneration Natural Gas	Steam Electric #6 Fuel Oil	Steam Electric Coal	Cogeneration Coal
Avoidable Costs - Mothball (\$/kW-yr)	14.50	20.72	37.09	70.20
Avoidable Costs - Mothball (\$/kW-yr) - UCAP basis¹	16.12	23.04	41.25	78.06
Net Revenues (\$/kW-yr) - Actual	3.13	0.00	13.56	82.07
Going Forward Cost with Revenue Uncertainty				
Going Forward costs minus full Net Revenue (\$/kW-yr)	12.99	23.04	27.69	(4.01)
Summer (\$/kW-mon)	1.55	2.51	3.00	(0.45)
Winter (\$/kW-mon)	0.97	1.57	1.87	(0.28)
Going Forward costs minus half Net Revenue (\$/kW-yr)	14.56	23.04	34.47	37.03
Summer (\$/kW-mon)	1.74	2.51	3.73	4.16
Winter (\$/kW-mon)	1.08	1.57	2.33	2.60
Going Forward costs minus zero Net Revenue (\$/kW-yr)	16.12	23.04	41.25	78.06
Summer (\$/kW-mon)	1.92	2.51	4.46	8.77
Winter (\$/kW-mon)	1.20	1.57	2.79	5.48
Going Forward Costs with Revenue Uncertainty and Owner Adjustments				
No offers for capacity that did not sell were at prices greater than the respective Class Average Going Forward Costs minus Half Net Revenues. No generators were contacted for adjustments.				

Notes

1. All remaining values in this table are on a UCAP basis

II. NYISO Report on New Generation Projects

In its October 23, 2006 order, the Commission ordered the NYISO to submit “a list of investments in new generation projects in New York (including a description and current status of each such project), regardless of the stage of project development at the time of the filing.”²⁸ The NYISO keeps a list of Interconnection Requests and Transmission Projects for the New York Control Area (“NYCA”) that includes information about all generation projects in the State that have requested interconnection.

The NYISO interconnection process is described in two attachments of the NYISO OATT: Attachment X entitled, “Standard Large Facility Interconnection Procedures,” and Attachment Z entitled, “Small Generator Interconnection Procedures.” Attachment X applies to Generating Facilities that exceed 20 MW in size and to Merchant Transmission Facilities, collectively referred to as “Large Facilities.” Attachment Z applies to Generating Facilities no larger than 20 MW.

Under Attachment X, Developers of Large Facilities must submit an Interconnection Request to the NYISO. The NYISO assigns a Queue Position to all valid Interconnection Requests. Under Attachment X, proposed generation and transmission projects undergo up to three studies: the Feasibility Study, the System Reliability Impact Study, and the Facilities Study. The Facilities Study is performed on a Class Year basis for a group of eligible projects pursuant to the requirements of Attachment S of the NYISO OATT. Under Attachment Z, proposed small generators undergo a process that is similar, but with different paths and options that are dependent on the specific circumstances of the project.

Proposed generation and transmission projects currently in the NYISO Interconnection Process are listed on the list of Interconnection Requests and Transmission Projects for the NYCA (“NYISO Interconnection Queue”). The generation projects on that list are shown in Attachment A to this Section II, which is dated November 30, 2010. The NYISO updates the NYISO Interconnection Queue on at least a monthly basis and posts the most recent list on the NYISO’s public web site at

http://www.nyiso.com/public/markets_operations/services/planning/documents/index.jsp.

²⁸ *New York Indep. Sys. Operator, Inc.*, 117 FERC ¶ 61,086, at P 14 (2006).

Explanations for the various columns of the list are provided in the notations at the bottom of each page of the report. The status of each project on the NYISO Interconnection Queue is shown in the column labeled “S.” An explanation of this column is provided in Attachment B to this Section 2. Also, note that the proposed in-service date for each project is the date provided to the NYISO by the respective Owner/Developer, is updated only on a periodic basis, and is subject to change.

Section II – Attachment A

Interconnection Queue

INTERCONNECTION REQUESTS AND TRANSMISSION PROJECTS / NEW YORK CONTROL AREA

Queue Pos.	Owner/Developer	Project Name	Date of IR	SP (MW)	WP (MW)	Type/ Fuel	Location County/State	Z	Interconnection Point	Utility	S	Last Update	Availability of Studies	Proposed In-Service	
														Original	Current
20	KeySpan Energy, Inc.	Spagnoli Road CC Unit	5/17/99	250		CC-NG	Suffolk, NY	K	Spagnoli Road 138kV	LIPA	8	3/31/10	SRIS	2006	2013/06
69	Empire Generating Co., LLC	Empire Generating	7/14/00	635		CC-NG	Rensselaer, NY	F	Reynolds Road 345kV	NM-NG	14	9/30/10	SRIS, FS	2006	I/S
106	TransGas Energy, LLC	TransGas Energy	10/5/01	1100		CC-NG	Kings, NY	J	E13St, Rainey, or Farragut-345kV	CONED	8	2/26/08	SRIS	2007	2012/Q3
115	Central Hudson Gas & Electric	East Fishkill Transformer	4/24/02	N/A		AC	Dutchess, NY	G	East Fishkill 345kV/115kV	CONED/CHG&E	4	8/19/08	None	2007/06	2012
119	ECOGEN, LLC	Prattsburgh Wind Farm	5/20/02	78.2		W	Yates, NY	C	Eelpot Rd-Flat St. 115kV	NYSEG	10	9/30/10	SRIS, FS	2005/02	2012/05
127A	Airtricity Munnsville Wind Farm, LLC	Munnsville	10/9/02	40		W	Madison, NY	E	46kV line	NYSEG	12,14	6/30/10	SRIS, FS	2005/12	2013/12
147	NY Windpower, LLC	West Hill Windfarm	4/16/04	31.5		W	Madison, NY	C	Oneida-Fenner 115kV	NM-NG	10	9/30/10	SRIS, FS	2006/Q4	2012/09
151	Con Edison	West Side Switching Station	6/30/04	N/A		AC	New York, NY	J	West 49th St & Farragut 345kV	CONED	4	2/26/08	None	2011/Q3	2011/Q3
152	Moresville Energy LLC	Moresville Energy Center	7/23/04	99	99	W	Delaware, NY	E	Axtell Road-Grand Gorge 115kV	NYSEG	8	2/16/10	SRIS	2006/12	2011/01
153	Con Edison	Sprain Brook-Sherman Creel	8/13/04	500		AC	Westchester, NY	I, J	Sprain Brook & Sherman Creek	CONED	12	11/30/10	SIS	2007/Q3	2011/02
154	KeySpan Energy for LIPA	Holtsville-Brentwood-Pilgrim	8/19/04	N/A		AC	Suffolk, NY	K	Holtsville & Pilgrim 138kV	LIPA	5	7/10/08	None	2007/06	2012/12
155	Invenergy NY, LLC	Canisteo Hills Windfarm	9/17/04	148.5		W	Steuben, NY	C	Bennett-Bath 115kV	NYSEG	6	10/28/09	FES, SRIS	2006/08	N/A
156	PPM Energy/Atlantic Renewable	Fairfield Wind Project	9/28/04	74	74	W	Herkimer, NY	E	Valley-Inghams 115kV	NM-NG	11	4/30/10	SRIS, FS	2006/09	2011/01
157	BP Alternative Energy NA, Inc.	Orion Energy NY I	10/12/04	100	100	W	Herkimer, NY	E	Watkins Rd.-Inghams 115kV	NM-NG	6	6/30/10	FES, SRIS	2006/07	2013/12
160	Jericho Rise Wind Farm, LLC	Jericho Rise Wind Farm	10/12/04	79.2	79.2	W	Franklin, NY	D	Willis 115 kV	NYPA	8	2/16/10	FES, SRIS	2006/09	2011
161	Marble River, LLC	Marble River Wind Farm	12/7/04	84	84	W	Clinton, NY	D	Willis-Plattsburgh WP-1 230kV	NYPA	10	11/30/09	SRIS, FS	2006	2011/10
166	AES-Acciona Energy NY, LLC	St. Lawrence Wind Farm	2/8/05	79.5	79.5	W	Jefferson, NY	E	Lyme Substation 115kV	NM-NG	10	6/30/10	SRIS, FS	2006/12	2012/09
168	Dairy Hills Wind Farm, LLC	Dairy Hills Wind Farm	2/8/05	120	120	W	Wyoming, NY	C	Stolle Rd.-Meyer 230kV	NYSEG	8	3/31/10	SRIS	2006/11	2012/02
169	Alabama Ledge Wind Farm, LLC	Alabama Ledge Wind Farm	2/8/05	79.8	79.8	W	Genesee, NY	B	Oakfield-Lockport 115kV	NM-NG	8	2/16/10	FES, SRIS	2007/12-2009/12	2011
171	Marble River, LLC	Marble River II Wind Farm	2/8/05	132.3	132.3	W	Clinton, NY	D	Willis-Plattsburgh WP-2 230kV	NYPA	10	11/30/09	SRIS, FS	2007/12	2011/10
180A	Green Power	Cody Rd	3/17/05	10	10	W	Madison, NY	C	Fenner - Cortland 115kV	NM-NG	11	10/28/09	None	None	2010/10
182	Howard Wind, LLC	Howard Wind	3/21/05	62.5	62.5	W	Steuben, NY	C	Bennett-Bath 115kV	NYSEG	10	9/30/10	FES, SRIS, FS	2007/10	2010/12
185	New York Power Authority	Blenheim Gilboa Storage	3/29/05	120	120	PS	Schoharie, NY	F	Valenti Rd., Gilboa 345kV	NYPA	14	6/30/10	SRIS, FS	2010	I/S
186	Jordanville Wind, LLC	Jordanville Wind	4/1/05	80	80	W	Herkimer, NY	E	Porter-Rotterdam 230kV	NM-NG	11	6/30/10	SRIS, FS	2006/12	2011/12
189	PPM Energy, Inc.	Clayton Wind	4/8/05	126	126	W	Jefferson, NY	E	Coffeen St-Thousand Island 115kV	NM-NG	8	10/14/08	FES, SRIS	2006/12	2010/12
197	PPM Roaring Brook, LLC / PPM	Roaring Brook Wind	7/1/05	78	78	W	Lewis, NY	E	Boonville-Lowville 115kV	NM-NG	10	8/31/10	FES, SRIS, FS	2009/12	2011/09
198	New Grange Wind Farm, LLC	Arkwright Summit Wind Farm	7/21/05	79.8	79.8	W	Chautauqua, NY	A	Dunkirk-Falconer 115kV	NM-NG	8	2/16/10	FES, SRIS	2008/12	2011/09
201	NRG Energy	Berrians GT	8/17/05	200	200	CC-NG	Queens, NY	J	Astoria West Substation 138kV	CONED	6	6/30/10	SRIS, FS	2008/02	2013/06
204A	Duer's Patent Project, LLC	Beekmantown Windfarm	10/31/05	19.5	19.5	W	Clinton, NY	D	46kV	NYSEG	10	8/31/10	None	2008/06	2013/06
205	National Grid	Luther Forest	11/2/05	40	40	L	Saratoga, NY	F	Round Lake 115kV	NM-NG	6	10/14/08	SIS	2007/08	N/A
206	Hudson Transmission Partners	Hudson Transmission	12/14/05	660	660	DC/AC	NY, NY - Bergen, NJ	J	West 49th Street 345kV	CONED	10	6/30/10	FES, SRIS, FS	2009/Q2	2011/Q4
207	BP Alternative Energy NA, Inc.	Cape Vincent	1/12/06	210	210	W	Jefferson, NY	E	Rockledge Substation 115kV	NM-NG	10	6/30/10	FES, SRIS, FS	2009/Q4	2012/12
213	Noble Environmental Power, LLC	Ellenburg II Windfield	4/3/06	21	21	W	Clinton, NY	D	Willis-Plattsburgh WP-2 230kV	NYPA	10	6/4/10	SRIS, FS	2007/10	2011/10
216	Nine Mile Point Nuclear, LLC	Nine Mile Point Uprate	5/5/06	168	168	NU	Oswego, NY	C	Scriba Station 345kV	NM-NG	10	6/30/10	SRIS, FS	2010/Q3	2012/Q2
222	Noble Ball Hill Windpark, LLC	Ball Hill Windpark	7/21/06	90	90	W	Chautauqua, NY	A	Dunkirk-Gardenville 230kV	NM-NG	9	2/16/10	FES, SRIS	2008/10	2011/12
224	NRG Energy, Inc.	Berrians GT II	8/23/06	50	90	CT-NG	Queens, NY	J	Astoria West Substation 138kV	CONED	5	6/30/10	FES	2010/06	2013/06
225	New York State Electric & Gas	Ithaca Transmission	9/7/06	TBD	TBD	AC	Thompkins, NY	C	Oakdale - Lafayette 345kV	NYSEG	6	9/30/10	SIS	2009/12	2010/06
227A	Laidlaw Energy Group Inc.	Laidlaw Energy & Env.	10/30/06	7	7	Wo	Cattaraugus, NY	A	13.2kV	NM-NG	7	10/28/09	None		N/A
231	Seneca Energy II, LLC	Seneca	11/2/06	6.4	6.4	M	Seneca, NY	C	Goulds Substation 34.5kV	NYSEG	10	8/31/10	SRIS, FS	2009/07	2010/10
232	Bayonne Energy Center, LLC	Bayonne Energy Center	11/27/06	500	500	CT-D	Bayonne, NJ	J	Gowanus Substation 345kV	ConEd	9, 12	11/30/10	FES, SRIS	2008/11	2011/11

NOTES:

- The column labeled 'SP' refers to the maximum summer megawatt electrical output. The column labeled 'WP' refers to the maximum winter megawatt electrical output.
- Type / Fuel. Key: ST=Steam Turbine, CT=Combustion Turbine, CC=Combined Cycle, CS= Steam Turbine & Combustion Turbine, H=Hydro, PS=Pumped Storage, W=Wind, NU=Nuclear, NG=Natural Gas, M=Methane, SW=Solid Waste, S=Solar, Wo=Wood, F=Flywheel ES=Energy
- The column labeled 'Z' refers to the zone
- The column labeled 'S' refers to the status of the project in the NYISO's LFIP. Key: 1=Scoping Meeting Pending, 2=FES Pending, 3=FES in Progress, 4=SRIS/SIS Pending, 5=SRIS/SIS in Progress, 6=SRIS/SIS Approved, 7=FS Pending, 8=Rejected Cost Allocation/Next FS Pending, 9=FS in Progress, 10=Accepted Cost Allocation/IA in Progress, 11=IA Completed, 12=Under Construction, 13=In Service for Test, 14=In Service Commercial, 0=Withdrawn
- Availability of Studies Key: None=Not Available, FES=Feasibility Study Available, SRIS=System Reliability Impact Study Available, FS=Facilities Study and/or ATRA Available
- Proposed in-service dates are shown in format Year/Qualifier, where Qualifier may indicate the month, season, or quarter.

Queue Pos.	Owner/Developer	Project Name	Date of IR	SP (MW)	WP (MW)	Type/ Fuel	Location County/State	Z	Interconnection Point	Utility	S	Last Update	Availability of Studies	Proposed In-Service	
														Original	Current
234	Steel Winds, LLC	Steel Winds II	12/8/06	15	15	W	Erie, NY	A	Substation 11A 115kV	NM-NG	10	11/3/10	SRIS, FS	2007/12	2011/03
236	Gamesa Energy USA, LLC	Dean Wind	12/14/06	150	150	W	Tioga - Schuyler, NY	C	Watercure-Oakdale 345kV	NYSEG	6	2/16/10	FES, SRIS	2009/12	2011/12
237	Allegany Wind, LLC	Allegany Wind	1/9/07	72.5	72.5	W	Cattaraugus, NY	A	Homer Hill - Dugan Rd. 115kV	NM-NG	9	6/30/10	FES, SRIS	2009/10	2011/10
239	Western Door Wind, LLC	Western Door Wind	1/30/07	100	100	W	Yates, NY	C	Greenidge - Haley Rd. 115kV	NYSEG	5	12/22/08	FES	2010/10	2010/10
239A	Innovative Energy System, Inc.	Modern Innovative Plant	1/31/07	6.4	6.4	M	Niagara, NY	A	Youngstown - Sanborn 34.5kV	NM-NG	8	2/16/10	None	2007/12	2011/07
241	Noble Chateaugay Windpark II, LLC	Chateaugay II Windpark	3/15/07	19.5	19.5	W	Franklin, NY	E	Chateaugay Substation 115kV	NYSEG	6	3/31/10	None	2008/07	2011/07
245	Innovative Energy System, Inc.	Fulton County Landfill	4/17/07	3.2	3.2	M	Montgomery, NY	F	Ephratah - Amsterdam 69kV	NM-NG	9, 14	6/30/10	None	2008/Q3	I/S
246	PPM Energy, Inc	Dutch Gap Wind	6/1/07	250	250	W	Jefferson, NY	E	Indian River - Black Rive 115kV	NM-NG	6	6/30/10	FES, SRIS	2010/12	2011/12
247	RG&E	Russell Station	6/11/07	300	325	CC-NG	Monroe, NY	B	Russell Station 115kV	RG&E	6	8/31/10	SRIS	2013/07	2013/07
250	Seneca Energy II, LLC	Ontario	7/2/07	5.6	5.6	M	Ontario, NY	B	Haley Rd. - Hall 34.5kV	NYSEG	14	11/30/10	None	2009/10	I/S
251	CPV Valley, LLC	CPV Valley Energy Center	7/5/07	656	753	CC-NG	Orange, NY	G	Coopers - Rock Tavern 345kV	NYPA	9	6/30/10	FES/SRIS	2012/05	2012/10
253	Marble River, LLC	Marble River SPS	8/13/07	TBD	TBD	AC	Clinton, NY	D	Moses-Willis-Plattsburgh 230kV	NYPA	5	10/28/09	None	2007/12	N/A
254	Ripley-Westfield Wind LLC	Ripley-Westfield Wind	8/14/07	124.2	124.2	W	Chautauqua, NY	A	Ripley - Dunkirk 230kV	NM-NG	9	6/30/10	FES, SRIS	2007/12	2011/12
257	RG&E	Brown's Race Uprate	9/12/07	2	2	H	Monroe, NY	B	Beebee Station 34kV	RG&E	7	6/30/10	None	2008/12	2010/10
260	Stephentown Regulation Services, LL	Stephentown	9/25/07	20	20	F	Rensselaer, NY	F	Stephentown 115kV	NYSEG	9	8/31/10	None	2008/10	2010/09
261	Astoria Generating Company	South Pier Improvement	10/2/07	105	108	CT-NG	Kings, NY	J	Gowanus 138kV	ConEd	9	6/30/10	FES, SRIS	2010/06	2012/05
263	Stony Creek Wind Farm, LLC	Stony Creek Wind Farm	10/12/07	88.5	88.5	W	Wyoming, NY	C	Stolle Rd - Meyer 230kV	NYSEG	9	6/30/10	FES, SRIS	2010/01	2010/12
264	RG&E	Seth Green	10/23/07	2.8	2.8	H	Monroe, NY	B	11kV	RG&E	7	6/30/10	None	2008/04	N/A
266	NRG Energy, Inc.	Berrians GT III	11/28/07	744	789	CC-NG	Queens, NY	J	Astoria 345kV	NYPA	9	9/30/10	FES, SRIS	2010/06	2013/06
267	Winergy Power, LLC	Winergy NYC Wind Farm	11/30/07	601	601	W	New York, NY	J	Gowanus Substation 345kV	ConEd	5	8/31/10	FES	2015/01	2017/01
270	Wind Development Contract Co LLC	Hounsfield Wind	12/13/07	268.8	268.8	W	Jefferson, NY	E	Fitzpatrick - Edic 345kV	NYPA	6	3/31/10	FES/SRIS	2010/09	2010/09
271	State Line Wind Power LLC	State Line Wind	12/20/07	124.8	124.8	W	Chautauqua, NY	A	South Ripley - Dunkirk 230kV	NM-NG	6	6/30/10	FES, SRIS	2010/12	2011/06
276	Air Energie TCI, Inc.	Crown City Wind Farm	1/30/08	90	90	W	Cortland, NY	C	Cortland - Fenner 115kV	NM-NG	6	11/3/10	FES	2011/12	2013/12
282	Concord Wind Power LLC	Concord Wind	2/28/08	101.2	101.2	W	Chautauqua, NY	A	Dunkirk - South Ripley 230kV	NM-NG	6	6/30/10	FES, SRIS	2011/09	2011/09
284	Broome Energy Resources, LLC	Nanticoke Landfill	3/6/08	1.6	1.6	M	Broome, NY	C	Nanticoke Landfill Plant 34.5kV	NYSEG	10	6/30/10	None	2008/07	N/A
285	Machias Wind Farm, LLC	Machias I	3/27/08	79.2	79.2	W	Cattaraugus, NY	A	Gardenville - Homer Hill 115kV	NM-NG	5	6/30/10	FES	2010/12	2012/12
289	New York State Electric & Gas	Corning Valley Trans.	4/1/08	N/A	N/A	AC	Steuben, NY	C	Avoca and Hillside 230kV	NYSEG	6	10/29/08	SIS	2010/12	2010/12
290	National Grid	Paradise	4/3/08	N/A	N/A	AC	Niagara, NY	A	Paradise Station 115kV	NM-NG	6	10/14/08	SIS	2010/12	2010/12
290A	Green Island Power Authority	Green Island Power	4/7/08	20	20	L	Albany, NY	F	Maplewood - Johnson Rd 115kV	NM-NG	5	8/31/10	None	2009/12	2012/Q4
291	Long Island Cable, LLC	LI Cable - Phase 1	4/14/08	440	440	W	Suffolk, NY	K	Ruland Road 138kV	LIPA	5	8/31/10	FES	2013/01	2016/01
292	Long Island Cable, LLC	LI Cable - Phase 2a	4/14/08	220	220	W	Suffolk, NY	K	Ruland Road 138kV	LIPA	5	8/31/10	FES	2013/06	2016/01
294	Orange & Rockland	Ramapo-Sugarloaf	4/29/08	N/A	N/A	AC	Orange/Rockland, NY	G	Ramapo - Sugarloaf 138kV	O&R	6	8/31/10	SIS	2009/06	2011/12
295	CCH Holdings Group, LLC	Cross Hudson II	5/6/08	800	800	AC	New York, NY-NJ	J	West 49th St. Substation 345kV	ConEd	4	8/31/10	FES	2011/06	2013/06
305	Transmission Developers Inc.	Transmission Developers NYC	7/18/08	1000	1000	DC	Quebec - NY, NY	J	Gowanus Substation 345kV	ConEd/NYPA	5	6/30/10	FES	2014/Q1	2015/03
306	Transmission Developers Inc.	Clay HVDC	7/18/08	2000	2000	DC	Onondaga/New York, NY	C, J	Clay 345kV - Sherman Creek 138 kV	NM-NG/ConEd	3	9/30/09	None	2014/Q1	2014/Q1
307	New York Wire, LLC	New York Wire-Phase 1	7/29/08	550	550	DC	NJ - Kings, NY	J	Gowanus Substation 345kV	ConEd	5	11/3/10	FES	2013/07	2014/10
308	Astoria Energy II, LLC	Astoria Energy II	8/20/08	576	617.2	CS-NG	Queens, NY	J	Astoria 345kV	NYPA	9, 12	11/30/10	SRIS	2011/05	2011/05
310	Cricket Valley Energy Center, LLC	AP Dutchess	9/22/08	1002	1115	CC-NG	Dutchess, NY	G	Pleasant Valley - Long Mt. 345kV	ConEd	5	8/31/10	FES	2014/12	2014/12
311	New York State Electric & Gas	Concord Casino	9/24/08	48.0	48.0	L	Sullivan, NY	E	Coopers Corner - Rock Hill	NYSEG	5	10/28/09	None	2009/09	N/A
313	Atlantic Wind, LLC	Stone Church Wind	9/30/08	150	150	W	St. Lawrence, NY	E	Mc Intyre Substation 115 kV	NM-NG	3	9/1/09	None	2011/12	2011/12

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														Original	Current
315	CRC Renewables, LLC	Onondaga Renewables	10/23/08	47	47	Wo	Onondaga, NY	C	Geres Lock 115kV	NM-NG	5	2/16/10	None	2011/03	2011/03
318	AES Energy Storage, LLC	Westover Energy Storage	12/3/08	20	20	ES	Broome, NY	C	Westover 115kV	NYSEG	6	9/30/10	None	2010/01	2010/07
319	AES Energy Storage, LLC	Cayuga Energy Storage	12/3/08	20	20	ES	Onondaga, NY	C	Milliken 115kV	NYSEG	5	6/24/09	None	2010/07	2010/07
320	AES Energy Storage, LLC	Somerset Energy Storage	12/3/08	20	20	ES	Niagara, NY	A	Somerset 69kV	NYSEG	5	11/30/09	None	2010/07	2010/07
322	Horizon Wind Energy, LLC	Stone's Throw Wind	1/13/09	59.4	59.4	W	Madison, NY	E	County Line - Brothertown 115kV	NYSEG	5	11/30/10	FES	2012/12	2012/12
326	NYSEG/RG&E	Rochester SVC/PST Trans.	3/9/09	N/A	N/A	AC	Monroe, NY	B	Station 124 115kV	NYSEG	6	12/22/09	SIS	2011/12	2011/12
327	Con Edison	Offshore Wind	3/20/09	700	700	W	NY - Suffolk, NY	J, K	Far Rockaway 69kV	LIPA	3	9/30/09	None	2020/01	2015/01
330	Long Island Solar Farm LLC	Upton Solar Farms	4/7/09	31.5	32	S	Suffolk, NY	K	8ER Substation 69kV	LIPA	9, 11	11/3/10	SRIS	2011/05	2011/05
331	National Grid	Northeast NY Reinforcement	4/22/09	N/A	N/A	AC	Saratoga, NY	F	NGrid 230kV	NM-NG	6	12/22/09	SIS	2010-2019	2010-2019
333	National Grid	Western NY Reinforcement	5/5/09	N/A	N/A	AC	Cattaraugus, NY	A	NGrid 115kV	NM-NG	5	7/31/09	None	2014/Q2	2014/Q2
335	NextEra Energy Resources, LLC	Cold Creek Spring Wind	6/9/09	150	150	W	Cattaraugus, NY	A	Salamanca - Falconer 115kV	NM-NG/NYSEG	3	6/30/10	None	2012/12	2012/12
336	Enfield Energy, LLC	Black Oak Wind	6/29/09	50	50	W	Thompkins, NY	C	Black Oak Rd 115kV	NYSEG	3	8/31/10	None	2010/10	2010/10
337	Long Island Power Authority	Northport Norwalk Harbor	7/14/09	N/A	N/A	AC	Suffolk, NY	K	Northport 138kV	LIPA	5	9/30/09	None	2016	2016
338	RG&E	Brown's Race II	8/1/10	8.3	8.3	H	Monroe, NY	B	Station 3 / Station 137 34.5kV	RG&E	7	4/30/10	None	2011/08	2011/08
339	RG&E	Transmission Reinforcement	8/17/09	N/A	N/A	AC	Monroe, NY	B	Niagara - Kintigh 345kV	RG&E	5	11/30/09	None	2015/09	2015/09
340	RG&E	Brown's Race III	9/2/09	2	2	H	Monroe, NY	B	Station 6 34.5 kV	RG&E	7	4/30/10	None	2010/12	2010/12
342	Albany Energy, LLC	Albany Landfill	9/3/09	6.4	6.4	M	Albany, NY	F	34.5kV	NM-NG	5	9/30/10	None	2010/12	2010/12
343	Champlain Wind Link, LLC	Champlain Wind Link I	9/29/09	600	600	AC	Clinton, NY - VT	D	Plattsburgh - New Haven, VT 230kV	NYPA	5	8/31/10	None	2014/06	2014/06
344	Champlain Wind Link, LLC	Champlain Wind Link II	9/29/09	600	600	AC	Clinton, NY - VT	D	Plattsburgh - New Haven, VT 345kV	NYPA	4	12/22/09	None	2014/06	2014/06
346	Beacon Power	Scotia Industrial Park	11/24/09	20	20	F	Schenectady, NY	F	Spier - Rotterdam	NM-NG	5	6/30/10	None	2011/08	2011/08
347	Horizon Wind Energy, LLC	Franklin Wind	12/2/09	50.4	50.4	W	Delaware, NY	E	Sidney - Delhi 115kV	NYSEG	3	8/31/10	None	2012/12	2012/12
349	Taylor Biomass Energy, LLC	Taylor Biomass	12/30/09	22.6	22.6	SW	Montgomery, NY	F	Maybrook - Rock Tavern	CHGE	5	6/30/10	None	2012/04	2012/04
350	Lake Erie Wind, LLC	Lake Erie Wind	2/16/10	810	810	W	Chautauqua, NY	A	Dunkirk Substation 138kV	NM-NG	3	6/30/10	None	2015/12	2015/12
351	Linden VFT, LLC	Linden VFT Uprate	3/2/10	15	15	AC	Richmond, NY-NJ	J	Goethals 345kV	CONED	5	11/8/10	None	2010/11	2010/11
353	Chautauqua County	Chautauqua County Landfill	4/26/10	9.6	9.6	M	Chautauqua, NY	A	Hartfield - South Dow 34.5kV	NM-NG	5	11/3/10	None	2011/03	2011/03
354	Atlantic Wind, LLC	North Ridge Wind	5/13/10	100	100	W	St. Lawrence, NY	E	Nicholville - Parishville 115kV	NM-NG	3	9/30/10	None	2014/12	2014/12
355	Brookfield Renewable Power	Stewarts Bridge Hydro	8/3/10	30	30	H	Saratoga, NY	F	Spier Falls - EJ West	NM-NG	4	11/30/10	None	2012/10	2012/10
357	NRG Energy	NY Power Pathway	9/10/10	1000	1000	DC	Albany, Orange or Westchester, NY	F, G or H	New Scotland - Roseton or Buchanan 345kV	NM-NG/CenHud or Coned	2	11/8/10	None	2016/07	2016/07
358	Anabarc Northeast & PowerBridg	West Point Transmission	9/13/10	2000	2000	DC	Greene, Albany, Westchester, NY	F, H	Leeds, New Scotland - Alps - Indian Pt. 345 kV	NM-NG/ConEd	2	11/30/10	None	2015/05-2016/05	2015/05-2016/05

NOTES:

- The column labeled 'SP' refers to the maximum summer megawatt electrical output. The column labeled 'WP' refers to the maximum winter megawatt electrical output.
- Type / Fuel. Key: ST=Steam Turbine, CT=Combustion Turbine, CC=Combined Cycle, CS= Steam Turbine & Combustion Turbine, H=Hydro, PS=Pumped Storage, W=Wind, NU=Nuclear, NG=Natural Gas, M=Methane, SW=Solid Waste, S=Solar, Wo=Wood, F=Flywheel ES=Energy
- The column labeled 'Z' refers to the zone
- The column labeled 'S' refers to the status of the project in the NYISO's LFIP. Key: 1=Scoping Meeting Pending, 2=FES Pending, 3=FES in Progress, 4=SRIS/SIS Pending, 5=SRIS/SIS in Progress, 6=SRIS/SIS Approved, 7=FS Pending, 8=Rejected Cost Allocation/Next FS Pending, 9=FS in Progress, 10=Accepted Cost Allocation/IA in Progress, 11=IA Completed, 12=Under Construction, 13=In Service for Test, 14=In Service Commercial, 0=Withdrawn
- Availability of Studies Key: None=Not Available, FES=Feasibility Study Available, SRIS=System Reliability Impact Study Available, FS=Facilities Study and/or ATRA Available
- Proposed in-service dates are shown in format Year/Qualifier, where Qualifier may indicate the month, season, or quarter.

Section II. Attachment B. New Generation Report

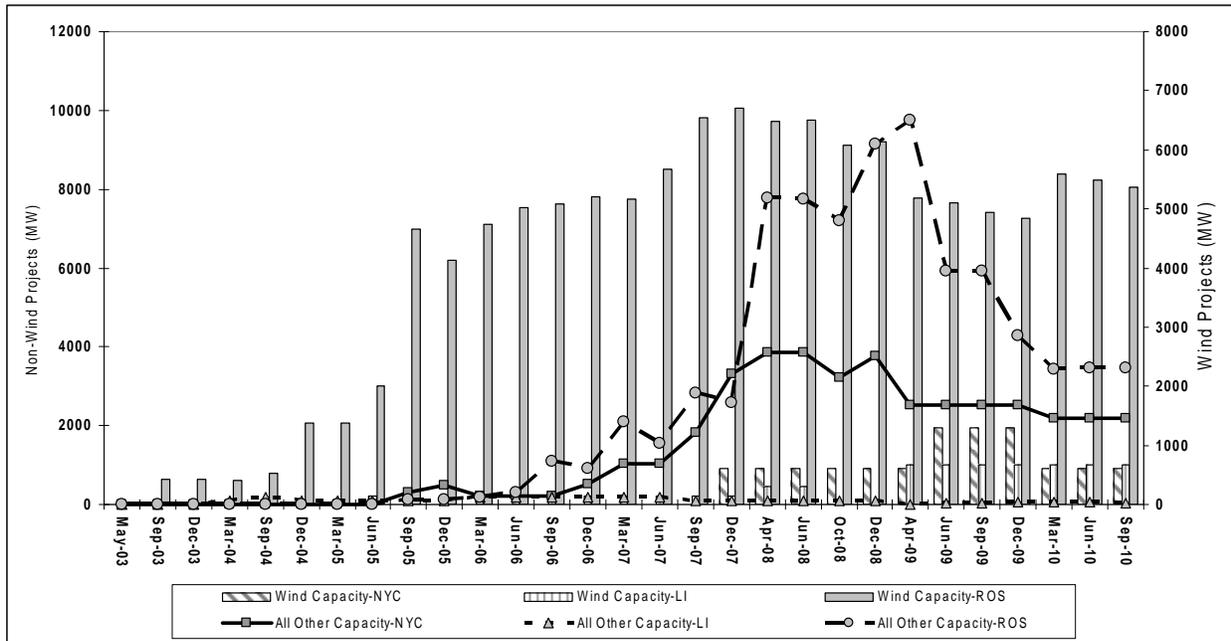
1=	Scoping Meeting Pending	Interconnection Request has been received, but scoping meeting has not yet occurred
2=	FESA Pending	Awaiting execution of Feasibility Study Agreement
3=	FES in Progress	Feasibility Study is in Progress
4=	SRIS Pending	Awaiting execution of SRIS Agreement and/or OC approval of SRIS scope
5=	SRIS in Progress	
6=	SRIS Approved	SRIS Approved by NYISO Operating Committee
7=	FS Pending	Awaiting execution of Facilities Study Agreement
8=	Rejected Cost Allocation/ Next FS Pending--	Project was in prior class year, but rejected cost allocation— Awaiting execution of Facilities Study Agreement for next Class Year or the start of the next Class Year
9=	FS in Progress	Project in current Class Year Facilities Study
10=	Accepted Cost Allocation/ IA in Progress	Interconnection Agreement is being negotiated
11=	IA Completed	Interconnection Agreement is executed and/or filed with FERC
12=	Under Construction	Project is under construction
13=	In Service for Test	
14=	In Service Commercial	
0=	Withdrawn	Project is no longer in the Queue

III. New Generation Projects and Net Revenue Analysis

The NYISO anticipated that the ICAP Demand Curves would increase the incentives to build new generation when it is needed. In past reports, the NYISO stated that it is difficult to relate the development of new generation to the ICAP Demand Curves given the lead time required to site, develop, and construct new generation, and the other barriers to new entry. In the summer of 2010, a 650 MW combined cycle facility located in the Rest of State entered the Capacity market . The NYISO anticipates that within the next few years, new generation projects that have been planned since the NYISO implemented the ICAP Demand Curves will commence commercial operation. The projects currently in the study processes are listed on the NYISO's interconnection queue.

The graph below depicts the amount of generation listed on the NYISO's interconnection queue since 2003 in New York City, Long Island, and Rest of State – with wind projects depicted separately from generation projects with other fuel types.

Chart 12 – NYISO Interconnection Queue Projects



This analysis is based on periodically updated versions of the NYISO interconnection queue dating from May 2003 through October 2010.²⁹ For purposes of this analysis, only projects that entered the queue after May 1, 2003 were considered. Since the queue includes projects at various stages, for purposes of this study it is reasonable to include only projects that are deemed active. Accordingly, for the pre-2005 period projects with codes ‘I’, ‘W’, or ‘C’ were excluded; for 2005 and beyond, status codes 0, 1, 12, 13, and 14 were omitted.

Generally, the amount of generation in the interconnection process has increased since the ICAP Demand Curves became effective in May 2003. The number of MW associated with projects based on technologies other than wind (measured on the left Y-axis, above) did not increase significantly until the summer of 2005. The graph above shows that beginning with the

²⁹ Each project in the queue is provided a status code that identifies its position in the study process that ranges from the initial scoping meeting to being in service. Prior to 2005, each project was provided a status-code based on the NYISO System Reliability Impact Study from the following: *P=Pending, A=Active, I=Inactive, R=Under Review, C=Completed, W=Withdrawn*. Starting in 2005, the classification system was changed and status-codes were based on the standard steps in the NYISO’s interconnection process as follows: *1=Scoping Meeting Pending, 2=FES Pending, 3=FES in Progress, 4=SRIS Pending, 5=SRIS in Progress, 6=SRIS Approved, 7=FS Pending, 8=Rejected Cost Allocation/Next FS Pending, 9=FS in Progress, 10=Accepted Cost Allocation/IA in Progress, 11=IA Completed, 12=Under Construction, 13=In Service for Test, 14=In Service Commercial, 0=Withdrawn*, where *FES=Feasibility Study Available, SRIS=System Reliability Impact Study Available, FS=Facilities Study and/or ATRA Available*.

Winter 2007-2008 Capability Period, Rest of State has seen a sharply rising trend in the number of MW in the interconnection queue, particularly new non-wind projects. Since the January 2009 report and continuing through the date of this report, there has been a decrease in the total amount of Rest of State generation and New York City non-wind generation in the interconnection queue. This trend likely is due in part to the tight capital markets associated with the general economic downturn. Chart 12 does not include a number of proposed HVDC connections into New York City, which currently total more than 5,000 MW -- an increase of roughly 2,700 MW from late 2008. The latter activity is significant and can be attributed in part to the expectation of higher Capacity revenues in New York City than the revenues available in other locations.

Proposed Resource Additions

The January 2010 Report included a list of market-based projects reported in the NYISO's 2008 Comprehensive Reliability Plan ("CRP"), the last year of which resource needs were identified. The NYISO presently is in the fifth cycle of the Comprehensive Reliability Planning Process process since December 2004, when the NYISO's planning process was approved by FERC. The first CRP, which was approved by the NYISO Board of Directors in August 2006, identified 3,105 MW of resource additions needed through the 10-year Study Period ending in 2015. Market solutions totaled 1,200 MW, with the balance provided by updated Transmission Owners' plans. The second CRP, which was approved by the NYISO Board of Directors in September 2007, identified 1,800 MW of resource additions needed over the 10-year Study Period ending in 2016. Proposed market solutions totaled 3,007 MW, in addition to updated Transmission Owners' plans. The third CRP, which was approved by the NYISO Board of Directors in July 2008, identified 2,350 MW of resource additions needed through the 10-year Study period ending in 2017. Market solutions totaling 3,380 MW were submitted to meet these needs. The fourth CRP, which was approved by the NYISO Board on May 20, 2009, determined that there are no additional resource needs through the ten-year Study Period ending in 2018 under expected Bulk Power System conditions. The fifth CRP, currently in draft form, again shows no resource needs through the study period.

Although the 2009 and 2010 CRPs identified no additional resource needs, the market-based projects that were submitted for the 2008 CRP continue to be tracked on a quarterly basis. Table 7 presents the market-based projects and Transmission Owners' plans that were submitted in response to requests for solutions and were included in the 2008 CRP. The Table indicates

that, as of September 1, 2010, 520 MW of solutions are still being reported to the NYISO as moving forward with development. There are a number of other projects in the NYISO interconnection queue that also are moving forward in the interconnection process, but which have not been offered as market based solutions in the CRPP process.

Table 7: September 1, 2010 Status of the 2008 CRP Market – Based Solutions and TOs’ Plans

Project Type	Submitted	MW	Zone	Original In-Service Date	Current Status ¹
<i>Resource Proposals</i>					
Gas Turbine NRG Astoria Re-powering ²	CRP 2005, CRP 2007, CRP 2008	520 MW	J	Jan - 2011	New Target June 2013 NYISO interconnection queue projects # 201 and # 224
Empire Generation Project	CRP 2008	635	F	Q1 2010	In-Service Aug., 2010 NYISO interconnection queue project # 69
<i>Transmission Proposals</i>					
Back-to-Back HVDC, AC Line HTP	CRP 2007, CRP 2008 and was an alternative regulated proposal in CRP 2005	660 (500 MW specific Capacity identified)	PJM - J	Q2/2011 PJM Queue O66	New Target Q4 2011 NYISO interconnection queue projects # 206
<i>TOs’ Plans</i>					
ConEd M29 Project	CRP 2005	N/A	J	May - 2011	On Target Under Construction NYISO interconnection queue projects # 153

¹ Status as provided by Market Participant as of Sept. 1, 2010

² NRG submitted three proposals, one of which was withdrawn. For the purposes of the Market-Based solutions' evaluation, the NYISO assumed the lowest MW proposal.

Revenue Analysis

The Commission’s order directing the NYISO’s to submit this filing stated that the NYISO should include a complete net revenue analysis to provide information about whether

revenue from all sources is adequate in regions where Capacity is needed. Where there is growing pressure on existing Capacity, *i.e.*, the reserve margin is shrinking, there should be a rise in combined revenues from energy and Capacity markets. The NYISO examined the level of “need” by looking at the percentage of Capacity in excess of the applicable minimum requirement. The NYISO then looked at possible revenues from the Capacity and energy markets for a hypothetical combustion turbine. The analysis shows that, in general, there is a tendency for revenues to increase as the excess Capacity margin decreases and vice versa.

Quantification of “Need”

For purposes of this analysis, the excess of Capacity relative to the minimum requirement was used as a proxy for need. So, if the reserve margin required to maintain reliability is X%, and the existing Capacity is X + 2%, the excess amounts to 2%. Capacity Margins are calculated as:

$$\text{Capacity Margin \%} = \frac{\text{Availability}}{\text{Requirement}} \times 100$$

Using this definition, a value in excess of 100% reflects an excess Capacity margin. A relatively high value indicates less of a need for new Capacity and, conversely, declining values suggest an increased need. The following table displays the required and available amounts of Capacity (UCAP) as calculated from detailed data from DMNC certifications, auction offers, and sales awards.

Table 8. Available Capacity vs. Required Capacity

		2004	2005	2006	2007	2008	2009	2010
NYCA	Requirement (MW)	35,585	35,799	37,154	37,228	36,633	36,362	35,045
	Available Cap. (MW)	37,226	37,974	38,470	38,641	38,192	38,217	37,272
	Capacity margin %	104.6%	106.1%	103.5%	103.8%	104.3%	105.1%	106.4%
NYC	Requirement (MW)	8,445	8,527	8,798	9,058	8,911	8,855	8,336
	Available Cap. (MW)	8,520	9,043	9,880	10,158	9,858	9,612	8,753
	Capacity margin %	100.9%	106.1%	112.3%	112.1%	110.6%	108.5%	105.0%
LI	Requirement (MW)	4,762	4,905	5,110	5,056	4,685	4,749	5,021
	Available Cap. (MW)	4,946	5,100	5,279	5,192	5,353	5,331	5,662
	Capacity margin %	103.9%	104.0%	103.3%	102.7%	114.3%	112.3%	112.8%

In Table 8, the required Capacity is based on the annual NYCA and Locational minimum Installed Capacity requirements, and available Capacity reflects the aggregate of UCAP ratings

excluding Capacity imported via external transactions.³⁰ Statewide, the Capacity margin has been stable (at around 105.0%) for the past few years despite changes in the Installed Reserve Margin –18% for the 2006-2007 Capability Year, 16.5% in 2007-2008, 15% in 2008-2009, 16.5% in 2009-2010, and 18.0% in 2010-2011. For New York City, the Capacity margin dipped for the third year in a row, to 105.0%. This change is due chiefly to the cessation of operation of a large resource. The corresponding figure for Long Island, which had a slightly declining Capacity margin until the 2008-2009 Capability Year, increased slightly above the 2009-2010 figure due to the addition of a 310 MW combined cycle facility in 2009, which more than offset the increase in the Locational Installed Reserve Margin from 97.5% to 104.5%.

Measure of Revenues

The NYISO assumed a revenue requirement based on the ICAP Demand Curve for the respective years, which use a levelized annual revenue requirement for a given capability year (May – April) that is derived from a cost of new entry (CONE) of a gas-fueled simple-cycle, combustion turbine (“GT”) for a given location in the NYCA. For purposes of this analysis, the NYISO used the established methodology based on Summer/Winter DMNCs to convert these annual revenue requirements into Summer and Winter \$/kW-month equivalents. Next, these monthly UCAP values were used to compute calendar-year revenue requirements for each year from 2005 through 2010.

Table 9, below, shows the annual revenue requirements for a hypothetical new entry unit based on the assumptions reflected in ICAP Demand Curve parameters for 2008/09, 2009/10, and 2010/11, including the financial assumptions and different benchmark technologies for each of New York City, Long Island and the NYCA Capacity zone. For example, the notional figures for New York City over the 2005-2007 period were based on a pair of LM 6000 Combustion Turbines, and the 2008 - 2010 Demand Curves were based on an LMS 100 unit.

³⁰ In contrast to the prospective figures used in the NYISO’s annual Load & Capacity Reports, these charts reflect data based on realized outcomes.

Table 9. Annual Revenue Requirements in UCAP terms (\$/MW)

	2005	2006	2007	2008	2009	2010
NYCA	\$93,697	\$96,670	\$98,964	\$103,835	\$103,312	\$105,115
NYC	\$198,766	\$204,437	\$208,650	\$209,747	\$213,943	\$244,147
LI	\$174,512	\$177,122	\$186,021	\$180,914	\$194,743	\$211,069

Table 10 below shows the individual elements of revenues (*i.e.*, those earned in the Energy, Ancillary Services, and ICAP markets) that a hypothetical GT may have received based on actual LBMPs, natural gas prices, and reasonable parameters used to calculate variable costs.³¹

Table 10. Benchmark Annual Revenues in UCAP terms (\$/MW)

		Revenue Elements in \$					Revenue Elements as % of Total				
		2006	2007	2008	2009	2010	2006	2007	2008	2009	2010
NYCA <small>32</small>	Energy	\$4,327	\$6,220	\$6,251	\$5,291	\$20,815	9%	11%	11%	10%	42%
	A/S	\$19,044	\$19,567	\$24,584	\$18,467	\$10,866	38%	34%	43%	36%	22%
	Capacity	\$26,600	\$31,310	\$26,050	\$27,920	\$18,420	53%	55%	46%	54%	37%
	Total	\$49,972	\$57,096	\$56,885	\$51,678	\$50,102	100%	100%	100%	100%	100%
NYC	Energy	\$38,582	\$32,575	\$41,243	\$24,221	\$59,052	23%	21%	37%	25%	34%
	A/S	\$11,807	\$13,002	\$17,894	\$14,155	\$7,648	7%	8%	16%	15%	4%
	Capacity	\$114,140	\$111,220	\$51,980	\$58,640	\$104,600	69%	71%	47%	60%	61%
	Total	\$164,529	\$156,797	\$111,117	\$97,016	\$171,299	100%	100%	100%	100%	100%
Long Island	Energy	\$87,372	\$58,548	\$48,229	\$48,229	\$84,130	49%	43%	49%	50%	76%
	A/S	\$8,158	\$9,804	\$16,998	\$16,998	\$5,356	5%	7%	17%	18%	5%
	Capacity	\$83,650	\$67,830	\$33,970	\$30,800	\$20,790	47%	50%	34%	32%	19%
	Total	\$179,180	\$136,182	\$99,197	\$96,027	\$110,276	100%	100%	100%	100%	100%

In order to assess revenue adequacy, this analysis uses the “Revenue Margin”, which is Benchmark Revenues expressed as a percentage of Required Revenues, as the metric. Revenue Margins are calculated as:

$$\text{Revenue Margin \%} = \frac{\text{Benchmark Revenue}}{\text{Required Revenue}} \times 100$$

³¹ The assumed parameters for the 2010 benchmark combustion turbines are based on the latest NERA Demand Curve Report (15 November 2010): For NYCA, Heat Rate = 10,206 btu/kWh, Variable Operating & Maintenance Costs (VOM) = \$1/MWh, and Forced Outage Rate = 3%; For NYC and LI, Heat Rate = 9023 btu/kWh, VOM = \$5/MWh, and Forced Outage Rate = 3.84%.

³² These values are for the Capital Zone (Zone F), which is assumed as a representation of the NYCA as a whole.

Using this approach, a higher value indicates a greater degree of adequacy of revenues. The following table displays the values of Revenue Margins for the hypothetical peaking unit:

Table 11. Revenue Margins

	2005	2006	2007	2008	2009	2010
NYCA	29%	52%	58%	55%	50%	48%
NYC	84%	80%	75%	53%	45%	70%
LI	92%	101%	73%	55%	49%	52%

Even though revenues remain well below what is necessary to attract new entry of a hypothetical benchmark GT in all three Capacity zones, there is a disparity in the trends. Rest of State, which clears with the NYCA Demand Curve, has seen stabilization in the percentage of revenue needed to attract new entry. Until 2009, both New York City and Long Island, however, have experienced a steady decline in the revenues earned by a hypothetical unit relative to the respective CONE. The drop in ICAP Spot Market Auction prices explains acceleration in the decline in revenue margins for New York City and Long Island. In 2010, after the cessation of operation of an 890 MW resource, the New York City ICAP Spot Market Auction price reverted to near previously levels, which explains the sharp increase in its revenue margin.

To assess whether revenue streams are adequate given the degree of need for new Capacity, data from Tables 8 and 11 are graphed below, showing revenue (Chart 13) and Capacity (Chart 14) margins. Chart 16 plots the Installed Capacity revenue component of the total net revenue as a percentage of the net cost of new entry in each region/locality. In Chart 14, the high levels of excess Capacity in 2008 through 2010 do not lead to corresponding precipitous declines in Capacity revenue due to the interaction of the Long Island and NYCA demand curves, where Long Island Capacity will be valued at the greater of the NYCA or LI clearing price. All three areas exhibit declining trends in revenue margins, with the exception of New York City in 2010. If such conditions persist for an extended period, it is reasonable to expect levels of excess Capacity to decline. However, the decline in revenue margin is ameliorated in part by the market signals provided by the Demand Curves, which is apparent from the increased Capacity market revenue relative to CONE for New York City shown in Chart 15.

Chart 13. UCAP-based Revenue Margins

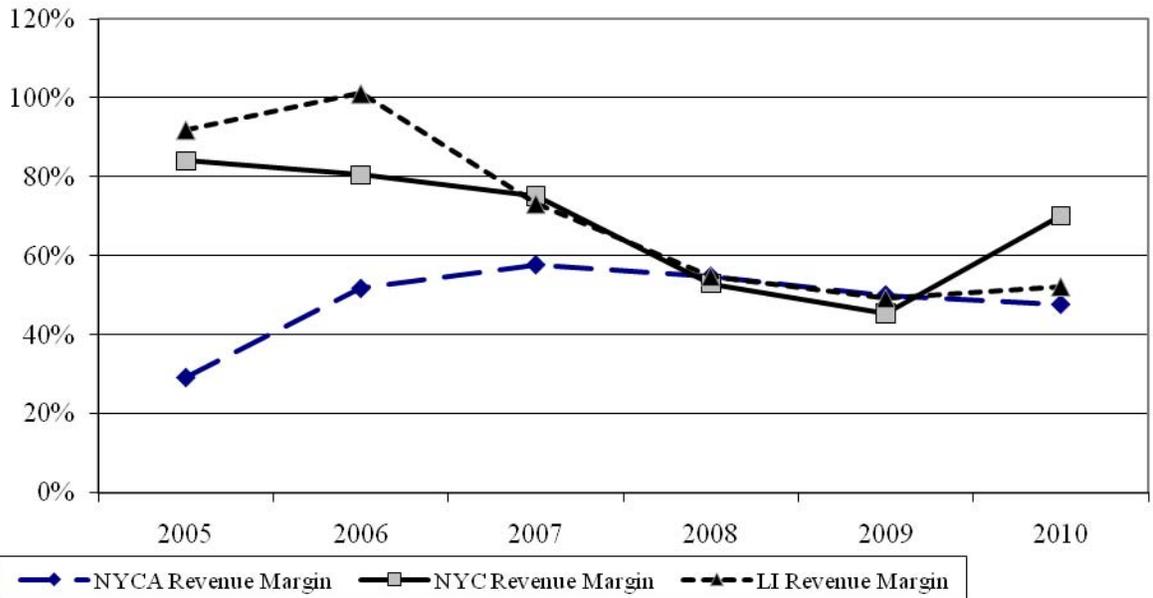


Chart 14. UCAP-based Capacity Margins

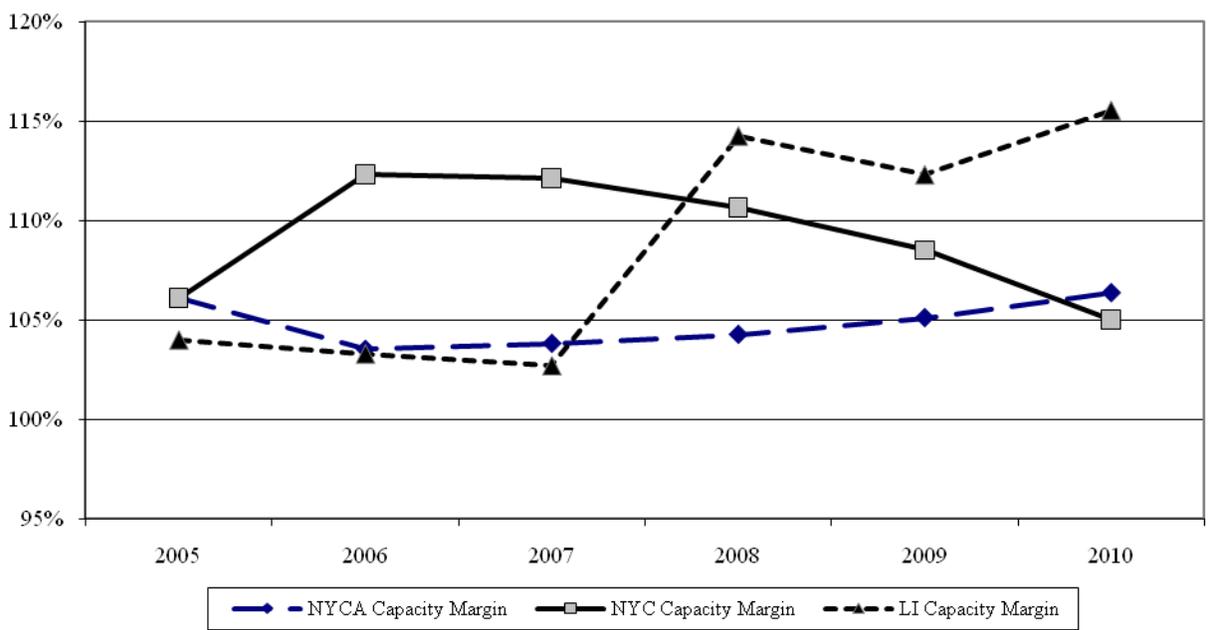
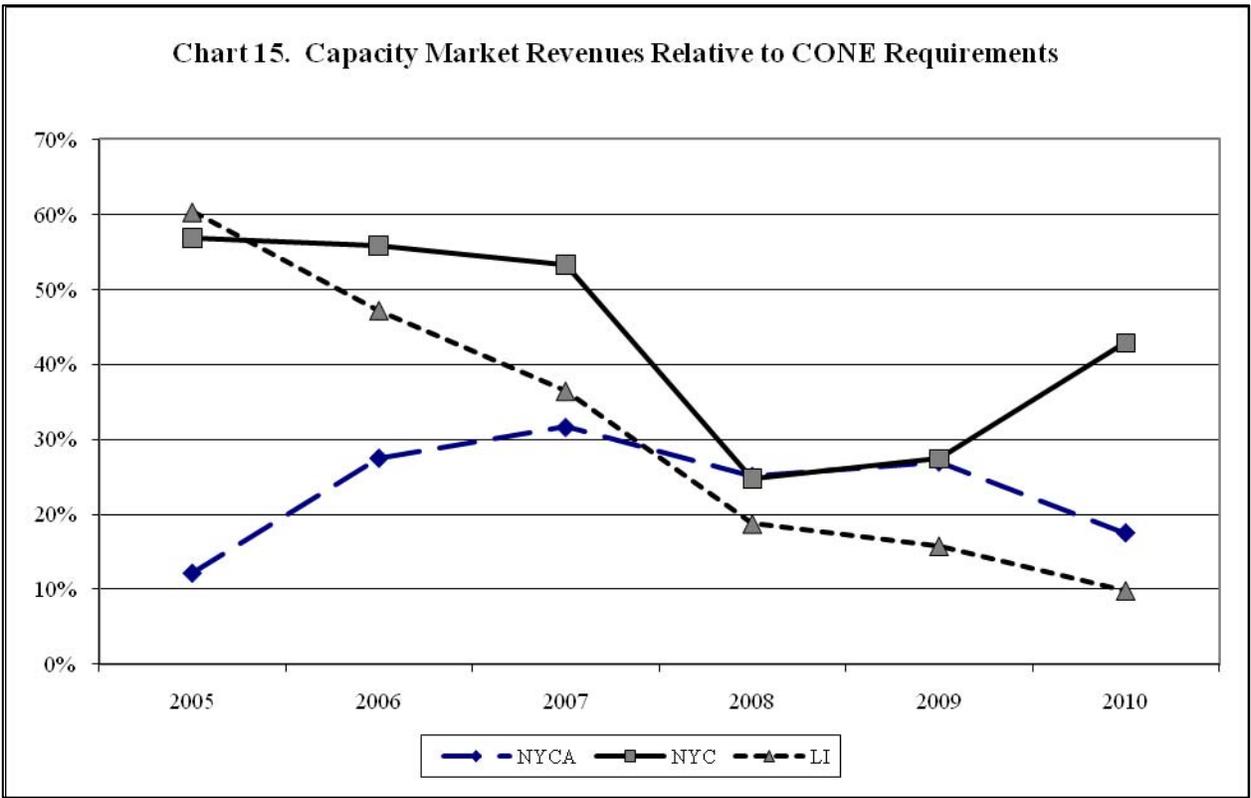


Chart 15. Capacity Market Revenues Relative to CONE Requirements



Appendix A

Figure 1.a.

November 1999 – December 2009
 Installed Capacity Auction Activity
 New York Control Area (NYCA) Capacity

NYCA	Capability Period* (Strip)		Monthly		Spot Market		Minimum Required	Excess Sold
	MW	Price	MW	Price	MW	Price	MW	MW
Month								
November-99							35563.1	
December-99							35563.1	
January-00	Installed Capacity Market Existed but all purchases and sales were						35563.1	
February-00	bilateral						35563.1	
March-00							35563.1	
April-00							35563.1	
May-00	1976.0	\$1.50	434.2	\$1.30	32.7	\$0.50	35636.0	1976.0
June-00	1976.0	\$1.50	528.4	\$1.40	37.1	\$1.28	35563.1	1976.0
July-00	1976.0	\$1.50	344.2	\$1.80	140.8	\$1.98	35563.1	1976.0
August-00	1976.0	\$1.50	351.4	\$1.62	194.8	\$1.77	35563.1	1976.0
September-00	1976.0	\$1.50	648.9	\$1.32	81.3	\$1.16	35563.1	1976.0
October-00	1976.0	\$1.50	681.6	\$1.30	96.9	\$0.89	35563.1	1976.0
November-00	4010.6	\$1.04	1813.6	\$1.00	157.7	\$0.80	35563.1	4010.6
December-00	4010.6	\$1.04	1854.1	\$0.97	167.2	\$0.86	35563.1	4010.6
January-01	4010.6	\$1.04	1847.6	\$0.97	170.5	\$0.85	35563.1	4010.6
February-01	4010.6	\$1.04	1893.8	\$0.95	177.2	\$0.83	35563.1	4010.6
March-01	4010.6	\$1.04	2032.8	\$0.95	208.1	\$0.79	35563.1	4010.6
April-01	4010.6	\$1.04	1659.7	\$0.87	192.3	\$0.59	35563.1	4010.6
May-01	2738.6	\$1.90	852.3	\$2.25	1022.2	\$9.58	36132.0	2738.6
June-01	2738.6	\$1.90	397.6	\$2.68	1521.0	\$9.41	36132.0	2738.6
July-01	2738.6	\$1.90	1776.6	\$4.31	1534.9	\$9.44	36132.0	2738.6
August-01	2738.6	\$1.90	1788.4	\$4.56	1601.3	\$9.35	36132.0	2738.6
September-01	2738.6	\$1.90	1701.2	\$4.16	1498.0	\$9.21	36132.0	2738.6
October-01	2738.6	\$1.90	1787.1	\$4.03	1473.4	\$9.14	36132.0	2738.6
November-01	1760.4	\$2.00	878.0	\$0.10	5.8	\$ -	32892.3	1760.4
December-01	1760.4	\$2.00	687.2	\$0.49	6.5	\$ -	32892.3	1760.4
January-02	1760.4	\$2.00	750.5	\$0.84	133.0	\$0.75	32892.3	1760.4
February-02	1760.4	\$2.00	836.2	\$0.70	25.5	\$ -	32892.3	1760.4
March-02	1760.4	\$2.00	901.3	\$0.61	30.0	\$0.25	32892.3	1760.4
April-02	1760.4	\$2.00	677.9	\$0.69	5.6	\$0.02	32892.3	1760.4
May-02	3201.6	\$1.75	552.1	\$0.33	2.3	\$ -	32479.5	3201.6
June-02	3201.6	\$1.75	438.3	\$0.36	20.3	\$0.01	32479.5	3201.6
July-02	3201.6	\$1.75	721.9	\$0.97	11.1	\$0.01	32479.5	3201.6
August-02	3201.6	\$1.75	722.6	\$0.91	55.4	\$0.01	32479.5	3201.6
September-02	3201.6	\$1.75	714.0	\$0.25	71.2	\$0.01	32479.5	3201.6
October-02	3201.6	\$1.75	712.1	\$0.16	1.4	\$ -	32479.5	3201.6
November-02	3486.7	\$0.65	1024.3	\$0.50	85.0	\$0.40	34169.7	3486.7
December-02	3486.7	\$0.65	1219.3	\$0.28	51.4	\$0.10	34169.7	3486.7

Figure 1.a.

November 1999 – December 2009
 Installed Capacity Auction Activity
 New York Control Area (NYCA) Capacity

NYCA	Capability Period* (Strip)		Monthly		Spot Market		Minimum Required	Excess Sold
	MW	Price	MW	Price	MW	Price	MW	MW
January-03	3486.7	\$0.65	1584.4	\$0.26	189.1	\$2.10	34169.7	3486.7
February-03	3486.7	\$0.65	1623.1	\$0.34	85.6	\$0.50	34169.7	3486.7
March-03	3486.7	\$0.65	1825.9	\$0.32	58.8	\$0.25	34169.7	3486.7
April-03	3486.7	\$0.65	1571.5	\$0.15	4.2	\$0.01	34169.7	3486.7
May-03	2889.2	\$1.67	1634.8	\$1.30	101.5	\$0.25	35303.5	0
June-03	2889.2	\$1.67	1866	\$1.06	2148.7	\$2.34	35303.5	2073.2
July-03	2889.2	\$1.67	1249.2	\$2.01	2824.2	\$2.28	35303.5	2274.1
August-03	2889.2	\$1.67	1344.1	\$2.04	3096.6	\$2.25	35303.5	2299.3
September-03	2889.2	\$1.67	1396.7	\$1.97	3134.1	\$2.08	35303.5	2448.1
October-03	2889.2	\$1.67	1408.4	\$1.93	3253.2	\$2.01	35303.5	2504.8
November-03	2163.2	\$1.17	2128.8	\$1.15	6833	\$1.94	35203.4	2566.9
December-03	2163.2	\$1.17	1860.1	\$1.48	7203.1	\$1.79	35203.4	2698.6
January-04	2163.2	\$1.17	2083.6	\$1.50	6972.2	\$1.75	35203.4	2732.1
February-04	2163.2	\$1.17	2475.9	\$1.58	6379.9	\$1.73	35203.4	2747.4
March-04	2163.2	\$1.17	2180	\$1.54	6569.8	\$1.00	35203.4	3369.3
April-04	2163.2	\$1.17	2646.7	\$0.99	6987.5	\$0.80	35203.4	3543.8
May-04	2441	\$1.68	2489.7	\$1.65	6189.1	\$1.31	35584.5	3328
June-04	2441	\$1.68	2133.6	\$1.48	6239.9	\$1.27	35584.5	3355.3
July-04	2441	\$1.68	1756.7	\$1.29	6410.6	\$1.04	35584.5	3518.8
August-04	2441	\$1.68	2046.5	\$1.15	6544.7	\$1.17	35584.5	3428.1
September-04	2441	\$1.68	2258.8	\$1.16	6456.2	\$1.07	35584.5	3499.6
October-04	2441	\$1.68	2460.8	\$1.18	6633.9	\$1.12	35584.5	3465.6
November-04	3050.7	\$0.60	2344.4	\$0.70	6730.6	\$0.70	35515.9	3759.3
December-04	3050.7	\$0.60	3058.4	\$0.69	6011.5	\$0.61	35515.9	3823.5
January-05	3050.7	\$0.60	2945.8	\$0.59	5928.6	\$0.27	35515.9	4064.8
February-05	3050.7	\$0.60	2769.6	\$0.49	6256.2	\$0.25	35515.9	4082.2
March-05	3050.7	\$0.60	2890.9	\$0.45	6025.4	\$0.41	35515.9	3966.2
April-05	3050.7	\$0.60	2891.5	\$0.48	6241.1	\$0.27	35515.9	4064.8
May-05	2624.6	\$0.75	1630	\$0.75	6975.7	\$2.00	35799.2	3110.8
June-05	2624.6	\$0.75	1752.9	\$1.40	6306.6	\$1.96	35799.2	3135.2
July-05	2624.6	\$0.75	4077.8	\$1.29	5073.3	\$1.00	35799.2	3703.4
August-05	2624.6	\$0.75	3819.1	\$0.81	5147.3	\$1.00	35799.2	3703.4
September-05	2624.6	\$0.75	3412.5	\$0.81	5303.5	\$1.45	35799.2	3436.7
October-05	2624.6	\$0.75	3861.2	\$1.03	5142	\$1.25	35799.2	3555.2
November-05	2987.1	\$0.62	2676.1	\$0.67	6661.9	\$0.85	35761.5	3789
December-05	2987.1	\$0.62	3466.7	\$0.68	6306	\$0.65	35761.5	3907.2

Figure 1.a. (cont'd)

November 1999 – December 2009
 Installed Capacity Auction Activity
 New York Control Area (NYCA) Capacity

NYCA	Capability Period* (Strip)		Monthly		Spot Market		Minimum Required	Excess
	MW	Price	MW	Price	MW	Price	MW	Sold
January-06	2987.1	\$0.62	3966.1	\$0.63	5625.3	\$2.01	35761.5	3102.5
February-06	2987.1	\$0.62	3379.8	\$1.01	6432.7	\$1.67	35761.5	3305.2
March-06	2987.1	\$0.62	5214.9	\$0.58	5234.1	\$0.57	35761.5	3954.5
April-06	2987.1	\$0.62	4899.7	\$0.51	5357.5	\$0.40	35761.5	4055
May-06	3014.5	\$1.44	2196.7	\$1.64	6936.8	\$3.25	37154.2	2526.4
June-06	3014.5	\$1.44	2747.7	\$2.38	6163	\$3.12	37154.2	2601.6
July-06	3014.5	\$1.44	2914.1	\$2.58	5901.1	\$3.33	37154.2	2481.4
August-06	3014.5	\$1.44	3447.6	\$2.85	5488.5	\$3.00	37154.2	2675.1
September-06	3014.5	\$1.44	4041.3	\$2.75	5087.8	\$2.80	37154.2	2295.3
October-06	3014.5	\$1.44	4258	\$2.62	5368.3	\$2.77	37154.2	2814.8
November-06	3167.7	\$2.50	3170.9	\$1.73	7454.7	\$1.50	37319.2	3577.8
December-06	3167.7	\$2.50	2475.7	\$2.30	7841.7	\$2.18	37319.2	3170.5
January-07	3167.7	\$2.50	2756.5	\$2.45	7780.6	\$2.71	37319.2	2853.4
February-07	3167.7	\$2.50	3308.7	\$2.51	7029.1	\$2.67	37319.2	2876.6
March-07	3167.7	\$2.50	4699.7	\$1.80	5932.2	\$1.34	37319.2	3673.8
April-07	3167.7	\$2.50	4653.5	\$1.61	5912	\$1.10	37319.2	3817.9
May-07	3196.6	\$2.25	2610.6	\$2.40	6283.6	\$3.16	37228.3	2618.7
June-07	3196.6	\$2.25	2748	\$2.81	5876.5	\$3.39	37228.3	2485.6
July-07	3196.6	\$2.25	2849.9	\$2.99	5749.7	\$3.52	37228.3	2407.6
August-07	3196.6	\$2.25	3136.7	\$2.98	5334.6	\$3.43	37228.3	2462.4
September-07	3196.6	\$2.25	3694.8	\$2.90	5513.6	\$3.14	37228.3	2631.6
October-07	3196.6	\$2.25	3943.4	\$2.82	5503.1	\$3.03	37228.3	2698.2
November-07	3064.4	\$1.91	2586.1	\$1.90	9045.5	\$1.60	36819.2	3503.7
December-07	3064.4	\$1.91	2743.1	\$1.98	8009.1	\$2.22	36819.2	3149.2
January-08	3064.4	\$1.91	3753.2	\$2.25	7053.4	\$3.40	36819.2	2477.3
February-08	3064.4	\$1.91	3065.0	\$2.50	6848.0	\$3.18	36819.2	2602.7
March-08	3064.4	\$1.91	4215.1	\$1.48	8288.3	\$1.05	36819.2	3818.1
April-08	3064.4	\$1.91	4308.8	\$1.17	7759.5	\$0.75	36819.2	3989.6
May-08	2994.7	\$2.67	1851.8	\$2.80	8294.8	\$2.60	36632.5	3080.6
June-08	2994.7	\$2.67	2460.9	\$2.87	7684.7	\$2.94	36632.5	2909.9
July-08	2994.7	\$2.67	1972.8	\$2.96	8324.1	\$2.80	36632.5	2981.6
August-08	2994.7	\$2.67	2542.7	\$2.87	7451.6	\$2.70	36632.5	3030.1
September-08	2994.7	\$2.67	3494.7	\$2.73	6766.6	\$2.45	36632.5	3156.4
October-08	2994.7	\$2.67	3526.1	\$2.55	6944.8	\$1.93	36632.5	3418.3
November-08	2810.1	\$1.77	2596.0	\$1.60	9114.6	\$1.00	36492.6	3877.473
December-08	2810.1	\$1.77	2200.1	\$1.50	9113.9	\$1.25	36492.6	3752.079

Figure 1.a. (cont'd)

November 1999 – December 2009
 Installed Capacity Auction Activity
 New York Control Area (NYCA) Capacity

NYCA	Capability Period* (Strip)		Monthly		Spot Market		Minimum Required	Excess
	MW	Price	MW	Price	MW	Price	MW	Sold
Month	MW	Price	MW	Price	MW	Price	MW	MW
January-09	2810.1	\$1.77	2987.3	\$1.50	6134.4	\$3.19	36492.6	2779.0
February-09	2810.1	\$1.77	3863.7	\$2.50	5837.4	\$1.77	36492.6	3492.1
March-09	2810.1	\$1.77	3674.6	\$1.10	5781.5	\$0.50	36492.6	4128.2
April-09	2810.1	\$1.77	3991.3	\$0.50	5849.7	\$0.30	36492.6	4228.6
May-09	2371.1	\$3.01	2500.2	\$3.01	7374.3	\$2.61	36362.4	3216.7
June-09	2371.1	\$3.01	3034.3	\$3.50	7545.3	\$4.22	36362.4	2505.4
July-09	2371.1	\$3.01	3915.6	\$4.11	6357.9	\$4.42	36362.4	2420.6
August-09	2371.1	\$3.01	4459.5	\$4.19	5789.5	\$3.42	36362.4	2857.0
September-09	2371.1	\$3.01	4413.9	\$3.49	5838.0	\$2.76	36362.4	3147.7
October-09	2371.1	\$3.01	4957.6	\$2.59	5533.5	\$2.23	36362.4	3380.5
November-09	3201.1	\$1.75	3044.6	\$1.55	6845.8	\$0.50	35785.3	4081.4
December-09	3201.1	\$1.75	3125.0	\$1.30	6162.9	\$0.75	35785.3	3976.7
January-10	3201.1	\$1.75	3765.0	\$1.66	8871.7	\$1.85	35785.3	3505.4
February-10	3201.1	\$1.75	3948.2	\$2.24	8506.4	\$3.49	35785.3	2810.0
March-10	3201.1	\$1.75	4425.9	\$1.47	8381.1	\$0.85	35785.3	3933.4
April-10	3201.1	\$1.75	4420.5	\$0.74	8433.0	\$0.64	35785.3	4021.8
May-10	2868.1	\$2.47	3372.0	\$2.54	7827.0	\$3.52	35045.3	2860.2
June-10	2868.1	\$2.47	4521.8	\$2.51	8863.7	\$2.12	35045.3	3396.5
July-10	2868.1	\$2.47	4335.2	\$1.90	6036.0	\$1.91	35045.3	3475.3
August-10	2868.1	\$2.47	3982.7	\$1.63	5467.0	\$1.68	35045.3	3563.7
September-10	2868.1	\$2.47	4376.5	\$0.97	7993.5	\$0.63	35045.3	3964.3
October-10	2868.1	\$2.47	4178.9	\$0.45	8165.3	\$0.48	35045.3	4022.9

Figure 2.a.

November 1999 – December 2009
 Installed Capacity Auction Activity
 New York City Locality (NYC) Capacity

NYC	Capability Period* (Strip)		Monthly		Spot Market		Minimum Required	Excess Sold
	MW	Price	MW	Price	MW	Price	MW	MW
November-99							8305.6	
December-99							8305.6	
January-00	Installed Capacity Market Existed but all purchases and sales were						8305.6	
February-00	bilateral						8305.6	
March-00							8305.6	
April-00							8305.6	
May-00	5408.8	\$8.75	59.4	\$12.50	0.0	-	8272.0	
June-00	5408.8	\$8.75	313.4	\$9.46	52.7	\$12.50	8272.0	
July-00	5408.8	\$8.75	342.7	\$9.40	100.0	\$12.50	8272.0	
August-00	5408.8	\$8.75	332.6	\$9.42	133.9	\$12.50	8272.0	
September-00	5408.8	\$8.75	344.5	\$9.40	149.5	\$12.50	8272.0	
October-00	5408.8	\$8.75	304.2	\$9.49	214.0	\$12.50	8272.0	
November-00	4861.4	\$8.75	735.0	\$8.74	170.3	\$8.75	8272.0	
December-00	4861.4	\$8.75	785.1	\$8.74	154.8	\$8.75	8272.0	
January-01	4861.4	\$8.75	899.5	\$8.74	154.8	\$8.75	8272.0	
February-01	4861.4	\$8.75	921.7	\$8.71	154.8	\$8.75	8272.0	
March-01	4861.4	\$8.75	936.5	\$8.74	156.0	\$8.75	8272.0	
April-01	4861.4	\$8.75	985.6	\$8.56	156.7	\$8.72	8272.0	
May-01	5316.6	\$8.75	248.7	\$8.75	235.1	\$12.50	8375.0	(est.)
June-01	5316.6	\$8.75	228.4	\$10.92	299.0	\$12.18	8375.0	(est.)
July-01	5316.6	\$8.75	407.8	\$9.77	292.5	\$8.83	8375.0	(est.)
August-01	5316.6	\$8.75	440.1	\$8.38	350.1	\$9.46	8375.0	(est.)
September-01	5316.6	\$8.75	434.9	\$8.42	316.0	\$8.34	8375.0	(est.)
October-01	5316.6	\$8.75	430.1	\$7.99	343.4	\$8.72	8375.0	(est.)
November-01	3972.5	\$9.40	772.8	\$9.00	77.7	\$4.80	7613.3	
December-01	3972.5	\$9.40	906.8	\$6.88	11.5	\$-	7613.3	
January-02	3972.5	\$9.40	492.6	\$5.47	377.3	\$8.25	7613.3	
February-02	3972.5	\$9.40	631.1	\$6.69	229.3	\$9.20	7613.3	
March-02	3972.5	\$9.40	784.3	\$6.92	90.6	\$7.50	7613.3	
April-02	3972.5	\$9.40	932.9	\$7.12	11.6	\$9.40	7613.3	
May-02	4355.2	\$9.20	684.1	\$9.38	30.5	\$9.39	7621.6	
June-02	4355.2	\$9.20	671.2	\$6.11	16.7	\$0.50	7621.6	
July-02	4355.2	\$9.20	684.7	\$5.34	0.3	\$0.01	7621.6	
August-02	4355.2	\$9.20	693.8	\$5.15	15.1	\$2.00	7621.6	
September-02	4355.2	\$9.20	688.4	\$4.83	24.5	\$0.01	7621.6	
October-02	4355.2	\$9.20	699.0	\$4.72	19.2	\$1.95	7621.6	
November-02	4540.0	\$7.00	748.1	\$6.40	61.1	\$4.10	8021.8	
December-02	4540.0	\$7.00	762.7	\$4.09	29.9	\$2.80	8021.8	

Figure 2.a. (cont'd)

November 1999 – December 2009
 Installed Capacity Auction Activity
 New York City Locality (NYC) Capacity

NYC	Capability Period* (Strip)		Monthly		Spot Market		Minimum Required	Excess Sold
	MW	Price	MW	Price	MW	Price	MW	MW
January-03	4540	\$7.00	787.9	\$4.02	13.3	\$2.10	8021.8	
February-03	4540	\$7.00	808.6	\$3.51	1.5	\$3.00	8021.8	
March-03	4540	\$7.00	799.7	\$3.97	21.9	\$4.00	8021.8	
April-03	4540	\$7.00	829.7	\$3.39	9.1	\$3.60	8021.8	
May-03	2501.7	\$11.22	3016.3	\$10.00	110.2	\$12.36	8356.7	0.0
June-03	2501.7	\$11.22	683	\$13.78	2375.5	\$11.46	8356.7	0.0
July-03	2501.7	\$11.22	527.9	\$11.57	2558	\$11.46	8356.7	0.0
August-03	2501.7	\$11.22	567.9	\$11.56	2497.9	\$11.46	8356.7	0.0
September-03	2501.7	\$11.22	558.1	\$11.56	2499.5	\$11.46	8356.7	0.0
October-03	2501.7	\$11.22	638.8	\$11.55	2415.1	\$11.45	8356.7	0.0
November-03	475	\$6.55	579.3	\$6.67	5029.3	\$6.98	8346.1	571.0
December-03	475	\$6.55	909.4	\$6.64	4711	\$6.98	8346.1	571.0
January-04	475	\$6.55	968.9	\$6.64	4644.8	\$6.98	8346.1	571.0
February-04	475	\$6.55	2167.5	\$6.77	3422.4	\$6.98	8346.1	571.0
March-04	475	\$6.55	1938	\$6.05	3841.5	\$6.98	8346.1	571.0
April-04	475	\$6.55	2047.2	\$6.00	3779.1	\$6.98	8346.1	571.0
May-04	1245.3	\$11.15	2022.4	\$11.16	2898.3	\$11.42	8444.6	214.9
June-04	1245.3	\$11.15	2532.8	\$11.29	2391.9	\$11.42	8444.6	214.9
July-04	1245.3	\$11.15	2705.7	\$11.29	2261.3	\$11.42	8444.6	214.9
August-04	1245.3	\$11.15	3126.1	\$11.25	1854.4	\$11.42	8444.6	214.9
September-04	1245.3	\$11.15	3272.4	\$11.25	1798.6	\$11.42	8444.6	214.9
October-04	1245.3	\$11.15	2771.9	\$11.21	2336.3	\$11.42	8444.6	214.9
November-04	2249.4	\$6.68	1253.8	\$6.96	3137.5	\$7.12	8469.5	705.9
December-04	2249.4	\$6.68	1606	\$7.07	2758.3	\$7.12	8469.5	705.9
January-05	2249.4	\$6.68	2433.6	\$7.03	1919.3	\$7.12	8469.5	705.9
February-05	2249.4	\$6.68	2596.5	\$7.03	1761.5	\$7.12	8469.5	705.9
March-05	2249.4	\$6.68	2671.8	\$7.03	1784	\$7.12	8469.5	705.9
April-05	2249.4	\$6.68	2611.4	\$7.03	1851.9	\$7.12	8469.5	705.9
May-05	2547.2	\$11.68	1035.2	\$11.86	2547.1	\$12.03	8526.8	284.0
June-05	2547.2	\$11.68	2657.9	\$11.80	974.2	\$11.96	8526.8	291.3
July-05	2547.2	\$11.68	2742.6	\$11.82	992.5	\$11.95	8526.8	292.5
August-05	2547.2	\$11.68	2689.7	\$11.82	1134.8	\$11.86	8526.8	301.6
September-05	2547.2	\$11.68	2842	\$11.82	1086.6	\$11.70	8526.8	318.2
October-05	2547.2	\$11.68	2644.5	\$11.82	1238.1	\$11.86	8526.8	301.6
November-05	1846.4	\$5.11	943.9	\$6.39	3865.4	\$6.55	8569.2	854.3
December-05	1846.4	\$5.11	2130.4	\$6.44	2674.7	\$6.55	8569.2	854.3

Figure 2.a. (cont'd)

November 1999 – December 2009
 Installed Capacity Auction Activity
 New York City Locality (NYC) Capacity

NYC	Capability Period* (Strip)		Monthly		Spot Market		Minimum Required	Excess
	MW	Price	MW	Price	MW	Price	MW	Sold
Month	MW	Price	MW	Price	MW	Price	MW	MW
January-06	1846.4	\$5.11	2558.2	\$6.21	2116.6	\$6.55	8569.2	854.3
February-06	1846.4	\$5.11	3162.5	\$5.78	2037.4	\$6.55	8569.2	854.3
March-06	1846.4	\$5.11	2704.7	\$5.78	2031.7	\$6.55	8569.2	854.3
April-06	1846.4	\$5.11	3237.1	\$5.88	1540.4	\$6.55	8569.2	854.3
May-06	2186.7	\$12.35	1422.7	\$12.43	2209.8	\$12.71	8798.1	255.9
June-06	2186.7	\$12.35	1447.8	\$12.41	2165.3	\$12.71	8798.1	255.9
July-06	2186.7	\$12.35	1580.0	\$12.45	1909.6	\$12.71	8798.1	255.9
August-06	2186.7	\$12.35	1604.5	\$12.51	1870.7	\$12.71	8798.1	255.9
September-06	2186.7	\$12.35	1603.6	\$12.51	1953.5	\$12.71	8798.1	255.9
October-06	2186.7	\$12.35	1628.1	\$12.54	2316.7	\$12.71	8798.1	255.9
November-06	3298.4	\$5.67	1023.5	\$5.80	2057.8	\$5.84	8831.5	974.8
December-06	3298.4	\$5.67	1039.2	\$5.84	2018.8	\$5.84	8831.5	974.8
January-07	3298.4	\$5.67	1193.4	\$5.82	1973.8	\$5.84	8831.5	974.8
February-07	3298.4	\$5.67	1143.1	\$5.81	2144.0	\$5.84	8831.5	974.8
March-07	3298.4	\$5.67	1199.7	\$5.80	2008.8	\$5.84	8831.5	974.8
April-07	3298.4	\$5.67	1105.5	\$5.82	1971.6	\$5.84	8831.5	974.8
May-07	1894.0	\$12.37	1099.1	\$12.34	3125.4	\$12.72	9058.3	281.1
June-07	1894.0	\$12.37	1209.4	\$12.36	2951.5	\$12.72	9058.3	281.1
July-07	1894.0	\$12.37	1154.3	\$12.36	3073.0	\$12.72	9058.3	281.1
August-07	1894.0	\$12.37	1162.6	\$12.36	3153.8	\$12.72	9058.3	281.1
September-07	1894.0	\$12.37	1252.0	\$12.36	3037.9	\$12.72	9058.3	281.1
October-07	1894.0	\$12.37	1339.4	\$12.36	2942.8	\$12.72	9058.3	281.1
November-07	908.2	\$5.32	1393.5	\$5.61	4438.1	\$5.77	8870.8	1009.5
December-07	908.2	\$5.32	1632.1	\$5.60	4067.3	\$5.77	8870.8	1009.5
January-08	908.2	\$5.32	1551.7	\$5.43	4662.5	\$5.77	8870.8	1009.5
February-08	908.2	\$5.32	1388.9	\$5.57	4442.2	\$5.77	8870.8	1009.5
March-08	908.2	\$5.32	3039.2	\$3.78	3348.7	\$1.05	8870.8	1494.9
April-08	908.2	\$5.32	3696.4	\$2.74	2964.9	\$0.75	8870.8	1591.6
May-08	494.9	\$6.50	903.4	\$6.52	4987.2	\$5.53	8910.6	985.9
June-08	494.9	\$6.50	2100.2	\$5.65	3745.8	\$6.03	8910.6	930.1
July-08	494.9	\$6.50	2071.5	\$5.86	3758.3	\$6.33	8910.6	896.9
August-08	494.9	\$6.50	2490.8	\$6.03	3349.2	\$6.17	8910.6	914.8
September-08	494.9	\$6.50	2790.4	\$5.92	3083.4	\$5.98	8910.6	935.7
October-08	494.9	\$6.50	2652.6	\$5.88	3230.1	\$5.83	8910.6	951.9
November-08	1260.8	\$2.79	1378.2	\$2.28	3974.3	\$1.52	9003.4	1447.1
December-08	1260.8	\$2.79	1234.1	\$1.59	4186.0	\$1.25	9003.4	1558.1

Figure 2.a. (cont'd)

November 1999 – December 2009
 Installed Capacity Auction Activity
 New York City Locality (NYC) Capacity

NYC	Capability Period* (Strip)		Monthly		Spot Market		Minimum Required	Excess
	MW	Price	MW	Price	MW	Price	MW	Sold
Month	MW	Price	MW	Price	MW	Price	MW	MW
January-09	1260.8	\$2.79	1559.5	\$1.51	4151.0	\$3.19	9003.4	1579.9
February-09	1260.8	\$2.79	2094.1	\$3.06	3729.9	\$1.77	9003.4	1592.0
March-09	1260.8	\$2.79	1867.6	\$1.49	3622.8	\$0.50	9003.4	1592.0
April-09	1260.8	\$2.79	1706.0	\$0.75	3755.6	\$0.30	9003.4	1586.6
May-09	436.7	\$6.75	757.9	\$7.00	4976.3	\$8.72	8855.3	707.3
June-09	436.7	\$6.75	1782.7	\$8.60	3854.3	\$8.65	8855.3	714.2
July-09	436.7	\$6.75	2593.8	\$8.71	2930.4	\$8.47	8855.3	732.7
August-09	436.7	\$6.75	2509	\$8.52	2960.2	\$8.45	8855.3	735.1
September-09	436.7	\$6.75	2162.5	\$8.40	3403.2	\$7.65	8855.3	816.4
October-09	436.7	\$6.75	2495.1	\$7.62	2926.6	\$7.70	8855.3	811.1
November-09	825.2	\$4.65	2274.7	\$1.94	3124.0	\$1.23	8551.6	1422.3
December-09	825.2	\$4.65	1757.6	\$1.68	3607	\$0.76	8551.6	1467.4
January-10	825.2	\$4.65	1186.5	\$4.38	4257.0	\$1.85	8551.6	1497.1
February-10	825.2	\$4.65	1180.1	\$6.27	4240.3	\$7.98	8551.6	782.0
March-10	825.2	\$4.65	1787.4	\$7.40	3472.0	\$7.72	8551.6	807.3
April-10	825.2	\$4.65	1995.3	\$7.50	3468.4	\$7.16	8551.6	860.1
May-10	1096.8	\$12.90	335.7	\$13.01	4004.2	\$13.53	8336.0	372.0
June-10	1096.8	\$12.90	1896.7	\$13.33	2571.5	\$13.13	8336.0	403.6
July-10	1096.8	\$12.90	1700.8	\$12.98	2797.1	\$13.05	8336.0	412.1
August-10	1096.8	\$12.90	1484.3	\$12.94	3025.4	\$12.97	8336.0	418.7
September-10	1096.8	\$12.90	1847.1	\$12.84	2799.0	\$12.50	8336.0	457.8
October-10	1096.8	\$12.90	1758.3	\$12.45	2855.1	\$12.72	8336.0	439.2

Figure 3.a.

November 1999 – December 2009
 Installed Capacity Auction Activity
 Long Island Locality (LI) Capacity

LI	Capability Period* (Strip)		Monthly		Spot Market		Minimum Required	Excess Sold
	MW	Price	MW	Price	MW	Price	MW	MW
November-99							4555.3	
December-99							4555.3	
January-00	Installed Capacity Market Existed but all purchases and sales were						4555.3	
February-00	bilateral						4555.3	
March-00							4555.3	
April-00							4555.3	
May-00	0	-	0	-	0	-	4638.0	
June-00	0	-	0	-	0	-	4638.0	
July-00	0	-	0	-	0	-	4638.0	
August-00	0	-	0	-	0	-	4638.0	
September-00	0	-	0	-	0	-	4638.0	
October-00	0	-	0	-	0	-	4638.0	
November-00	0	-	0	-	0	-	4638.0	
December-00	0	-	0	-	0	-	4638.0	
January-01	0	-	0	-	0	-	4638.0	
February-01	0	-	0	-	0	-	4638.0	
March-01	0	-	0	-	0	-	4638.0	
April-01	0	-	0	-	0	-	4638.0	
May-01	0	-	0	-	3.2	\$10.83	4625.0	
June-01	0	-	0	-	7.0	\$10.83	4625.0	
July-01	0	-	0	-	20.2	\$10.83	4625.0	
August-01	0	-	0	-	21.3	\$10.83	4625.0	
September-01	0	-	0	-	33.0	\$10.83	4625.0	
October-01	0	-	0	-	33.0	\$10.83	4625.0	
November-01	0	-	0.6	\$3.50	8.5	\$12.33	4077.6	
December-01	0	-	1.3	\$3.50	37.4	\$12.33	4077.6	
January-02	0	-	1.3	\$5.00	39.7	\$12.33	4077.6	
February-02	0	-	0	\$ -	40.6	\$11.50	4077.6	
March-02	0	-	14.0	\$11.50	26.4	\$11.49	4077.6	
April-02	0	-	41.4	\$11.48	0	-	4077.6	
May-02	0	-	0	-	0	-	4177.8	
June-02	0	-	0	-	0	-	4177.8	
July-02	0	-	0	-	0	-	4177.8	
August-02	0	-	0	-	0	-	4177.8	
September-02	0	-	0	-	0	-	4177.8	
October-02	0	-	0	-	0	-	4177.8	
November-02	0	-	0	-	0	-	4256.2	
December-02	0	-	0	-	0	-	4256.2	

Figure 3.a. (cont'd)

November 1999 – December 2009
 Installed Capacity Auction Activity
 Long Island Locality (LI) Capacity

LI	Capability Period* (Strip)		Monthly		Spot Market		Minimum Required	Excess Sold
	MW	Price	MW	Price	MW	Price	MW	MW
January-03	0	-	0	-	0	-	4256.2	
February-03	0	-	0	-	0	-	4256.2	
March-03	0	-	0	-	0	-	4256.2	
April-03	0	-	0	-	0	-	4256.2	
May-03	6.6	\$9.41	2.2	\$24.00	0.2	\$23.00	4415.3	0.0
June-03	6.6	\$9.41	0.0	-----	341.9	\$5.17	4415.3	341.9
July-03	6.6	\$9.41	1.0	\$5.00	344.7	\$5.14	4415.3	344.7
August-03	6.6	\$9.41	1.1	\$5.00	441.8	\$4.03	4415.3	441.8
September-03	6.6	\$9.41	0.0	-----	397.8	\$4.55	4415.3	396.2
October-03	6.6	\$9.41	0.0	-----	397.8	\$4.55	4415.3	396.0
November-03	0.0	\$4.00	0.0	-----	114.3	\$8.14	4401.9	83.7
December-03	0.0	\$4.00	0.0	-----	107.5	\$8.22	4401.9	76.9
January-04	0.0	\$4.00	0.0	-----	128.2	\$7.99	4401.9	97.0
February-04	0.0	\$4.00	0.6	\$7.50	202.6	\$7.08	4401.9	176.0
March-04	0.0	\$4.00	0.6	\$7.00	142.6	\$7.72	4401.9	119.9
April-04	0.0	\$4.00	0.6	\$6.85	199	\$7.04	4401.9	179.7
May-04	11.2	\$8.00	1.6	\$8.00	97.5	\$9.83	4761.5	81.2
June-04	11.2	\$8.00	11.2	\$9.29	90.8	\$9.79	4761.5	84.3
July-04	11.2	\$8.00	15.9	\$8.67	193.4	\$8.42	4761.5	192.9
August-04	11.2	\$8.00	16.4	\$8.05	213.1	\$8.16	4761.5	213.1
September-04	11.2	\$8.00	16.2	\$8.06	214.2	\$8.15	4761.5	214.2
October-04	11.2	\$8.00	16.2	\$8.06	214.2	\$8.15	4761.5	214.2
November-04	13.9	\$4.00	10.9	\$4.00	358.2	\$6.34	4736.0	357.7
December-04	13.9	\$4.00	9.0	\$4.33	368.5	\$6.21	4736.0	367.6
January-05	13.9	\$4.00	9.0	\$3.81	372.1	\$6.16	4736.0	371.4
February-05	13.9	\$4.00	7.6	\$3.68	373.3	\$6.14	4736.0	372.8
March-05	13.9	\$4.00	7.0	\$3.54	371.9	\$6.16	4736.0	371.9
April-05	13.9	\$4.00	7.0	\$3.54	367.4	\$6.23	4736.0	365.8
May-05	10.6	\$8.00	2.7	\$8.00	85.5	\$12.15	4904.9	85.4
June-05	10.6	\$8.00	2.0	\$8.50	100.4	\$11.96	4904.9	97.8
July-05	10.6	\$8.00	4.3	\$9.00	195.3	\$10.48	4904.9	195.0
August-05	10.6	\$8.00	4.6	\$8.50	222.5	\$10.06	4904.9	222.5
September-05	10.6	\$8.00	4.6	\$8.61	233	\$9.90	4904.9	233.0
October-05	10.6	\$8.00	4.6	\$8.71	260	\$9.49	4904.9	260.0
November-05	15.0	\$0.68	10.0	\$5.00	330.5	\$8.37	4962.4	330.5
December-05	15.0	\$0.68	10.1	\$4.99	344.5	\$8.16	4962.4	344.5

Figure 3.a. (cont'd)

November 1999 – December 2009
 Installed Capacity Auction Activity
 Long Island Locality (LI) Capacity

LI	Capability Period* (Strip)		Monthly		Spot Market		Minimum Required	Excess
	MW	Price	MW	Price	MW	Price	MW	Sold
January-06	15.0	\$0.68	10.0	\$5.00	288.1	\$9.00	4962.4	288.1
February-06	15.0	\$0.68	10.0	\$5.00	343.1	\$8.18	4962.4	343.1
March-06	15.0	\$0.68	10.0	\$5.00	350.8	\$8.07	4962.4	350.8
April-06	15.0	\$0.68	10.0	\$5.00	346.1	\$8.14	4962.4	346.1
May-06	4.0	\$6.50	9.0	\$6.50	166.8	\$11.15	5110.3	165.0
June-06	4.0	\$6.50	2.3	\$7.50	469.3	\$6.76	5110.3	462.5
July-06	4.0	\$6.50	3.0	\$7.00	483.0	\$6.52	5110.3	478.8
August-06	4.0	\$6.50	3.0	\$6.75	497.2	\$6.31	5110.3	493.0
September-06	4.0	\$6.50	4.6	\$6.50	503.4	\$6.19	5110.3	500.8
October-06	4.0	\$6.50	7.2	\$6.00	513.6	\$6.02	5110.3	512.6
November-06	1.5	\$3.50	9.6	\$3.75	672.0	\$3.66	5072.2	669.4
December-06	1.5	\$3.50	11.1	\$3.50	670.6	\$3.65	5072.2	669.7
January-07	1.5	\$3.50	14.6	\$3.50	673.0	\$3.60	5072.2	672.9
February-07	1.5	\$3.50	14.6	\$3.50	672.3	\$3.61	5072.2	672.3
March-07	1.5	\$3.50	14.6	\$3.50	672.3	\$3.61	5072.2	672.3
April-07	1.5	\$3.50	14.6	\$3.32	672.3	\$3.61	5072.2	672.3
May-07	2.2	\$3.75	3.0	\$3.75	450.3	\$7.25	5056.3	450.2
June-07	2.2	\$3.75	3.0	\$5.50	353.1	\$8.78	5056.3	353.1
July-07	2.2	\$3.75	0.0	\$0.0	451.5	\$7.23	5056.3	451.4
August-07	2.2	\$3.75	1.0	\$5.50	454.0	\$7.22	5056.3	672.3
September-07	2.2	\$3.75	1.3	\$5.50	455.6	\$7.17	5056.3	672.3
October-07	2.2	\$3.75	1.4	\$5.50	455.7	\$7.17	5056.3	450.2
November-07	0.0	\$0.00	2.0	\$3.50	631.5	\$4.31	4972.5	630.6
December-07	0.0	\$0.00	0.0	\$0.00	635.9	\$4.27	4972.5	633.0
January-08	0.0	\$0.00	1.9	\$3.70	640.3	\$4.20	4972.5	637.4
February-08	0.0	\$0.00	7.2	\$3.00	645.1	\$4.07	4972.5	645.1
March-08	0.0	\$0.00	2.8	\$0.00	648.5	\$4.02	4972.5	648.5
April-08	0.0	\$0.00	2.8	\$0.00	648.8	\$4.01	4972.5	648.8
May-08	0.0	\$2.80	21.8	\$2.80	652.1	\$2.60	4684.9	650.8
June-08	0.0	\$2.80	130.5	\$2.88	644.9	\$2.94	4684.9	583.3
July-08	0.0	\$2.80	168.2	\$2.94	653.4	\$2.80	4684.9	650.8
August-08	0.0	\$2.80	165.7	\$2.86	657.4	\$2.70	4684.9	656.3
September-08	0.0	\$2.80	102.0	\$2.80	659.4	\$2.45	4684.9	658.9
October-08	0.0	\$2.80	108.2	\$2.77	668.7	\$1.93	4684.9	668.7
November-08	0.3	\$1.77	1.8	\$1.60	772.8	\$1.00	4566.1	772.6
December-08	0.3	\$1.77	10.0	\$1.50	802.4	\$1.25	4566.1	802.2

Figure 3.a. (cont'd)

November 1999 – December 2009
 Installed Capacity Auction Activity
 Long Island Locality (LI) Capacity

LI	Capability Period* (Strip)		Monthly		Spot Market		Minimum Required	Excess
	MW	Price	MW	Price	MW	Price	MW	Sold
Month	MW	Price	MW	Price	MW	Price	MW	MW
January-09	0.3	\$1.77	210.8	\$1.50	847.0	\$3.19	4566.1	733.9
February-09	0.3	\$1.77	135.6	\$2.50	821.1	\$1.77	4566.1	820.9
March-09	0.3	\$1.77	117.7	\$1.10	849.1	\$0.50	4566.1	816.9
April-09	0.3	\$1.77	88.5	\$0.50	821.1	\$0.30	4566.1	820.9
May-09	53.3	\$3.01	69.5	\$3.01	414.8	\$4.71	4748.5	410.4
June-09	53.3	\$3.01	46.5	\$3.50	415.8	\$4.65	4748.5	415.8
July-09	53.3	\$3.01	75.9	\$4.11	404.9	\$4.77	4748.5	404.8
August-09	53.3	\$3.01	72.9	\$4.19	717.8	\$3.42	4748.5	717.8
September-09	53.3	\$3.01	73.5	\$3.49	742.9	\$2.76	4748.5	738.9
October-09	53.3	\$3.01	48.9	\$2.59	749.3	\$2.23	4748.5	743.1
November-09	35.0	\$1.75	31.0	\$1.55	843.5	\$0.50	4685.0	843.3
December-09	35.0	\$1.75	124.0	\$1.30	875.3	\$0.75	4685.0	842.3
January-10	35.0	\$1.75	180.8	\$1.62	843.4	\$1.85	4685.0	843.3
February-10	35.0	\$1.75	129.0	\$2.37	843.3	\$3.49	4685.0	843.3
March-10	35.0	\$1.75	39.7	\$1.59	843.3	\$0.85	4685.0	843.3
April-10	35.0	\$1.75	87.9	\$0.74	855.4	\$0.64	4685.0	843.3
May-10	26.2	\$2.47	16.8	\$2.70	354.8	\$5.81	4901.0	354.0
June-10	26.2	\$2.47	56.8	\$2.68	829.0	\$2.12	4901.0	829.0
July-10	26.2	\$2.47	137.8	\$1.90	816.9	\$1.91	4901.0	816.9
August-10	26.2	\$2.47	82.4	\$1.79	851.2	\$1.68	4901.0	851.2
September-10	26.2	\$2.47	58.8	\$1.00	865.9	\$0.63	4901.0	865.9
October-10	26.2	\$2.47	46.1	\$0.45	851.8	\$0.56	4901.0	851.8