



LYNX ELECTRIC CURRENTS

APRIL 2015 NEWSLETTER

EDITOR'S NOTE

INSIDE THIS ISSUE

FERC UPDATES	2
TIP OF THE MONTH	2
PJM	2
NY STATE UPDATES	2
US ENERGY	3
NYISO UPDATES	3
ISO-NE UPDATES	3
NYSERDA PON UPDATES	4
US MARKETING	4
GLOSSARY OF ACRONYMS	5
NYISO SCR CURTAILMENT	6
APRIL CALENDAR	6
IMPORTANT FUTURE DATES	6
HISTORICAL FLAT DAM PRICING	7
CURRENT PROJECTED PRICING	7
GREEN ENERGY	7

Just as it appears solar power is getting established and cost competitive, a new “cloud” appears on the horizon. The cost per kW installation has fallen from \$6,000 per kW in previous years into the \$2,000 per kW range, as production costs have dropped and solar panel efficiency has improved. Solar Energy provides needed capacity during peak hours when air conditioning loads can cause transmission congestions and strain grid capacity resources. Suppliers are mandated to support solar power in many regulated jurisdictions by having to purchase solar REC’s which can cost as much as \$500 per MW year. In NY, consumers support solar power through RPS charges found on their utility bills. Federal tax credits also support solar power as a means to advance renewable energy and reduce carbon emissions. Many utilities are supporting solar energy with various rebates and

net metering programs, which has utilities purchase excess solar energy from customers with small (typically under 2 MW) solar installations. Numerous state public service regulators have issued lofty renewable energy targets along with net metering tariffs to meet legislative “Social Policy” and allow customers the ability to generate and receive payment for providing excess power to the grid. With all of the aforementioned support and positive developments, solar energy, a non-polluting power source during peak hours, should be a win for all concerned. Not so fast, generators, distribution companies, utilities and suppliers are losing market share which translates into lost revenue. Building power plants, transmission and distribution lines along with sub-stations and related infrastructure, builds rate base which provides continuous

revenue for the transmission and distribution owners. In an effort to protect revenue streams, some utilities are pushing state regulators to allow utilities to charge a fee for net metering. Such a charge can be added to other charges including paying for interconnection, engineering studies for grid compatibility, safety measures, and any distribution circuit upgrades needed to allow the renewable energy provider to connect. New technology has made it possible for consumers to leave the grid and island, thereby producing their own power, independent of the grid. Distribution companies are asking for compensation for hourly interval meters, which is a valid claim from the utilities. However by reducing congestion, ancillary charges, and demand spikes, the utilities are receiving benefits from DG and

This is a reminder that the NYISO Officer's Certificate Form is due by April 30th of each year.

This form must be received in order to demonstrate ongoing compliance with the NYISO Market Administration and Control Area Services Tariff.

The Officer's Certificate must be completed using NYISO's standard Officer's Certificate form, accessible via the NYISO Website utilizing the following link:

https://www.nyiso.com/public/markets_operations/services/financial_services/credit/index.jsp

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

Please contact the NYISO Credit Department with any questions.



Happy Spring!

FERC UPDATES

The latest FERC ruling applies to “disruptive conduct” at the federal agency’s open meetings. [Beyond Extreme Energy](#), an environmental group, has declared they will protest and disrupt meetings to rally against fracking permits and projects. FERC reiterated the Federal Trades Commission rules regarding meetings allows observing but not disrupting. The rules in-

clude: Non agenda items are not to be presented, no unscheduled statements allowed, walking around the meeting room is not allowed, no signs are allowed in the meeting room, nor excessive and repeated standing up during the meeting. The environmental group plans on having 500 plus members present at the May 29 meeting of FERC and voice their

concern over fracking. The group wants all fracking stopped, with no new natural gas infrastructure, no LNG plants and no ports for shipping LNG overseas. (*Ed. One hopes FERC has ample outside parking for 500 bicycles to accommodate the anti-fossil fuel protesters. They should also make the protestors aware as a safety precaution; it can be dangerous riding a bicy-*

cle carrying a large protest sign.)

The 2014 [“State of the Markets Report”](#) is now available from FERC. While the northeast experienced extreme record breaking low temperature and record snowfall, prices did not approach the levels seen during the 2014 “Polar Vortex” debacle. Spot markets hit \$123.MMBTU in the north-

TIP OF THE MONTH

Spring is a season for rebirth, new growth and cleanup from winter’s ravages. It is also a time for new enterprises and if you are gardener, the analogy of pruning and removing deadwood. As a business owner, it is time to look at new opportunities, trim unprofitable activities and let us help you provide those value added activities to help you retain customers and increase your profit. In our newsletter we continue promot-

ing new enterprises (planting seeds) such as Demand Response, Economic Dispatch of Generators. We also continue to promote curtailment programs and stress the importance of developing some type of hedging strategies for protecting your business and your customers from market volatility. As the REV initiative in NY continues to evolve, we can anticipate

funding for DG/CHP programs and funding for generators used for DR purposes. Rather than viewing those changes as losing kWh throughput in your business, be proactive and let us help you manage economic demand response for you and your customers. As a Cummins Sales Dealer, we can provide Cummins natural gas, propane and diesel generators for your customers. Leasing options and payment from load shedding can show

some great ROI and quick pay-back.

So schedule a conference, call, or visit with our staff to discuss opportunities and how you can move your business into new market opportunities. Take the next step from simply being a commodity provider to being a value added full service energy supplier. **Reach our trained staff at: 716-774-1341.**

PJM UPDATES

The [merger between Exelon and Pepco \(PHI\)](#) serving Maryland and the Delmarva peninsula has reached a settlement. Exelon CEO Chris Crane stated that the merger will allow for significant reliability and economic benefits for customers. Exelon plans to modernize the grid and

incorporate more renewable energy, DG and provide cost containment for consumers. The upgrades will cost \$99.4 million with \$36.8 million going towards customer bill credits, with the remainder paying for energy efficiency upgrades based on local government and Maryland

PSC input. In addition a \$50 million “Green Sustainability” fund which will pay for Solar, energy storage, and DG projects. The energy efficiency funds will dedicate \$12.5 million for low income customers. The PHI division of Pepco will develop 5 MW of solar generation. Negotiations with the Maryland PSC and the

impacted counties in Delmarva still have to approve the merger. Following that approval, FERC and other Federal agencies will weigh in on the merger. Meanwhile the Maryland PSC is taking comments from stakeholders and consumers through April 29, 2015.

NY UPDATES

As [REV](#) moves forward, new policies and more information are being made public by the NY-PSC. Chairman Zibelman stated changes are needed as the current system uses about 60% of the state’s generation capacity (which represents a poor load factor) and additional capacity demand, a costly solution for meeting peak loads. Peak load occurs during hot humid summer

months, adding over 18,000 MW of additional capacity demand. One proposal gaining traction is the concept of [DER](#) (Distributive Energy Resource), previously known as [DG](#) (Distributive Generation) and the more efficient [DG/CHP](#) (Distributive Generation Combined Heat and Power). The higher efficiency results from capturing the engine heat and using the thermal

energy on site. In the REV plan, utilities will serve as a [DSP](#) (Distributive System Platform). Utilities will interface with NYISO and technology innovators, third party aggregators of DER’s, and related customer services. The second major step of the REV program will be developing tariffs to remove deterrents and encourage utilities to work with DER’s. The REV program will change traditional funding and

incentivize utilities or DSP providers to bring value to customers resulting in achieving the PSC policy objectives. Chairman Zibelman stated; “we are creating a retail market”. The new market will include: DG, DR, and whatever new Distributive Energy programs are developed. As DER gets incorporated into the grid, Chairman Zibelman projects lower peak

US ENERGY MARKETS

IRC (ISO/RTO) Council) wants input into potential reliability impacts, stemming from the new EPA [CPP](#). [CPP regulations](#) can potentially result in closing “must run plants”, which may not meet new emission standards but are needed to maintain capacity and prevent outages. Typically such plants are coal fired and are located in areas that have insufficient transmission capacity to replace the needed capacity that would result from plant closings. IRC joins other agencies

like FERC, state regulators and stakeholders in expressing concern over aggressive EPA regulations. The council wants to see state plans addressing reliability impact in their governance territory. Should CPP be implemented in its current form, FERC expressed concern as pipelines for natural gas and transmission infrastructure for electricity may be inadequate to distribute needed capacity. The federal regulator FERC, wants to see if the

grid can maintain capacity, before any drastic EPA measures are implemented. The winter of 2014 demonstrated the need for review and planning to avoid another “Polar Vortex” debacle. Before coal plants are closed or mothballed, FERC wants to make sure power can be moved to impacted areas on existing transmission lines and that natural gas pipelines can deliver sufficient gas to power the new or converted plants. Clearly last winter demonstrat-

ed that existing pipelines could not deliver sufficient natural gas to power plants during peak demand periods. As power plants strive to comply with CPP, a grid impact assessment can prevent consequential problems and allow transmission, general distribution circuits to be proactive and greatly reduce the danger of grid outages and even potential grid blackouts. Congress, FERC and state PSC’s are waiting for EPA responses.

NYISO UPDATES

Despite generator complaints, FERC approved NYISO’s “competitive-entry-exemption”. This rule is a buyers-side mitigation rule, which allows private investors to enter NYISO capacity markets unmitigated after certifying the investment is provided by merchants and not market subsidies. Without the rule change, FERC pointed out, the proposed generators would be prevent-

ed from participating in the capacity markets. NYISO agreed, provided customers will not bear any risk of economic entries in the capacity markets. Generators expressed concern that the new FERC ruling can lower capacity pricing. NYISO’s certification requires new capacity providers have no pre-contracted capacity buyers and the project is not receiving supplemental financing

from rate payer funds. The intent of buyer-side mitigation is to prevent net purchasers of capacity to cut capacity prices. The ruling allows entry of new capacity projects from buyer-side mitigation rules. If the new capacity supplier made false statements, the exemption would be revoked and require the full mitigation process.



ISO-NE UPDATES

The Massachusetts DPW is reviewing a straw proposal for developing a new shopping website for retail electric purchasing submitted by [RESA](#). Following the example of other states, a power shopping website would allow MA customers to access a reliable and trusted source to shop for power. RESA recommends having a “feedback analysis”, allowing the DPW to review consumer input for refining the website. The other report would be supplier reports, allowing the DPW to track supplier activity and price offerings. RESA recommends that consumer complaints should be veri-

fied, making sure only legitimate complaints are posted. Customer misunderstanding or confusion over retail power should not be considered valid complaints as emphasis should be given to malfeasance and possible fraud cases. RESA continues expressing concern about publishing data regarding complaints from customers. They suggest that filings should reflect a percentage of customers that have complaints not raw data as the number of customers varies and would distort the complaints.

RESA continues their vigilance on marketing rule

changes coming from state regulators. The Connecticut PURA is no exception as RESA has issues with the latest PURA change in customer contracts for retailers. The association is asking PURA to reduce the amount of required information on the first page of the customer’s contract. The regulations require suppliers to include the following on page one: Generators prices, contract terms, an expiration date, price plan, service location, contract renewal date, additional fees, right to cancel clause, supplier contact information, and finally PURA contact information. RESA suggests a supplement document

containing the required information that accompanies the customer contract as an alternative. Other recommended changes for PURA include language regarding automatic renewal. The new contract needs to state that any changes with the existing contract would require a new contract signature and will not be allowed to have automatic renewal. Suppliers will need to notify customers with any new contract changes 60 and 30 days before the end of the contract period.

NYSERDA PON UPDATES

Remember that many of the PON's will expire this year. REV will be modifying funding parameters. If you have a project that requires outside funding such as grants, ACT NOW!

LYNX has developed partnerships to assist you with NYSERDA funding, feasibility studies and developing projects which could be eligible for funding. You can call our office for more information if you have or are thinking about an energy project. For our Cond Ed customers we can provide Cummins Generators for DR programs with funding available from ConEd and NYSERDA.

PON 1219 Existing Buildings: Provides rebates and performance incentives for existing buildings including lighting, motors, generators, HVAC equipment etc. through 12-31-2015. **This PON as added natural gas incentives.**

PON 1601 New Construction Financial Incentives: Provides incentives for new and remodeled buildings, paying for architectural and engineering services, rebates on electric equipment, appliances, HVAC equipment, and building envelope, through 2015.

PON 1746 Flex Tech: Provides funding for a variety of feasibility and energy related studies through 12-31-2015.

PON 2112 Solar PV Program Financial Incentive: This PON has funding through 2015

PON 2439 Wind Turbines: This PON pays incentives to certified installers of DG windmills under 2 MW through 2015.

PON 2456 Industrial and Process Efficiency Program: This PON is can pay up to \$4.5 Million per project through Dec. 2015.

PON 2568 CHP Acceleration: Funding for onsite generation with heat recovery (DG/CHP) packaged units through 2015.

PON 2689 Emerging Technologies and accelerated Commercialization through Dec. 2016

PON 2701 Combined Heat and Power CHP Performance Pro-

gram through Dec. 2016

PON 2758 Gas Station Back-Up Power: **This PON has funding through May of 2015**

PON 2828 Renewable Portfolio Standard Customer-Sited Tier Anaerobic Digester Gas to Electricity Through 2015

PON 2846 Innovations in Data Center Information and Communication Technology Energy Efficiency

PON 2924 Portable Emergency Generator Project

PON 3016 Plug-In Electric Vehicle Enabling Technologies Demonstration Program through 7/14/2015

NY STATE

demand for NY. It will also usher in the beginning of decentralizing utility offerings away from their current format. Opportunities open up for new technologies, new service such as price sensitive DR programs, renewable energy, energy storage and programs yet to be developed. Additional comments from the chairman point out the inefficiency of today's grid and expressed concern about the lack of annual load growth with ever increasing huge peak demand swings. As the regulator for NY retail mar-

kets, managing demand is a key component for reducing price volatility. Placing generation on customer sites using DG and DR projects will result in reducing ramp up time of large generators, resulting in getting the additional capacity process more cost effective. Concern over utilities operating DSP is being raised by third party providers as a potential conflict of interest. The PSC is assuring participants that the utilities will be closely monitored as the grid paradigm changes from utilities to the end use customers. Utilities

will only get involved in the new program should the market not provide sufficient DER. PSC staff points out that REV would make it possible for utilities to provide DER in order to maintain reliability and sufficient capacity.

The NY PSC has requested input from stakeholders and concerned market participants regarding Microgrids. The PSC is asking for feedback on how microgrids:

- Provide reliability for customers
- Integrate with the existing grid

▪ Address existing regulations and determine if the regulations restrict implementation of REV

- Determine what changes are needed to advance REV
- What should the relationship be between microgrids, utilities, distribution service providers?
- What is the accountability for system wide outcomes for distribution service providers, microgrids?

Responders should reply to the NY-PSC before May 1, 2015.

US MARKETING

Multiple electric and natural gas associations filed an "Energy-Market-Price-Formation-Issues" document with FERC. The group included Natural Gas Alliance, [EEI](#), [EPSA](#), Nuclear Energy Institute and Natural Gas Supply Association. The basic premise of the joint filing is: "Prices should reflect the marginal cost of providing power to the grid". The pricing

goal is to move all pricing, after input from the associations and the various stakeholders to [LMP](#) (Local Marginal Price's). Whatever plan ends up getting developed, it should detail how market practices support rules, and principals of today's markets forming guiding policy. The three principals as determined by the group, are critical in the pricing

model and consist of:

- All dispatched pricing should clear and reflect local LMP pricing, including all marginal costs.
- All parties need to be dedicated to supporting their commitments in the day-ahead markets. That means getting the numbers correct including generator dispatch, having reserve capacity locked in, fuel supply commitments locked, real time pricing accurate. In addition,

generators need to meet their dispatch bids and the ISO/RTO's dispatch in a timely manner with accurate data.

- The third party pricing must be transparent which applies to Out-of-market activity payments thereby ensuring confidence in the market by all parties.

EDITOR'S NOTE (CONTINUED)

DR programs. If the utilities are purchasing surplus power the REC value could be assigned to the utilities. The net effect in many states is positive for utilities, which means extra charges are not needed. Suppliers experiencing kWh sales reduction should be able to market

excess kWh for the consumers benefit. Proper regulation with tariffs and interval metering, along with developing new services can generate additional revenue.

The current NY REV Program as presented, is advocating such changes and should create opportunities for all players

while supporting grid reliability, allowances for renewable energy and keeping energy costs competitive.

With the recent activity with FERC Order 745 and Supreme Court involvement the tariffs, policies and jurisdiction remains in a state of flux. Add in the various marketing changes and

major new programs, such as the NY REV program, and the energy industry is moving into the 21st century.

FERC (CONTINUED)

east. However the abundance of shale gas in storage and FERC marketing rule changes, along with various state regulatory changes, ensured the price and problems of the past winter were avoided. The FERC report provides data for PJM, ISO-NE and NYISO, and compares price from a 2013 base to this past winter, showing percentage increase and the cost per MWH for electricity. PJM prices were up about 38% resulting in electric price of \$63 per MWH. ISO-NE experienced an 18% increase pushing electric to \$76 per MWH. NYISO Zone J (NYC) experienced a 19% increase resulting in \$73 per MWH for elec-

tricity. While performance and markets are much improved, FERC chairman La Fleur stated much remains to be done. Aligning electric and natural gas markets ranks high on the reform list. Improving infrastructure in low capacity regions will require market forces to provide capital investments.

[Jon Wellinghoff](#), former FERC Chairman has responded to proposed charges for customers with net metering installations. New Mexico is planning on charging customers with solar net metering \$6.00 per kWh month. Meters are needed to measure the actual electricity shipped to the grid as the utility already has metering

that measure what they are selling to the customer. The concept is those figures are netted out and the customer either gets paid or pays the utility. Mr. Wellinghoff stated proper metering is needed to determine actual cost and benefits. The costs should not be punitive but reflect actual cost the distribution company has and provide credit for the solar generation provided by the customer into the grid. The former chairman points out that utilities wanting to charge for net metering are regressive, rather than embracing the new distribution and marketing paradigm. He stated "we need to move forward to a market based system...to encourage

efficiency, low costs and low emissions for our grid". While New Mexico is charging solar generators, other states are seeing positive gains with solar providers. The state of Nevada prepared an analysis which indicates solar generation provides positive net benefits for their utilities. Those benefits include:

- Reducing Grid congestion
- Lowering energy capacity demand during peak hours
- Deferring transmission and distribution costs
- Reducing carbon emissions
- Providing grid support by feeding power into the grid

Smart meters will allow utilities to determine actual cost and benefits.

GLOSSARY OF ACRONYMS

AEC - Alternative Energy Credits

AEPS - Alternative Energy Portfolio Standard

CPP - Clean Power Plan

DER - Distributive Energy Resource

DG - Distributive Generation

DG/CHP - Distributive Generation Combined Heat and Power

DR - Demand Response

DSP - Distributive System Platforms

EEl - Edison Electric Institute

EPSA - Electric Power Supply Association

ERC - Energy Research Council

FCM - Forward Capacity Markets

IRC - ISO/RTO Council

LMP - Local Marginal Price's

REC - Renewable Energy Credits

REV - Reforming Energy Vision

RESA - Retail Energy Supply Association

April 2015

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2 <i>Strip Auction Results</i>	3	4
5	6	7 <i>PJM Bill Issued by 5 PM</i>	8 <i>SCR Closes</i>	9 <i>NYISO ICAP Monthly Auction</i>	10 <i>NYISO ICAP Monthly Auction PJM Bill Due by 12 PM</i>	11
12	13	14 <i>NYISO ICAP Monthly Auction Results</i>	15	16	17 <i>Certification</i>	18
19	20	21 <i>NYISO ICAP Monthly Spot Auction</i>	22 <i>Certification</i>	23	24 <i>NYISO ICAP Monthly Spot Auction</i>	25 <i>NYISO ICAP Monthly Spot Auction</i>
26 <i>NYISO ICAP Monthly Spot Auction</i>	27 <i>NYISO ICAP Monthly Spot Auction</i>	28	29 <i>NYISO ICAP Monthly Spot Auction Results</i>	30		

FUTURE DATES

April

- 2 Strip Auction Results
- 7 PJM Bill Issued
- 8 SCR Closes
- 9-10 NYISO ICAP Monthly Auction
- 10 PJM Bill Due
- 14 NYISO ICAP Monthly Auction Results
- 22 Certification
- 24-27 NYISO ICAP Spot Auction
- 29 NYISO ICAP Spot Auction Results

May

- 7 PJM Bill Issued
- 7-8 NYISO ICAP Monthly Auction
- 12 NYISO ICAP Monthly Auction Results
- 15 PJM Bill Due
- 20 Certification
- 22-26 NYISO ICAP Spot Auction
- 28 NYISO ICAP Spot Auction Results

NYISO SCR CURTAILMENT PROGRAM

Proposed changes by the NYISO will impact SCR customers. Lynx will work to keep you informed and updated as changes get approved. **Prices for participation in DR programs are up as Governor Cuomo is getting behind peak load reduction programs.** Lynx is providing assistance for our customers with event notification and supplying documentation to the NYISO verifying results. A major obstacle for customers having peak demand less than 500 kW is having an interval meter. Lynx can help you with securing grants for interval meters, and getting those meters installed. Many customers willing to participate in NYISO programs need help in determining what items can be curtailed and to determine the kW value of those items to be shut off. Lynx can help your customers determining kW loads that can be curtailed. In addition Lynx can now provide **Cummins Generators** which can be used for curtailment purposes along with providing protection for property and life during emergencies. Lynx will work with you to get customers registered in a NYISO program. So help your customers get some cash for shedding electric loads during peak load emergency events. ESCO's or suppliers will also earn funds. With Lynx guidance you can avoid costly pitfalls and potential fines. We urge our customers to get their information in to our office now before the summer strip starts. Should you miss the deadline customers can still participate on a monthly basis but will miss out on May payments for 2015. Call Lisa Klein or Bert Spaeth in our Lynx office at 716-774-1341.

COMMODITY PRICING

Historical - Flat DAM

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
NYISO-A	31.28	32.83	30.44	35.69	70.28	33.47
NYISO-F	30.48	40.01	35.50	61.50	121.60	55.98
NYISO-J	32.09	41.29	36.23	57.34	112.33	53.34
NYISO-K	38.36	47.12	42.37	79.91	128.75	58.00
PJM-PSEG	31.36	41.92	33.05	45.71	104.16	42.59
PJM-JCPL	30.94	41.44	30.97	44.60	97.28	38.69
PJM-APS	34.84	38.91	32.99	37.68	73.22	39.43
PJM-PECO	29.84	41.21	30.09	41.08	97.60	39.01
PJM-PPL	30.00	40.43	29.92	39.98	97.50	38.09
PJM-DLCO	33.66	38.96	31.94	32.69	39.93	35.27
PJM-PENELEC	33.44	39.49	32.79	37.65	74.02	40.57
PJM-METED	30.33	40.73	29.94	40.13	94.44	38.27
PJM-BGE	41.41	42.98	37.80	44.58	91.38	44.41
ISONE-CT	32.90	47.30	42.39	70.19	121.31	61.91

Current Projections

	Apr-15	May-15	Jun-15	Apr-15 to Mar-16		
	Flat	Flat	Flat	Flat	Peak	Off Peak
NYISO-A	30.60	30.49	33.85	37.85	45.39	31.22
NYISO-F	33.45	31.39	34.92	48.21	56.42	40.99
NYISO-J	36.01	34.63	39.64	49.72	59.45	41.17
NYISO-K	45.35	49.74	51.72	61.15	71.56	51.98
PJM-PSEG	33.49	32.95	36.99	43.33	51.93	35.77
PJM-JCPL	32.40	31.82	35.82	41.73	49.94	34.50
PJM-APS	34.78	34.00	35.86	39.65	46.63	33.50
PJM-PECO	31.66	30.92	34.70	40.45	48.31	33.54
PJM-PPL	31.50	30.80	34.29	40.10	47.80	33.32
PJM-DLCO	33.13	33.07	34.82	36.46	42.40	31.24
PJM-PENELEC	34.93	34.22	36.42	40.27	47.57	33.84
PJM-METED	31.92	30.85	34.52	40.12	47.84	33.32
PJM-BGE	40.52	40.04	41.99	46.77	55.84	38.79
ISONE-CT	36.75	31.22	35.62	54.92	63.58	47.30

Note: On-peak is defined as HE08- HE23 Weekdays (less NERC Holidays)
 Commodity pricing at MWh reflects an estimate of pricing based on current information available at time of printing from various market sources. The prices are not intended to be used as hard data for contractual purposes. Prices are represented in dollar per MWh.

GREEN ENERGY

As state mandates are phased in, suppliers or ESCO's will be required to purchase **REC's** (Renewable Energy Credits) and show documented proof of purchase. Some states require a percentage of Solar REC's or offshore wind depending on the host states social policies. Each category, whether it is called Tier or Class has different pricing and some states mandate a mix. Suffice it to say, Solar is the most expensive and Tier or Class II is the least expensive. Failure to purchase green energy or **AEPS** (Alternative Energy Portfolio Standard) or REC's will result in a default REC. PJM customers would pay Alternative Energy Credits (**AEC**) at \$500 per credit. Connecticut has a default rate as well. Lynx will assist you in locating cost effective green REC's to meet your needs. In addition, Lynx can handle your reporting and assist you in purchasing REC's. The percentage of renewable energy is expected to increase up to 27% in certain states by 2025.

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

Lynx EMS

Address:

2680 Grand Island Blvd, Suite 2
 Grand Island, NY 14072
 Phone: 716-774-1341
 Fax: 866-316-8599
 Website: www.LynxEMS.com

Contacts:

Kevin Schoener: KHSchoener@LynxEMS.com
 Lisa Klein: LRKlein@LynxEMS.com
 Bert Spaeth: BASpaeth@LynxEMS.com
 Dennis O'Leary: DJOLEary@LynxEMS.com