

NRG plant change highlights New England turmoil

ANALYSIS NRG Energy's announcement on Tuesday that it plans to deactivate its 352-MW oil-fired Norwalk Harbor plant in Norwalk, Connecticut, on June 1 raised as many questions as it answered. It could, in fact, be a prelude to further actions or announcements by NRG regarding its plants in the region.

NRG said it is "deactivating" Norwalk Harbor because of low capacity prices in the New England ISO. NRG clarified that deactivation does not mean permanently closed. A deactivated plant could be brought back into service, but NRG spokesman David Gaier declined to discuss the costs of deactivation or what would trigger a decision to bring the plant back into service,
(continued on page 17)

NYISO should shift TCC auction: DC Energy

TRANSMISSION The New York Independent System Operator should improve its scheduling of long-term transmission congestion contract auctions so that market participants know the auction schedule further in advance, according to DC Energy.

In a presentation at a Thursday NYISO market issues working group meeting, DC Energy said NYISO's scheduling practices leave market participants with little lead time for long-term TCC auctions. TCCs are known as financial transmission rights in other markets.

"The current process results in TCC auction schedules posted only weeks prior to commencement," DC Energy said in its
(continued on page 19)

Mild weather drops ERCOT forwards: observers

MARKETS June, July and August on-peak forward prices plunged in the Electric Reliability Council of Texas' North Hub Thursday, and some industry observers believe the Lone Star State's relatively mild weather outlook is a factor.

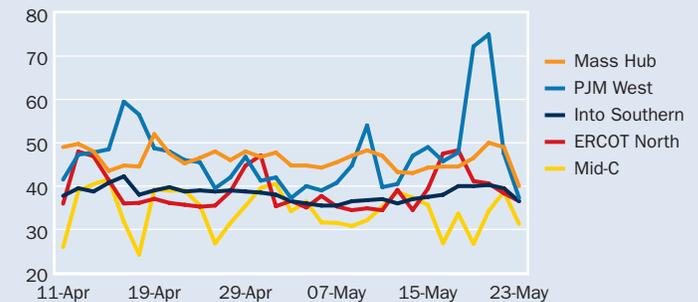
Platts assessment for on-peak June closed down 4.8% to \$50/MWh on Thursday, while July closed down 6.3% at \$73.75/MWh, and August closed down 4% at \$120.75/MWh.

"I think recent rains have had an effect on forecasted summer demand," said Neil McAndrews, an electricity market consultant based in Austin, Texas. "The drought conditions earlier this month have been lessened. This is good news."
(continued on page 19)

Holiday notice

Megawatt Daily will not publish Monday, May 27, because of the Memorial Day holiday. Assessments based on trading on Friday, May 24, will be published in the Tuesday, May 28, issue. Flow dates for power traded Friday vary among markets and will be specified in published tables.

Price trends at key trading points (\$/MWh)



Source: Platts

Low and high average day-ahead LMP for May 24 (\$/MWh)

	On-peak low	On-peak high	Off-peak low	Off-peak high
ISONE	34.27	38.73	27.34	28.59
NYISO	37.86	71.86	29.05	47.02
PJM	34.99	45.69	23.82	30.75
MISO	25.28	33.07	17.27	28.89
ERCOT	35.05	46.27	21.38	26.24
CAISO	39.33	47.28	31.58	35.72

Note: Lows and highs for each ISO are for various hubs and zones. A full listing of average LMPs are available for the hubs and zones inside this issue.

Day-ahead bilateral indexes and spark spreads for May 24

	Index	Marginal heat rate	Spark spreads				
			@7k	@8k	@10k	@12k	@15k
Northeast							
Mass Hub	40.00	9040	9.03	4.60	-4.25	-13.10	-26.38
N.Y. Zone-A	38.00	9055	8.62	4.43	-3.97	-12.36	-24.95
PJM/MISO							
PJM West	37.25	9115	8.64	4.56	-3.62	-11.79	-24.05
Indiana Hub	33.00	7885	3.71	-0.48	-8.85	-17.22	-29.78
Southeast & Central							
Southern, Into	36.50	8779	7.40	3.24	-5.08	-13.39	-25.86
ERCOT, North	36.53	8910	7.83	3.73	-4.47	-12.67	-24.97
West							
Mid-C	38.67	9815	11.09	7.15	-0.73	-8.61	-20.43
SP15	46.75	11375	17.98	13.87	5.65	-2.57	-14.90

Note: All indexes are on-peak. Spark spreads are reported in (\$) and Marginal heat rates in (Btu/kWh). A full listing of bilateral indexes and marginal heat rates are inside this issue.

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NORTHEAST MARKETS

Dailies drop, following spot gas, demand

Daily power prices in the Northeast dropped Thursday, following demand projections and spot natural gas prices. The NYMEX June natural gas futures contract settled at \$4.261/MMBtu, up 7.5 cents from Wednesday's close.

ISO New England forecasted peak load on Thursday around 17,390 MW and 15,910 MW for Friday.

Algonquin city-gates spot natural gas traded around \$4.26/MMBtu, a 39-cent drop, and Transco Zone 6 New York was down 15 cents, going to around \$4.16/MMBtu.

Boston is expected to have high temperatures on Friday in the mid-60s and lows in the low 50s.

Mass Hub on-peak for Friday was down about \$9 to the upper \$30s to low \$40s/MWh. Mass Hub off-peak dropped about \$4 to around \$30/MWh.

The New York ISO forecasted demand on Thursday around 20,950 MW, down to about 19,113 MW Friday.

New York State is expected to have high temperatures on Friday in the upper 50s to upper 60s, with lows in the low mid-40s to mid-50s.

New York Zone A on-peak for Friday lost about \$7, moving down to the upper \$30s/MWh.

Day-ahead auction prices in ISONE moved down Thursday amid falling demand. Internal Hub peak lost about \$6.71, going to about \$35.36/MWh and off-peak lost \$3.39 going to about \$28.39/MWh.

Connecticut peak lost the most on the day, giving up \$7.11 to about \$36.21/MWh and off-peak was down \$3.62 to about \$28.59/MWh.

Rhode Island Zone was down \$3.18 to about \$38.73/MWh, while off-peak gave up \$3.30 to \$28.38/MWh.

Day-ahead auction prices in NYISO plunged Thursday with demand expected to drop at the end of the week.

Long Island Zone peak gave up more than \$150 to clear around \$71.86/MWh, while off-peak lost \$6.21, going to about \$47/MWh.

Dunwood Zone peak gave up \$21.50, clearing around \$44.21/MWh and off-peak was down \$8.39 to about \$31.74/MWh.

New York City Zone peak lost \$18.44 to about \$49.22/MWh and off-peak was down \$8.41 to about \$32.06/MWh.

West Zone peak was off \$7.31 to about \$37.86/MWh, while off-peak was down \$6.70 to about \$29.07/MWh.

Northeast term power prices mostly fell Thursday even as June NYMEX gas futures gained on the day after the release of the Energy Information Administration weekly gas storage estimate.

In New England, Mass Hub on-peak June financial futures dropped \$1.25, with bids at \$63.50/MWh and offers at \$64.25/MWh on the IntercontinentalExchange at about 2:30 p.m. EDT. Mass Hub on-peak July-August tumbled 75 cents to about \$62/MWh, while on-peak fourth quarter eased down 25 cents to about \$60/MWh. Mass Hub off-peak June lost \$1 to about \$44.25/MWh.

New York Zone G on-peak June gave up \$1, falling to about \$65/MWh.

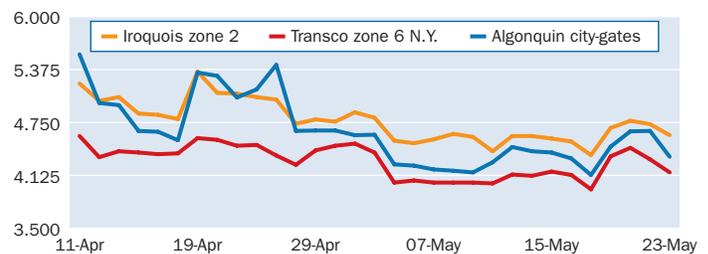
New York Zone A on-peak June was unchanged at about \$47.50/MWh.

Northeast day-ahead bilateral indexes for May 24 (\$/MWh)

	Index	Change	Avg \$/Mo	Marginal heat rate
On-peak				
Mass Hub	40.00	-9.00	45.61	9040
N.Y. Zone-G	44.00	-19.25	48.21	10046
N.Y. Zone-J	49.25	-18.50	51.92	11244
N.Y. Zone-A	38.00	-7.25	42.90	9055
Ontario*	34.00	-2.00	31.68	7280
Off-Peak				
Mass Hub	30.00	-4.50	32.75	6780
N.Y. Zone-G	31.75	-8.50	33.50	7249
N.Y. Zone-J	32.00	-8.50	34.03	7306
N.Y. Zone-A	29.00	-6.75	30.61	6910
Ontario*	23.00	-4.00	19.92	4924

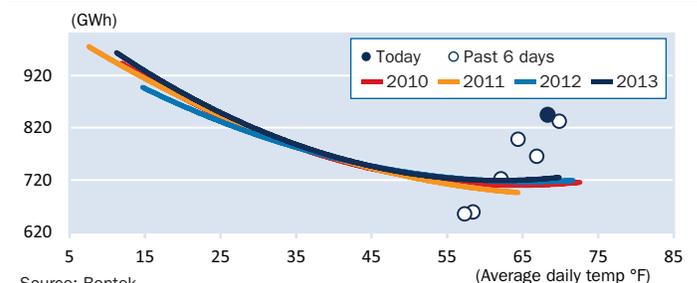
*Ontario prices are in Canadian dollars

Northeast spot natural gas prices (\$/MMBtu)



Source: Platts

ISONE & NYISO load per degree



Source: Bentek

Northeast load and generation mix forecast (GWh)

	Actual			Forecast				
	22-May	%Chg	% Chg Year-ago	23-May	24-May	25-May	26-May	27-May
ISONE								
Load	342	-4	3	372	338	288	281	319
Generation								
Coal	6	-25	37	10	4	1	2	2
Gas	153	1	-8	179	163	139	128	132
Nuclear	95	3	-10	95	95	95	95	95
NYISO								
Load	455	-4	2	473	431	370	359	406
Generation								
Coal	14	-28	84	17	11	5	3	7
Gas	178	-2	-9	169	147	125	117	129
Nuclear	135	0	8	135	135	135	135	135

Source: Bentek

ISONE day-ahead LMP for May 24 (\$/MWh)

Hub/Zone	Average	Cong	Loss	Change	Avg \$/Mo	Marginal heat rate
On-peak						
Internal Hub	35.36	-0.33	-0.11	-6.71	43.29	7925
Connecticut	36.21	-0.33	0.74	-7.11	43.92	7908
NE Mass-Boston	35.25	-0.33	-0.22	-6.71	43.32	7900
SE Mass	36.06	0.35	-0.09	-5.98	43.33	8081
West-Central Mass	35.63	-0.33	0.17	-6.78	43.62	7986
Rhode Island	38.73	3.14	-0.20	-3.18	44.26	8681
Maine	34.27	-0.33	-1.20	-6.31	42.51	7438
New Hampshire	35.21	-0.33	-0.25	-6.71	43.70	7644
Vermont	35.26	-0.33	-0.21	-7.06	43.47	7653
Off-Peak						
Internal Hub	28.39	0.00	0.06	-3.38	31.65	6081
Connecticut	28.59	0.00	0.27	-3.62	31.90	6061
NE Mass-Boston	28.36	0.00	0.04	-3.34	31.64	6075
SE Mass	28.39	0.00	0.07	-3.30	31.65	6081
West-Central Mass	28.47	0.00	0.15	-3.51	31.86	6100
Rhode Island	28.38	0.00	0.06	-3.30	32.15	6079
Maine	27.34	0.00	-0.98	-3.22	30.97	5882
New Hampshire	28.05	0.00	-0.27	-3.47	31.69	6035
Vermont	27.95	0.00	-0.37	-3.96	31.70	6014

NYISO day-ahead LMP for May 24 (\$/MWh)

Hub/Zone	Average	Cong	Loss	Change	Avg \$/Mo	Marginal heat rate
On-peak						
Capital Zone	42.13	0.00	1.70	-10.84	42.57	9562
Central Zone	39.86	0.00	-0.56	-8.18	40.13	9474
Dunwoodie Zone	44.21	0.00	3.78	-21.50	45.89	10047
Genesee Zone	38.48	0.00	-1.94	-7.22	38.60	9146
Hudson Valley Zone	44.00	0.00	3.58	-19.39	45.49	10001
Long Island Zone	71.86	-26.89	4.55	-150.49	83.55	16333
Millwood Zone	44.22	0.00	3.80	-21.47	45.84	10050
Mohawk Valley Zone	41.40	0.00	0.98	-9.51	40.74	9627
N.Y.C. Zone	49.22	-4.50	4.29	-18.44	49.14	11186
North Zone	39.37	0.00	-1.06	-7.72	36.62	8545
West Zone	37.86	0.00	-2.56	-7.31	40.77	8998
Off-Peak						
Capital Zone	31.09	0.00	1.28	-8.46	32.08	6939
Central Zone	29.62	0.00	-0.19	-7.20	30.65	6929
Dunwoodie Zone	31.74	0.00	1.93	-8.40	32.82	7046
Genesee Zone	29.05	0.00	-0.76	-6.78	30.04	6796
Hudson Valley Zone	31.73	0.00	1.92	-8.53	33.01	7044
Long Island Zone	47.02	-14.67	2.54	-6.22	41.04	10438
Millwood Zone	31.75	0.00	1.94	-8.42	32.82	7048
Mohawk Valley Zone	30.45	0.00	0.64	-7.77	31.27	6977
N.Y.C. Zone	32.06	0.00	2.25	-8.41	33.37	7117
North Zone	29.21	0.00	-0.60	-7.25	29.55	6284
West Zone	29.07	0.00	-0.74	-6.69	30.06	6800

Generation unit outage report

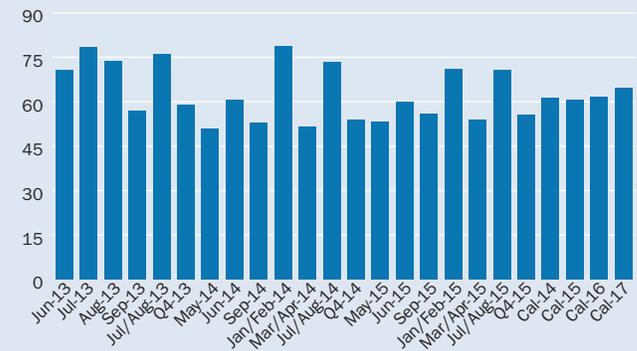
Plant/Operator	Cap	Fuel	State	Status	Return	Shut
Northeast						
Bruce-1/Bruce Power	750	n	Ont.	PMO	Unk	04/28/13
Bruce-3/Bruce Power	820	n	Ont.	PMO	Unk	05/20/13
Pickering-5/OPG	500	n	Ont.	PMO	Unk	03/18/13

Northeast Platts-ICE Forward Curve, May 23 (\$/MWh)

Prompt month: Jun 13	On-peak	Off-peak
Mass Hub	64.00	44.25
N.Y. Zone G	65.00	44.00
N.Y. Zone J	70.50	47.00
N.Y. Zone A	47.50	35.50
Ontario*	38.00	25.50

*Ontario prices are in Canadian dollars

N.Y. Zone J: Forward curve on-peak (\$/MWh)



N.Y. Zone J: Marginal heat rate on-peak (Btu/kWh)



Daily generation outage references

MO unplanned maintenance outage RF refueling outage
 PMO planned maintenance outage Unk unknown
 OA offline/available

Fuels: Nuclear=n; Coal=c; Natural gas=g; Hydro=h ; Wind=w
 Sources: Generation owners, public information and other market sources.

Market coverage

Platts provides a detailed methodology related to its coverage of North American electricity markets at: <http://platts.com/MethodologyAndSpecifications/ElectricPower>. Questions can be directed to Mike Wilczek, Market Editor, (202) 383-2246, Mike_Wilczek@platts.com.

SOUTHEAST MARKETS

ERCOT dailies weaker as demand moves down

Daily power prices in the Electric Reliability Council of Texas and the Southeast were down Thursday, with demand forecasted to drop on Friday in ERCOT and temperatures expected to be lower in the Southeast. The NYMEX June natural gas futures contract settled at \$4.261/MMBtu, up 7.5 cents from Wednesday's close.

ERCOT dailies for Friday delivery were weaker on IntercontinentalExchange Thursday with peak load forecasted to fall. System load in ERCOT was forecast to peak at 54,275 MW Thursday and 50,675 MW Friday, compared with an actual peak of 50,965 MW Wednesday.

Spot natural gas at Houston Ship Channel shed 3 cents to trade around \$4.155/MMBtu.

ERCOT North Hub next-day on-peak physical power fell about \$1.75 to trade around \$36.50/MWh on ICE. Off-peak dropped \$1 to trade around \$25/MWh.

High temperatures across ERCOT were expected in the mid-80s to low 90s Friday, with lows forecast in the mid-70s. The average May high temperature across ERCOT is in the mid-80s, with the average low in the mid-to upper 60s.

With the exception of the West, real-time prices averaged \$19.50/MWh from 12:15 to 6 a.m. CST Thursday, while West Hub averaged \$3.75/MWh.

Wind generation in ERCOT was forecast to peak at 7,500 MW at 2 a.m. CDT Thursday and 7,800 MW at midnight CDT Friday.

North Hub on-peak next-week packages were bid at \$38.25/MWh and offered at \$39/MWh.

In the Southeast, dailies for Friday delivery were weaker Thursday with temperatures expected to drop. Into Southern next-day on-peak power was bid at \$34/MWh and offered at \$37/MWh, a loss of about \$4. Off-peak was bid at \$23/MWh and offered at \$26/MWh, a drop of around \$3.

Spot natural gas at Transco Zone-3 fell 4.5 cents to trade around \$4.135/MMBtu.

High temperatures in Atlanta were forecast in the mid-70s, with lows expected in the upper 50s. The city's average May high temperature is 80; its average low is 60.

The ERCOT day-ahead auction for Friday delivery cleared mostly
(continued on page 10)

Southeast & Central day-ahead bilateral indexes for May 24 (\$/MWh)

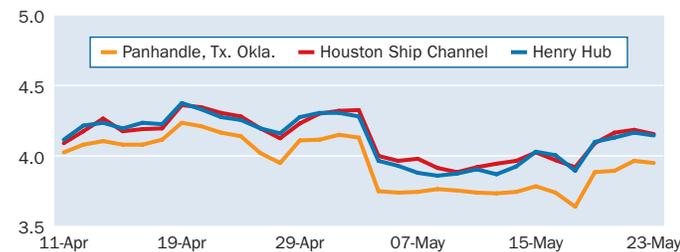
	Index	Change	Avg \$/Mo	Marginal heat rate
Southeast On-peak				
VACAR	36.75	-4.75	40.06	8576
Southern, Into	36.50	-3.00	37.50	8779
Florida	38.00	-0.75	38.11	9058
TVA, Into	35.75	-3.50	38.69	8497
Entergy, Into	35.50	-1.25	35.47	8717
Southeast Off-Peak				
VACAR	27.00	-1.00	27.81	6301
Southern, Into	25.50	-2.00	27.16	6133
Florida	24.00	-1.00	27.35	5721
TVA, Into	25.50	-1.75	27.07	6061
Entergy, Into	21.25	-2.00	23.76	5218
ERCOT On-peak				
ERCOT, North	36.53	-1.81	38.68	8910
ERCOT, Houston	40.50	-1.50	39.83	9765
ERCOT, South	39.00	-1.50	39.75	9420
ERCOT, West	36.25	-1.75	37.89	9040
ERCOT Off-Peak				
ERCOT, North	25.15	-0.85	25.44	6134
ERCOT, Houston	26.25	-0.25	25.41	6329
ERCOT, South	25.50	-0.75	25.48	6159
ERCOT, West	23.50	-1.75	21.57	5860
SPP/MRO On-peak				
MAPP, Soth	35.00	-2.75	38.24	8557
SPP, North	34.75	-2.75	37.10	8797
SPP/MRO Off-Peak				
MAPP, Soth	21.75	-2.25	24.38	5318
SPP, North	21.50	-2.00	23.98	5443

Southeast load and generation mix forecast (GWh)

	Actual 22-May	%Chg	% Chg Year-ago	Forecast				
				23-May	24-May	25-May	26-May	27-May
ERCOT								
Load	942	-3	0	926	934	892	871	938
Generation								
Coal	402	-2	21	375	382	386	389	386
Gas	354	-7	-15	383	384	378	378	370
Nuclear	123	0	-4	123	123	123	123	123
SPP								
Load	648	-6	-3	632	624	637	667	706
Generation								
Coal	391	-1	17	392	394	402	412	419
Gas	165	-18	-28	149	145	156	175	195
Nuclear	49	0	-5	49	49	49	49	49

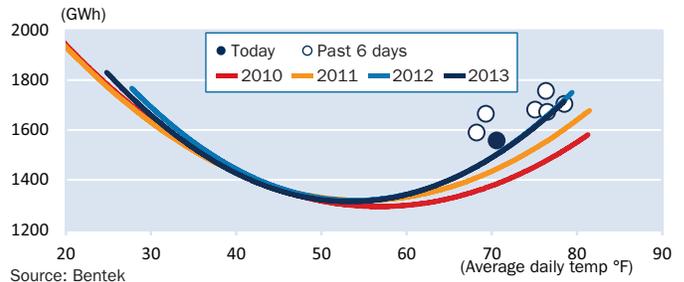
Source: Bentek

Southeast & Central spot natural gas prices (\$/MMBtu)



Source: Platts

ERCOT & SPP load per degree



Source: Bentek

ERCOT average day-ahead LMP for May 24 (\$/MWh)

Hub/Zone	Average	Change	Avg \$/Mo	Marginal heat rate
On-peak				
Bus Average	36.54	-1.71	37.71	8890
Hub Average	37.37	-1.59	37.85	9093
Houston Hub	41.13	0.24	38.65	9901
North Hub	35.19	-2.01	37.45	8577
South Hub	38.08	-3.26	38.29	9188
West Hub	35.05	-1.27	37.00	8725
AEN Zone	36.03	-2.69	37.95	8968
CPS Zone	45.42	-10.38	40.80	11003
LCRA Zone	36.52	-4.06	38.07	8847
Rayburn Zone	35.34	-1.87	38.36	8612
Houston Zone	41.87	0.52	39.01	10079
North Zone	35.30	-1.96	37.94	8605
South Zone	44.54	-5.18	41.42	10744
West Zone	46.27	-19.05	69.71	11518
Off-Peak				
Bus Average	24.08	0.62	25.45	5834
Hub Average	23.99	0.38	25.18	5811
Houston Hub	25.97	1.29	25.93	6222
North Hub	24.07	0.77	25.76	5846
South Hub	24.53	0.54	25.59	5893
West Hub	21.38	-1.08	23.45	5292
AEN Zone	24.20	0.84	25.56	5990
CPS Zone	25.01	0.43	25.95	6038
LCRA Zone	24.32	0.72	25.51	5871
Rayburn Zone	24.47	1.10	27.51	5943
Houston Zone	26.24	1.36	25.96	6286
North Zone	24.27	0.95	26.47	5896
South Zone	24.87	-0.10	25.87	5975
West Zone	21.69	-1.20	25.38	5367

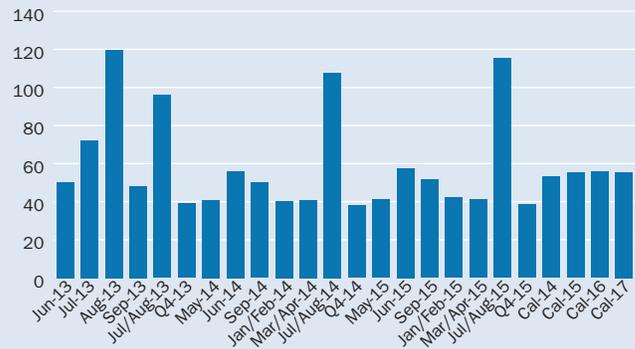
Southeast & Central near-term bilateral markets (\$/MWh)

Package	Trade date	Range
Southern, Into		
Bal-week	05/21	39.50-40.00
Bal-month	05/21	39.50-40.00
Next-week	05/21	39.50-40.00
Next-week	05/20	33.75-34.25
Entergy, Into		
Bal-week	05/20	38.50-39.00
Bal-month	05/20	38.50-39.00
Next-week	05/20	38.00-38.50
ERCOT, North		
Bal-week	05/20	41.75-42.25
Bal-month	05/23	37.75-38.25
Next-week	05/22	43.00-43.50
Next-week	05/21	45.25-45.75
Next-week	05/17	46.00-46.50
ERCOT, Houston		
Bal-week	05/20	44.00-44.50

Southeast & Central Platts-ICE Forward Curve, May 23 (\$/MWh)

Prompt month: Jun 13	On-peak	Off-peak
Southern Into	40.75	30.00
Entergy Into	40.50	27.25
ERCOT North	50.00	33.75
ERCOT Houston	51.00	34.25
ERCOT West	50.75	33.00
ERCOT South	50.25	33.50

ERCOT South: Forward curve on-peak (\$/MWh)



ERCOT South: Marginal heat rate on-peak (Btu/kWh)



Generation unit outage report

Plant/Operator	Cap	Fuel	State	Status	Return	Shut
Southeast & Central						
Arkansas-1/Entergy	903	n	Ark.	PMO	08/01/13	03/25/13
Bowen-1/Georgia Power	800	c	Ga.	PMO	Unk	04/04/13
Bowen-2/Georgia Power	800	c	Ga.	PMO	Unk	04/04/13
Brunswick-1/Duke Energy	1007	n	N.C.	MO	05/29/13	04/18/13
Crystal River-3/Progress	838	n	Fla.	Retired		09/26/09
Fort Calhoun/OPPD	526	n	Neb.	RF	Unk	04/11/11
Harris/Duke	960	n	N.C.	MO	Unk	05/16/13

Additional information on data and analysis:

For more information on data and analysis from Bentek Analytics, including five-day load and generation mix forecasts and relative load normalized by temperature, email power@bentekenergy.com, or call 303-988-1320. Average on-peak and off-peak LMP and marginal heat-rate data is available via Platts Market Data. More detailed, hourly LMP and marginal heat-rate data is available from Bentek Analytics.

WEST MARKETS

Western dailies finish mixed; terms move up

Western dailies were mixed Thursday morning with lower demand expected in California and Sunday on-peak pricing. Terms rose, and the NYMEX June natural gas futures contract posted a preliminary settlement of \$4.261/MMBtu, up 7.5 cents from Wednesday's close.

In the Northwest, Mid-Columbia day-ahead on-peak was down more than \$7.25 to trade between \$29.50 and \$32/MWh for delivery on Saturday because of the Memorial Day holiday. Mid-C day-ahead off-peak added more than \$6 to trade between \$17 and \$22/MWh for delivery on Saturday and all day Sunday. The Mid-C on-peak balance-of-the-month package traded at \$34/MWh or about flat.

Portland, Oregon, forecast highs were for the low 70s on Sunday, a gradual increase of more than 10 degrees. Projected lows were for the high 40s to the low 50s.

The Bonneville Power Administration's wind at 7 a.m. PDT Thursday was 15 MW, and its hydropower was 12,278 MW.

In California, SP15 next-day on-peak was down \$3 to about \$43.75/MWh. SP15 day-ahead off-peak rose \$3.50 to about \$37/MWh. SP15 bal-month was bid at \$45.75 and offered at \$48/MWh, down more than 50 cents. NP15 day-ahead on-peak was down \$1.25 to about \$40.25/MWh. NP15 day-ahead off-peak rose \$2.75 to about \$34.25/MWh. NP15 bal-month was bid at \$38.75 and offered at \$43/MWh, unchanged from Wednesday.

Sacramento, California, expected highs of around 80 on Sunday, down from the low 80s on Saturday but up from the low 70s Thursday and the high 70s on Friday. Forecast lows were for the high 40s to the low 50s. Through the weekend, Burbank expected highs in the low 70s and lows in the mid- to high 50s.

The California Independent System Operator projected peak demand to hit 28,812 MW on Thursday and 28,829 MW on Friday.

Renewables were 4,880 MW and wind was about 3,100 MW at 7 a.m. PDT on Thursday. In the desert Southwest, Palo Verde next-day on-peak went down nearly \$1.75 to trade between \$35.75 and \$37/MWh. Palo Verde day-ahead off-peak rose more than \$6.25 to trade between \$29.50 and \$31.50/MWh.

Phoenix highs were forecast for the upper 90s through Sunday while expected lows were from around 70 to high 70s.

Next-day natural gas retreated in the Rockies and California. Opal was down 2.6 cents to \$3.954/MMBtu, PG&E city-gate fell 1.2 cents to \$4.238/MMBtu, and SoCal city-gate dropped 8.3 cents to \$4.307/MMBtu.

Day-ahead prices in the California ISO auction rose Thursday afternoon. SP15 on-peak rose \$5.77 to \$47.28/MWh and SP15 off-peak added \$2.96 to \$35.72/MWh. NP15 on-peak gained \$1.65 to \$41.39/MWh as NP15 off-peak climbed 82 cents to \$32.62/MWh. ZP26 on-peak was up 31 cents to \$39.33/MWh and ZP26 off-peak increased 49 cents to \$31.58/MWh.

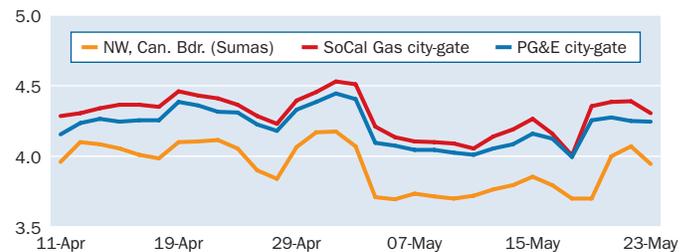
In the Northwest term markets, Mid-Columbia on-peak June
(continued on page 10)

Western day-ahead bilateral indexes for May 25 (\$/MWh)

	Index	Change	Avg \$/Mo	Marginal heat rate
On-peak				
COB	32.00	-9.14	36.38	10259
Mid-C	31.26	-7.41	33.94	9815
Palo Verde	36.39	-1.88	37.98	9485
Mead	37.25	-2.50	39.58	9672
Mona	34.25	-3.25	35.59	9615
Four Corners	36.25	-2.46	37.47	9775
NP15	39.75	-1.75	43.47	9776
SP15	43.75	-3.00	51.52	11375
Off-Peak*				
COB	24.25	4.97	15.95	4808
Mid-C	20.40	6.36	11.86	3563
Palo Verde	30.93	6.43	26.08	6072
Mead	31.00	5.75	27.06	6144
Mona	25.25	5.75	22.33	5000
Four Corners	28.00	5.00	24.47	5808
NP15	34.00	2.50	31.90	7420
SP15	36.75	3.25	35.71	8151

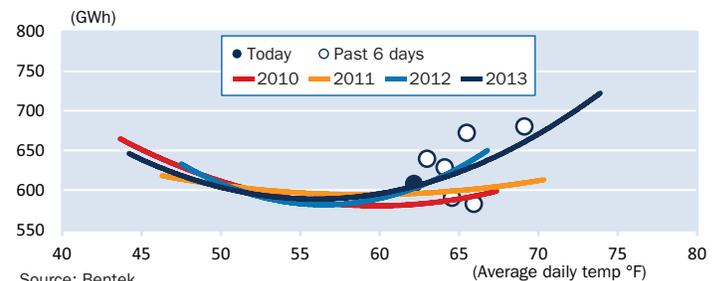
*Off-peak includes all day Sunday

Western spot natural gas prices (\$/MMBtu)



Source: Platts

CAISO load per degree



Source: Bentek

Western load and generation mix forecast (GWh)

	Actual 22-May	%Chg %Chg Year-ago	Forecast				
			23-May	24-May	25-May	26-May	27-May
CAISO							
Load	639	-5 2	608	602	563	552	629
Generation							
Gas	142	-23 4	147	157	163	169	181
Nuclear	56	0 -17	56	56	56	56	56

Source: Bentek

CAISO average day-ahead LMP for May 24 (\$/MWh)

Hub/Zone	Average	Cong	Loss	Change	Avg \$/Mo	Marginal heat rate
On-peak						
NP15 Gen Hub	41.39	-2.96	-1.67	1.65	41.82	9739
SP15 Gen Hub	47.28	2.52	-1.26	5.77	50.13	11490
ZP26 Gen Hub	39.33	-4.03	-2.66	0.31	39.75	9557
Off-Peak						
NP15 Gen Hub	32.62	-1.72	-0.70	0.82	31.32	7667
SP15 Gen Hub	35.72	1.45	-0.76	2.96	33.27	8579
ZP26 Gen Hub	31.58	-1.70	-1.76	0.49	28.45	7584

Western near-term bilateral markets (\$/MWh)

Package	Trade date	Range
Mid-C		
Bal-month	05/21	31.75-32.25
Bal-month	05/20	28.75-31.00
Bal-month	05/17	30.75-31.25
Bal-month (off-peak)	05/23	11.75-12.25
Bal-month (off-peak)	05/22	11.50-13.00
Bal-month (off-peak)	05/21	6.75-7.75
Bal-month (off-peak)	05/20	3.25-3.75

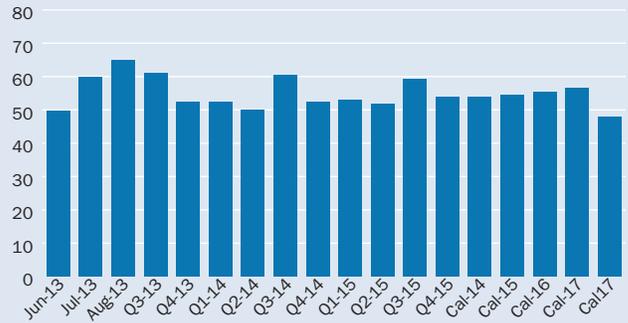
Generation unit outage report

Plant/Operator	Cap	Fuel	State	Status	Return	Shut
West						
ACE Cogen/Constellation	118	g	Calif.	MO	Unk	04/28/13
Contra Costa-6/NRG	337	g	Calif.	MO	Unk	05/01/13
Contra Costa-7/NRG	337	g	Calif.	PMO	Unk	05/01/13
Desert Star/SDG&E	495	g	Calif.	PMO	Unk	03/24/13
Empire-2/Inland Empire	366	g	Calif.	PMO	Unk	05/20/13
Encina-5/Cabrillo	330	g	Calif.	PMO	Unk	04/29/13
Helms-2/PG&E	407	h	Calif.	PMO	Unk	12/02/12
High Desert/High Desert	830	g	Calif.	PMO	Unk	05/05/13
Huntington Beach-3/AES	225	g	Calif.	PMO	Unk	04/14/13
Huntington Beach-4/AES	215	g	Calif.	PMO	Unk	04/14/13
La Paloma-2/La Paloma	260	g	Calif.	PMO	Unk	05/12/13
Lodi/NCPA	303	g	Calif.	PMO	Unk	05/09/13
Los Esteros/Calpine	188	g	Calif.	PMO	Unk	05/19/13
Moss Landing-2/Dynegy	510	g	Calif.	PMO	Unk	05/22/13
Octillo/Pattern	265	w	Calif.	MO	Unk	05/16/13
San Onofre-2/SCE	1124	n	Calif.	PMO	Unk	01/09/12
San Onofre-3/SCE	1126	n	Calif.	MO	Unk	01/31/12
Sunrise/Edison	586	g	Calif.	MO	Unk	05/16/13
Valley Solar/NRG	210	s	Calif.	PMO	Unk	05/12/13
Walnut Creek-5/Edison	100	g	Calif.	MO	Unk	05/19/13

Western Platts-ICE Forward Curve, May 23 (\$/MWh)

Prompt month: Jun 13	On-peak	Off-peak
Mid-C	32.00	10.85
Palo Verde	41.50	25.50
Mead	43.00	27.25
NP15	43.25	31.75
SP15	49.75	35.25

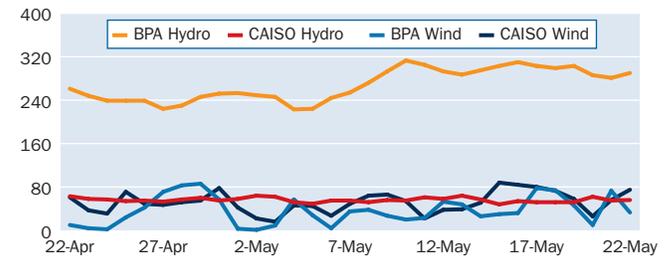
SP15: Forward curve on-peak (\$/MWh)



SP15: Marginal heat rate on-peak (Btu/kWh)



BPA & CAISO hydro and wind generation (GWh)



Source: BPA and CAISO

PJM & MISO MARKETS

PJM dailies down on demand, spot gas declines

Daily power prices in the Mid-Atlantic and Midwest were down Thursday, as were spot natural gas prices and power demand forecasts. The NYMEX June natural gas futures contract settled at \$4.261/MMBtu, up 7.5 cents from Wednesday's close.

Mid-Atlantic dailies dropped Thursday as the PJM Interconnection expects demand to fall heading into the holiday weekend. PJM forecasted peak demand on Thursday around 101,293 MW, dropping down to 87,376 MW on Friday.

Spot natural gas in the region was down Thursday, with Texas Eastern M-3 down 12 cents to about \$4.17/MMBtu on the IntercontinentalExchange.

Temperatures in the region also are forecasted to drop, with highs in the mid-50s to upper 60s and lows in the low 40s to mid-50s.

PJM West Hub on-peak packages for Friday fell about \$10 to the upper \$30s/MWh. PJM West Hub off-peak edged up about \$1.50 in the low \$30s/MWh.

Midwest dailies were also down with lower expected demand, while Chicago city-gates spot gas was down one cent to about \$4.25/MMBtu.

Indiana Hub peak dropped more than \$5, going to the low to mid-\$30s/MWh, while off-peak decreased about \$1 in the mid-\$20s/MWh.

Minnesota Hub peak was holding in the upper \$20s/MWh.

Dailies in the Midwestern portion of PJM came off with nearby power market weakness and lower spot gas prices.

AEP-Dayton Hub peak dropped more than \$6, going to the low to mid-\$30s/MWh, while off-peak was steady in the upper \$20s/MWh.

Northern Illinois Hub peak lost about \$4, going to the low \$30s/MWh, while off-peak was holding in the mid-\$20/MWh.

Day-ahead auction prices in PJM were mixed Thursday with demand expected to decline. Prices in the eastern part of PJM were mostly lower, while prices in the west edged up.

BG&E Zone peak was down \$6, going to about \$45.69/MWh, while off-peak lost nearly \$2, going down to about \$30.45/MWh.

Western Hub peak lost \$2.74, going to about \$40.65/MWh, with off-peak at about \$29/MWh, a loss of 85 cents.

PSEG Zone peak was down \$3.72 to about \$44.88/MWh and off-peak lost nearly \$2, going down to about \$30.75/MWh.

Meanwhile, Chicago Hub peak added \$1.23, going to about \$35.67/MWh and off-peak lost \$1.62 to about \$24.53/MWh.

Duquesne Light Zone peak added the most on the day, moving up \$2.91 to about \$36.76/MWh and off-peak added 11 cents to about \$26.74/MWh.

ATSI Gen Hub peak moved up \$2.26 to \$38.17/MWh and off-peak added 62 cents to about \$28.28/MWh.

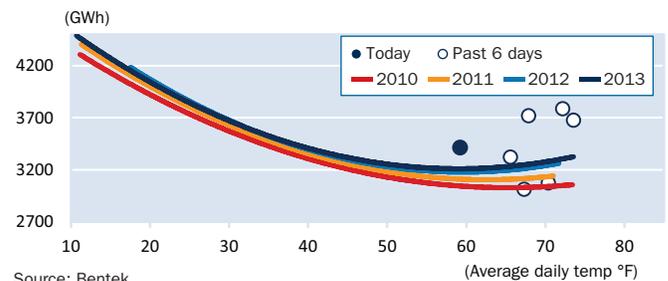
MISO day-ahead auction prices cleared weaker Thursday afternoon.

Michigan remained the highest-priced hub with on-peak

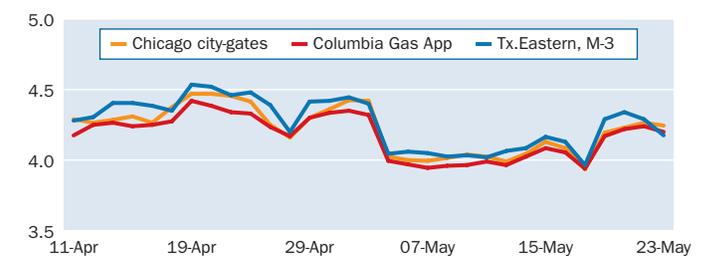
PJM & MISO day-ahead bilateral indexes for May 24 (\$/MWh)

	Index	Change	Avg \$/Mo	Marginal heat rate
PJM On-peak				
PJM West	37.25	-10.25	46.71	9115
Dominion Hub	36.00	-12.75	47.63	8486
AD Hub	34.00	-5.25	42.89	8273
NI Hub	33.00	-4.50	40.35	7774
PJM Off-Peak				
PJM West	31.00	1.50	29.86	7586
Dominion Hub	30.50	0.75	29.99	7189
AD Hub	29.50	1.00	28.97	7178
NI Hub	25.50	0.50	22.39	6007
MISO On-peak				
Indiana Hub	33.00	-5.50	41.85	7885
Michigan Hub	35.00	-4.75	43.42	7910
Minnesota Hub	25.75	-3.25	38.54	6292
Illinois Hub	32.00	-6.50	40.78	7534
MISO Off-Peak				
Indiana Hub	25.00	-1.00	26.54	5974
Michigan Hub	30.00	0.25	29.64	6780
Minnesota Hub	16.25	-2.75	21.38	3971
Illinois Hub	22.50	-2.75	24.69	5297

PJM & MISO load per degree



PJM & MISO spot natural gas prices (\$/MMBtu)



PJM & MISO load and generation mix forecast (GWh)

	Actual			Forecast				
	22-May	%Chg	Year-ago	23-May	24-May	25-May	26-May	27-May
PJM								
Load	2348	0	4	2095	1929	1691	1645	1896
Generation								
Coal	1015	1	14	898	842	801	776	808
Gas	452	-3	-19	355	252	222	250	292
Nuclear	639	-3	1	655	655	655	655	655
MISO								
Load	1369	-5	3	1315	1273	1151	1120	1285
Generation								
Coal	1116	-3	12	1117	1042	971	956	1020
Gas	135	-26	-38	68	51	58	76	99
Nuclear	164	-1	-10	166	166	166	166	166

Source: Bentek

MISO average day-ahead LMP for May 24 (\$/MWh)

Hub/Zone	Average	Cong	Loss	Change	Avg \$/Mo	Marginal heat rate
On-peak						
Indiana Hub	31.17	1.94	0.46	-6.78	39.94	7436
Michigan Hub	33.07	3.35	0.96	-6.81	41.41	7465
Minnesota Hub	25.28	-2.67	-0.81	-4.44	36.58	6166
Illinois Hub	30.49	2.26	-0.53	-8.53	39.47	7178
Off-Peak						
Indiana Hub	25.01	1.78	0.60	-0.89	27.21	5913
Michigan Hub	28.89	5.26	1.00	-9.00	30.29	6470
Minnesota Hub	17.27	-4.39	-0.97	3.40	21.44	4185
Illinois Hub	22.94	0.75	-0.43	-0.26	25.18	5402

PJM average day-ahead LMP for May 24 (\$/MWh)

Hub/Zone	Average	Cong	Loss	Change	Avg \$/Mo	Marginal heat rate
On-peak						
AEP Gen Hub	35.72	-1.72	-2.22	2.81	38.67	8505
AEP-Dayton Hub	37.01	-1.43	-1.22	0.66	40.35	8811
ATSI Gen Hub	38.17	-1.55	0.05	2.26	40.41	9003
Chicago Gen Hub	34.99	-2.17	-2.50	1.43	36.83	8238
Chicago Hub	35.67	-1.96	-2.03	1.23	37.48	8398
Dominion Hub	39.24	-0.06	-0.36	-5.42	43.92	9238
Eastern Hub	42.68	1.16	1.85	-4.19	42.81	10195
New Jersey Hub	43.77	2.46	1.66	-3.42	43.86	10456
Northern Illinois Hub	35.46	-1.98	-2.23	1.38	37.27	8349
Ohio Hub	37.20	-1.41	-1.06	0.14	40.71	8710
West Internal Hub	38.96	-0.37	-0.33	-0.51	41.43	9506
Western Hub	40.65	0.60	0.39	-2.74	43.03	9918
AEP Zone	37.14	-1.39	-1.13	0.77	40.26	8842
Allegheny Power Zone	38.37	-1.19	-0.11	0.13	41.14	9290
Atlantic Elec Zone	42.53	1.10	1.77	-3.88	42.14	10159
ATSI Zone	38.75	-1.26	0.35	1.98	40.88	9141
BG&E Zone	45.69	4.48	1.54	-6.00	47.67	10981
ComEd Zone	35.55	-2.02	-2.09	1.14	37.37	8370
Dayton P&L Zone	37.72	-1.66	-0.29	1.77	40.92	9000
Delmarva P&L Zone	42.37	1.06	1.65	-4.19	42.61	10121
Dominion Zone	39.79	0.03	0.09	-6.40	44.57	9366
Duke Zone	36.19	-1.66	-1.81	2.00	39.58	8634
Duquesne Light Zone	36.76	-1.46	-1.45	2.91	38.77	8855
JCPL Zone	42.55	1.24	1.65	-2.74	41.92	10164
MetEd Zone	42.03	1.41	0.96	-4.20	41.86	10024
PECO Zone	41.73	1.09	0.98	-4.22	41.43	9954
Pennsylvania Elec Zone	39.46	-1.36	1.16	0.01	42.06	9626
PEPCO Zone	45.22	4.40	1.16	-6.91	46.87	10869
PPL Zone	42.84	2.09	1.09	-3.39	41.96	10219
PSEG Zone	44.88	3.55	1.67	-3.72	45.44	10721
Rockland Elec Zone	44.46	3.14	1.65	-2.39	46.77	10619
Off-Peak						
AEP Gen Hub	25.86	-0.80	-1.45	-0.18	27.55	6083
AEP-Dayton Hub	26.44	-0.73	-0.94	-1.12	28.74	6218
ATSI Gen Hub	28.28	0.31	-0.15	0.62	28.65	6582
Chicago Gen Hub	23.82	-2.35	-1.94	-1.43	22.34	5589
Chicago Hub	24.53	-1.94	-1.64	-1.62	22.65	5756
Dominion Hub	28.42	0.71	-0.40	-1.90	29.33	6637
Eastern Hub	30.50	0.78	1.61	-1.96	30.08	7142
New Jersey Hub	30.55	0.92	1.53	-1.97	30.17	7154
Northern Illinois Hub	24.34	-2.00	-1.77	-1.53	22.47	5711
Ohio Hub	26.47	-0.76	-0.88	-1.41	29.02	6150
West Internal Hub	28.04	0.18	-0.24	-1.19	28.74	6723
Western Hub	29.09	0.49	0.49	-0.85	29.18	6974
AEP Zone	26.83	-0.45	-0.83	-0.77	28.57	6311
Allegheny Power Zone	28.03	-0.05	-0.03	-0.51	28.77	6706
Atlantic Elec Zone	30.41	0.77	1.53	-1.91	29.86	7120
ATSI Zone	28.32	0.18	0.03	0.09	28.83	6594
BG&E Zone	30.45	1.08	1.26	-1.95	30.20	7192
ComEd Zone	24.37	-2.05	-1.69	-1.67	22.48	5717
Dayton P&L Zone	27.09	-0.54	-0.48	-0.31	28.56	6406
Delmarva P&L Zone	30.44	0.78	1.56	-1.86	30.03	7128
Dominion Zone	28.76	0.74	-0.09	-1.97	29.50	6717
Duke Zone	25.87	-0.84	-1.39	-0.18	27.75	6118
Duquesne Light Zone	26.74	-0.39	-0.99	0.11	27.60	6338
JCPL Zone	30.35	0.69	1.55	-2.06	29.90	7107
MetEd Zone	29.92	0.73	1.08	-2.33	29.64	7026
PECO Zone	30.06	0.78	1.17	-2.00	29.55	7059
Pennsylvania Elec Zone	29.43	0.22	1.11	-0.32	29.57	7079
PEPCO Zone	30.05	1.13	0.82	-1.99	29.96	7098
PPL Zone	30.09	0.81	1.17	-2.41	29.69	7066
PSEG Zone	30.75	1.10	1.53	-1.99	30.45	7200
Rockland Elec Zone	30.68	1.13	1.43	-1.07	30.39	7183

PJM & MISO near-term bilateral markets (\$/MWh)

Package	Trade date	Range
PJM West		
Bal-week	05/22	38.50-39.25
Bal-week	05/21	45.50-46.25
Bal-week	05/20	53.50-54.50
Bal-week	05/17	51.00-54.00
Bal-month	05/23	60.00-61.00
Next-week	05/22	55.75-56.75
Next-week	05/21	55.75-56.50
Next-week	05/20	56.00-57.25
Next-week	05/17	47.50-51.00

Generation unit outage report

Plant/Operator	Cap	Fuel	State	Status	Return	Shut
PJM & MISO						
Callaway/Ameren	1235	n	Mo.	PMO	05/24/1304/09/13	
Kewaunee/Dominion	581	n	Wis.	Retired	05/07/13	
Monticello/Xcel	666	n	Minn.	PMO	05/31/1303/02/13	
Palisades/Entergy	778	n	Mich.	MO	Unk	05/05/13
Susquehanna-1/PPL	1330	n	Pa.	PMO	05/31/1305/09/13	
Susquehanna-2/PPL	1330	n	Pa.	PMO	05/31/1304/13/13	

clearing the auction at \$33.07/MWh, a drop of \$6.81. Off-peak cleared at \$28.89/MWh, down \$9.

Indiana Hub on-peak cleared the auction at \$31.17/MWh, a decrease of \$6.78, while off-peak cleared at \$25.01/MWh, a drop of 89 cents.

Illinois Hub on-peak cleared at \$30.49/MWh, falling \$8.53. Off-peak cleared at \$22.94/MWh, losing 26 cents.

Minnesota Hub remained the lowest-priced hub, with an on-peak clearing price of \$25.28/MWh, a loss of \$4.44. Off-peak cleared at \$17.27/MWh, up \$3.40.

Congestion costs at the hubs ranged from negative \$2.67 to \$3.35 for on-peak, and from negative \$4.39 to \$5.26 for off-peak.

Mid-Atlantic forward prices were flat to up Thursday with rising natural gas futures. PJM West on-peak June financial futures were unchanged, with bids at \$55.75/MWh and offers at \$56.25/MWh on ICE at about 2:30 p.m. EDT. PJM West on-peak July-August added 25 cents to about \$64.25/MWh, while on-peak fourth quarter crept up 25 cents to about \$46.50/MWh. PJM West off-peak June climbed \$1 to about \$34.25/MWh.

Midwest June forwards were mixed Thursday amid rising gas futures. AD Hub on-peak June financial futures shed 25 cents to about \$50.50/MWh. AD Hub on-peak July-August added 25 cents to about \$57.50/MWh.

Indiana Hub on-peak June dropped 50 cents to about \$45.75/MWh, while Indiana Hub on-peak July-August was unchanged at about \$53/MWh.

Northern Illinois Hub on-peak June stood still at about \$48.75/MWh. NI Hub on-peak July-August held steady at about \$55.75/MWh.

Southeast markets ... from page 4

weaker Thursday afternoon. Houston Hub became the highest-priced hub, while West Hub remained the lowest-priced hub.

Houston Hub on-peak cleared in the auction at \$41.13/MWh, adding about 25 cents, while off-peak cleared at \$25.97/MWh, up around \$1.25.

South Hub on-peak cleared at \$38.08/MWh, a loss of \$3.25, while off-peak cleared at \$24.53/MWh, a gain of about 50 cents.

North Hub on-peak cleared the auction at \$35.19/MWh, a decrease of about \$2 from Wednesday's clearing price, while off-peak cleared at \$24.07/MWh, a jump of roughly 75 cents.

West Hub on-peak cleared in the ERCOT auction at \$35.05/MWh, down roughly \$1.25, while off-peak cleared at \$21.38/MWh, falling more than \$1.

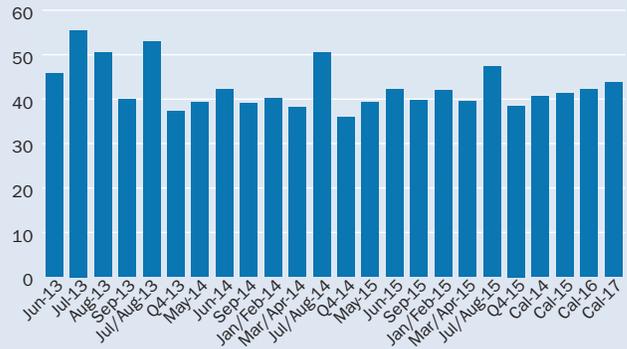
West Zone on-peak led the load zones at \$46.27/MWh, dropping about \$19 from Wednesday. The highest hourly day-ahead price occurred at 5 p.m. CDT in the Houston Hub at \$56.95/MWh and in the South Zone at \$72.28/MWh.

Most South Central US terms fell Thursday, even as June NYMEX gas gained on the day. ERCOT Houston on-peak June tumbled \$2.50 to about \$50.75/MWh, and July-August plunged \$5 to about \$96.50/MWh. Heat rates were down about 790 Btu/kWh on ICE around 2:30 p.m. EDT. ERCOT North June lost \$2.50 to about \$50/MWh, July-August sank \$5 to about \$97.25/MWh, and

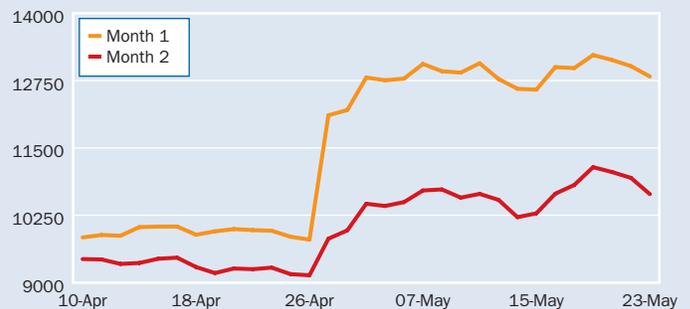
PJM & MISO Platts-ICE Forward Curve, May 23 (\$/MWh)

Prompt month: Jun 13	On-peak	Off-peak
PJM West	56.00	34.25
AD Hub	50.50	31.75
NI Hub	48.75	28.00
Indiana Hub	45.75	29.25

Indiana Hub: Forward curve on-peak (\$/MWh)



Indiana Hub: Marginal heat rate on-peak (Btu/kWh)



September stayed at to about \$48/MWh.

Into Entergy June rose 25 cents to about \$40.50/MWh, and July-August fell 25 cents to about \$42/MWh.

Southeast US on-peak June was unchanged Thursday, even as June NYMEX gas futures rose. Into Southern June stayed at about \$40.75/MWh, July-August fell 25 cents to about \$43.25/MWh, and September fell 25 cents to about \$37.75/MWh.

West markets ... from page 6

rose 25 cents with bids at \$31.75 and offers at \$32/MWh on ICE around 2:30 p.m. EDT. July gained 50 cents to about \$44.25/MWh, and the third quarter rose 50 cents to about \$45.75/MWh. In California, SP15 on-peak June financial terms rose 25 cents with bids at \$49.50 and offers at \$49.75/MWh. July was up 50 cents to about \$59.75/MWh, and Q3 climbed 55 cents to about \$61.15/MWh. NP15 June rose 50 cents to about \$43.25/MWh, but Q3 slid 60 cents to about \$53.40/MWh. Palo Verde June rose 75 cents to about \$41.50/MWh, July rose 75 cents to about \$50.75/MWh, and Q3 climbed \$1.40 to about \$50.50/MWh.

EMISSIONS MARKETS

Calif. GHG allowance prices weaken

California greenhouse gas allowance prices dipped this week following the release of the quarterly auction results.

Contracts for end-of-the-year deliver on IntercontinentalExchange fell 20-58 cents, compared with last week. The main futures contract traded on ICE – vintage 2013 for delivery in December 2013 – settled at \$14.40/mt. The vintage 2015 contract for December 2015 delivery settled at \$13/mt.

The May 16 auction saw vintage 2013 GHG allowances clear at \$14/mt and the vintage 2016 GHG allowances sell for the minimum of \$10.71/mt.

On ICE, there were 79 deals totaling 754 contracts, compared with 235 contracts a week earlier. One contract equals 1,000 mt. ICE also cleared 16 deals equaling 670 contracts, compared with 850 contracts a week earlier.

In over-the-counter markets, prices for California GHG allowances for December 2013 delivery were quoted at \$14.35-\$14.50/mt, down from \$14.60-\$14.80/mt a week earlier. California-compliant offsets were quoted at \$9.30-\$10.50.

In the East, the Regional Greenhouse Gas Initiative's vintage 2012 contract for December 2013 delivery increased four cents to settle at \$3.44/st. There were no trades on ICE. The exchange cleared 5 deals representing 1,000 contracts.

— Geoffrey Craig

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Daily CSAPR allowance assessments, May 23

CSAPR (\$/st)	2013 Range	Mid	2014 Range	Mid
SO ₂ Group 1	5.00-35.00	20.00	5.00-25.00	15.00
SO ₂ Group 2	25.00-75.00	50.00	25.00-65.00	45.00
NO _x Annual	40.00-70.00	55.00	30.00-70.00	50.00
NO _x Seasonal	20.00-90.00	55.00	20.00-80.00	50.00

All prices in \$/st

Daily CAIR allowance assessments, May 23

	\$/allowance	Change	\$/st
SO ₂ 2013	0.69	0.00	1.38

For methodology, visit www.emissions.platts.com. Full coverage of SO₂ and NO_x emissions markets now appears in Platts Coal Trader. For information on Coal Trader, contact support@platts.com or call 1-800-PLATTS-8.

RGGI carbon allowance futures, May 22 (\$/allowance)

ICE	Settlement	Volume	NYMEX GE	Settlement	Volume
Dec13 V10	3.44	0	Dec13	1.97	0
Dec13 V11	3.44	0	Dec14	1.97	0
Dec13 V12	3.44	0			
Dec13 V13	3.44	0			
Dec14 V10	3.44	0			
Dec14 V11	3.44	0			
Dec14 V12	3.44	0			
Dec14 V13	3.44	0			
Dec15 V10	3.44	0			
Dec15 V11	3.44	0			
Dec15 V12	3.44	0			
Dec15 V13	3.44	0			

The Regional Greenhouse Gas Initiative is a carbon cap-and-trade program for power generators in nine Northeast and Mid-Atlantic US states. One RGGI allowance is equivalent to one short ton of CO₂. The volume listed is the number of futures contracts traded. Each futures contract represents 1,000 RGGI allowances.

Another quiet week for US emissions market

In another quiet week for the US emissions market, brokers reported that they had not heard of any trades in the Clean Air Interstate Rule's trading program. There were no transactions listed in the US Environmental Protection Agency's database.

Platts assessed SO₂ 2013 at 69 cents/allowance and the 2014 SO₂ allowance at 60 cents/allowance. Both are unchanged from the previous week.

IntercontinentalExchange, the Atlanta-based exchange, began listing futures contracts for the CAIR Annual NO_x and CAIR Ozone Season NO_x on Monday. The following day, a CAIR NO_x Annual 2013 was offered on the screen with a bid at \$25 and offer at \$45. But brokers said they had not seen any interest in trading those products.

Platts assessed all CSAPR 2012 allowances unchanged, with Group 1 SO₂ at \$20/st, Group 2 SO₂ at \$50/st, and both annual and seasonal NO_x allowances at \$55/st.

— Beth Ward

REC MARKETS

ICE lists N.J. SREC, Texas REC futures

A pair of futures contracts debuted this week on IntercontinentalExchange. ICE began listing futures contracts on Monday for New Jersey solar renewable energy certificates and Texas RECs.

There are now five futures contracts on ICE related to RECs. The other products are Connecticut Class I, Massachusetts Class I and New Jersey Class I.

With respect to New Jersey SRECs and Texas RECs, the first three days saw bids and offers, but no trades. The best bid and best offer for Texas RECs was \$2-\$2.75. The ICE-published daily settlement figure was \$2.40 from June 2013 through August 2016.

Potential buyers and sellers of New Jersey SRECs were closer in terms of price compared with Texas RECs. On Wednesday, bids and offers were \$135-\$145 for vintage 2013, \$137.5-\$142.5 for vintage 2014 and \$137-\$147 for vintage 2015.

New Jersey SRECs and Texas RECs are two of the more liquid REC products available. But it remains to be seen how much trading activity migrates from the over-the-counter market to the exchange.

One competitive retail supplier said that the new listings provide greater price discovery, but it seemed doubtful liquidity will follow.

Many of the players who comprise the REC market, such as renewable developers and aggregators, will unlikely go through the steps required to be able to trade on ICE, he said. The new REC products will probably draw upon the limited set of buyers and sellers who currently transact RECs on ICE.

In other news, the Massachusetts Department of Energy Resources said this week that it will hold the state's first-ever last-resort, SREC auction on July 26.

DOER runs the auction when there are unsold SRECs following a compliance year. In 2010 and 2011, fewer SRECs were generated than required, so the auction was canceled.

As 2012 progressed, it became clear that the market would be oversupplied and trigger the auction. On May 15, parties could begin transferring their unsold SRECs to a special account in the New England tracking system.

The DOER announcement signaled that SRECs had indeed been deposited.

The auction is expected to offer about 45,000 SRECs, which equals the oversupply. Massachusetts solar facilities generated around 118,000 SRECs, while demand was 73,400 SRECs.

It is uncertain whether the auction will clear, and if so, how many SRECs will sell. The DOER does not mandate participation. Though the program is designed to incentivize buying, SRECs failing to clear the auction will be added to the 2014 compliance requirement.

Another factor that may influence demand is price. Participation will be stronger if compliance entities believe the

Renewable Energy Certificate Markets May 23 (\$/MWh)

	Low	High	Mid
Class I/Tier I RECs*			
Connecticut	54.25	55.50	54.875
Maryland	6.55	6.65	6.600
Massachusetts	63.00	64.00	63.500
New Jersey	6.55	6.65	6.600
Ohio In-State	3.50	6.00	4.750
Pennsylvania	6.55	6.65	6.600
Texas	2.35	2.45	2.400
Solar RECs*			
Maryland	115.00	130.00	122.500
Massachusetts	205.00	225.00	215.000
New Jersey	135.00	140.00	137.500
Ohio In-State	40.00	50.00	45.000
Pennsylvania	17.00	22.00	19.500
California RPS*			
California Bundled REC (Bucket 1)	35.00	39.00	37.000
California Bundled REC (Bucket 2)	4.00	8.00	6.000
California Tradable REC (Bucket 3)	0.70	1.10	0.900
Voluntary RECs*			
National voluntary, any technology	0.70	0.80	0.750
National voluntary, wind	0.80	0.90	0.850

*Prices are for the value of the environment attribute of the renewable energy certificate only and do not include energy. Bundled transactions are normalized by subtracting the market price of electricity.

market value of SRECs later will be more than \$300, which is the auction's fixed price. SRECs bought through the auction have a shelf life of at least two years.

In California, the Energy Commission said this week that it will vote at its June 12 meeting on the rules governing the enforcement of the renewable portfolio standard with respect to publicly-owned utilities.

The commission has released multiple versions of the RPS regulations since February 2012. It was supposed to consider the item at its May 8 meeting, but delayed the vote.

— Geoffrey Craig

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NEWS

EIPC identifies four goals for gas-electric study

The Eastern Interconnection Planning Collaborative has identified four main objectives for its study of gas and electric system coordination issues, a PJM Interconnection official said Thursday at a PJM gas-electric senior task force meeting.

EIPC received \$16 million from the Department of Energy in 2009 to study the future needs of the transmission system in the Eastern US. DOE has asked EIPC to use the remaining \$5 to \$6 million of funding for that project to look at natural gas and electric system coordination issues, according to Gary Helm, PJM's senior market strategist.

Helm told the PJM task force that EIPC has selected four major goals for the gas-electric study: explaining the current state of the systems, analyzing future adequacy, identifying potential contingencies and studying dual fuel capability for generators.

First, the study will explain the current state of the natural gas and electricity systems and how the two systems impact each other to get a "snapshot of how things work now," Helm said.

As a second goal, the study will analyze the adequacy of the systems on a five- and ten-year horizon. This part of the study will use a reference case based on forecasts from planning authorities and also a high gas-demand case, Helm said.

The study's third objective is to identify major contingencies that could cause reliability problems over a five-year period. The study will also try to highlight the most serious potential contingencies and find ways to mitigate them, according to Helm.

Finally, the study will look at generators with dual fuel capability to determine the current status of such generation and any limitations on it. The study will also compare the costs and benefits of expanding the natural gas pipeline versus adding more units with dual fuel capability.

Helm said that six grid operators will be participating in the EIPC study: ISO New England, the Midcontinent Independent System Operator, the New York Independent System Operator, the Ontario Independent Electricity System Operator, PJM and the Tennessee Valley Authority.

Once EIPC finalizes the scope of the study, Helm said, the group will look for a consultant to conduct the analysis.

— *Juliana Brint*

Grain Belt to operate as public utility in Ind.

Indiana regulators have approved a request by Grain Belt Express to operate as a public utility in the state, clearing one of the final regulatory hurdles for the Clean Line Energy subsidiary to construct a 700-mile, 600-kV transmission line to deliver about 15 million MWh of renewable energy annually from western Kansas to Indiana and beyond.

In a Wednesday decision, Indiana's Utility Regulatory Commission endorsed a settlement agreement between Grain Belt and other parties, including the Indiana Office of Utility

Consumer Counselor, which imposes several conditions on the Houston-based company.

Chief among them: Grain Belt will not seek recovery of any of the estimated \$2 billion project's costs from Indiana customers through a PJM Interconnection or Midcontinent Independent System Operator regional cost allocation process.

If that changes, the company must file a notice with the IURC and notify the OUCC, the state's utility consumer watchdog, of the extent to which ratepayers would be affected.

As the OUCC noted in testimony filed with the commission, project costs "are to be privately funded and reimbursed to the investors on a merchant-type basis." As a result, "the ratepayer will not bear the brunt of a failed project."

Grain Belt said it intends to obtain all required regulatory approvals to proceed with the project and sell a majority of the transmission line's capacity before securing construction financing. The company will offer long-term transmission capacity contracts that will provide for a reservation charge, meaning the transmission customer will pay regardless of what percentage of the time the customer uses the reserved capacity.

Clean Line has equity investors, including National Grid USA, through its wholly owned subsidiary, GridAmerica Holdings.

Clean Line spokeswoman Sarah Bray said Thursday that Grain Belt has received an approval from the Kansas Corporation Commission. "We'll be filing in Missouri and Illinois for Grain Belt" this year and in 2014, respectively. Federal Energy Regulatory Commission approval also will be required.

Construction on Grain Belt could start in 2016, with the line in commercial operation in 2018.

Grain Belt is one of a series of high-powered transmission projects Clean Line is developing that the company says will bring renewable power from some of the windiest states to states with a strong demand for clean, reliable energy but that lack sufficient access to clean energy resources.

In Grain Belt's case, it is expected to deliver 3,500 MW of low-cost power from wind farms in western Kansas to states east of Kansas.

Those states include Indiana and Illinois and possibly Ohio, where thousands of megawatts of older coal-fired capacity is targeted for retirement over the next few years because of Environmental Protection Agency rules, Clean Line says.

David Berry, Clean Line executive vice president for strategy and finance, told the IURC the Grain Belt project will "exert downward pressure on wholesale energy prices in the MISO and PJM markets" and provide a "substantial opportunity" for economic development in the manufacturing, installation and operation of the transmission line and associated wind turbines.

He also said Grain Belt will create "geographic diversity" in the wind projects that deliver into MISO and PJM systems, thereby reducing variability, facilitating wind integration and improving reliability.

According to Berry, some wind power purchase agreements are below \$30/MWh "because of technological innovations, such as taller towers and longer blades."

— *Bob Matyi*

California EIM plan dissected for FERC

Federal regulators should undertake strong oversight of the energy imbalance market envisioned by the California Independent System Operator and PacifiCorp, western power traders said this week.

In comments to the Federal Energy Regulatory Commission on Tuesday, Powerex said the commission should "accept only the most narrow portion of the implementation agreement necessary to allow the ISO and PacifiCorp to move forward with EIM development" (Docket No. ER13-1372).

"Powerex requests the commission to accept the implementation agreement only insofar as it establishes the rate that ISO may charge PacifiCorp for undertaking the specific EIM development activities set forth in the agreement," the BC Hydro subsidiary said.

Further, FERC should "clarify that all aspects of the ultimate EIM design, governance, and implementation are subject to further commission review and approval, and that acceptance of the implementation agreement is not dispositive as to the components of an ultimate EIM or to its underlying principles which may vary from the provisions of the implementation agreement," Powerex said.

Powerex said it "believes there can be substantial efficiency and reliability value to the implementation of an EIM in western markets and agrees that commencement of such a market within a smaller footprint as an initial matter is a path forward to the eventual success of a more fulsome market."

Specific Powerex concerns include that the EIM be narrowly tailored. It "is critically important that the EIM not be designed in such a way that allows it to be used as a substitute for the retention of appropriate capacity reserves; using EIM as more than an intrahour imbalance market should be expected to detrimentally affect market efficiency and reliability."

Further, the EIM must not be "relied upon to either meet firm load requirements or to dispatch and deliver generation on an hourly or multihour basis," Powerex said.

Investor-owned utilities raised concerns about picking any EIM costs above the rate agreed to by PacifiCorp. FERC should "require the ISO to modify the implementation agreement to make it mandatory for the ISO to adjust the implementation fee if costs exceed the projected \$2.1 million," said Southern California Edison.

"Without such a requirement, the ISO is free to determine that it will not charge PacifiCorp for any expenditures over \$2.1 million, and could instead spread those costs to other market participants, either directly through the grid management charge or indirectly by paying for those expenditures with funds that should be used for current ISO functions," SoCal Ed said.

Pacific Gas and Electric articulated similar concerns, noting that the implementation agreement "limits PacifiCorp's cost responsibility to \$2.1 million, regardless of the costs the ISO actually incurs to meet its obligations to PacifiCorp, unless PacifiCorp voluntarily agrees to contribute more."

And "nothing in the ISO filing gives ISO stakeholders an opportunity to reject further costs if PacifiCorp declines to fund

further and the CAISO decides to pursue the EIM project," PG&E said. "Further, PacifiCorp can depart from or not participate in the expanded EIM at any time for any reason. Cumulatively, the result of this structure is that the ISO's existing market participants bear the risks of all cost overruns with no guarantee of any benefit from an expanded EIM."

Six California cities — Anaheim, Azusa, Banning, Colton, Pasadena and Riverside — protested the agreement and agreed with the IOUs.

The agreement filed by Cal-ISO and PacifiCorp simply is not detailed enough to make a judgment about the envisioned EIM, said Morgan Stanley Capital Group.

"While MSCG is hopeful that the work contemplated in the implementation agreement will result in a properly-designed and well-functioning automated market for imbalance energy in the PacifiCorp service territory, there are simply too few details available at this juncture to determine whether this hope will come to fruition."

In the face of all these concerns, the Valley Electric Association said the proposed EIM "will provide economic benefits and enhance reliability for all entities that choose to participate."

In particular, "VEA believes that its members will benefit from such a diversified market, and a regional EIM market will facilitate the integration of large-scale renewable solar generation in Nevada."

VEA praised the ISO for "an incremental [EIM] model whereby potential participants, including PacifiCorp, can pay as they go."

Companies that "may be skeptical of a regional EIM will be more willing to consider participation in this incremental model, meaning that it has a greater chance of success than a proposal to create a comprehensive EIM from scratch," VEA said.

Therefore, interested utilities "will be able to observe the functionality and benefits of the EIM and will be able to join with minimal risk," VEA said.

Cal-ISO CEO Steve Berberich has encouraged VEA to participate in the EIM.

— Martin Coyne

ITC Midwest seeks OK for Iowa grid project

ITC Midwest is pursuing regulatory approval of its share of a 345-kV transmission line in Iowa considered to be a high-value project to support wind generation and alleviate regional congestion.

Known as MISO Project 4, it adds 206 miles of 345-kV transmission line and 172 miles of new or rebuilt 161 kV line in the north central part of the state. The Midcontinent Independent System Operator has set an in service date for the \$480 million project for December 2015.

ITC Midwest filed an application with the Iowa Utilities Board on April 30 for approval of one segment of new 345-kV line from ITC's Hazelton substation in Buchanan County to a MidAmerican Energy substation in Black Hawk County, said Tom Petersen, a company spokesman. It is the eastern most segment of Project 4.

"The project is part of a new parallel 345 kV path across

southern Minnesota and Iowa that will improve system reliability, enhance operational flexibility of the bulk electric system, and increase access to lower-cost renewable generation. The proposed upgrade will reduce congestion on the existing transmission system and provide a more robust transmission system that will allow increased wind integration to serve load in the state of Iowa," ITC said in the filing.

Specifically, the Hazelton to Black Hawk segment will upgrade the bulk transmission system in the Waterloo/Cedar Falls areas to better serve load during normal and contingency operations, the filing said. The segment would have the capacity to reliably serve future load, the company said in the filing.

ITC will file for approval of the Colby to Killdeer portion of the 345 kV line once easement agreements with landowners are complete, Petersen said. The company on May 13 completed the first step in the approval process required by the IUB, he said.

"Completing the Colby-Killdeer line will reduce the inefficiencies that occur because of system bottlenecks. That allows utilities to make greater use of the least expensive electric generating resources already in place," ITC said.

The transmission company will pursue approval for two additional Project 4 segments in early August and the final segment in October, Petersen said.

Project 4 runs south and west from near the Minnesota border in Kossuth County to northeast of Waterloo, Iowa, and will move renewable energy from western and northern Iowa along with existing wind at the Winnebago, Wisdom and Lime Creek/Emery areas to major 345-kV transmission hubs, MISO said.

The new 345-kV path through Iowa mitigates constraints seen on existing 161-kV lines, MISO said. "The 345/161 kV transformers at Lime Creek and Emery are effectively acting as step-up transformers for wind and lowering congestion on the lower voltages," MISO said in a multi-value project analysis report issued in January 2012.

Besides capturing wind energy production, the high-voltage project will improve regional reliability, encourage efficient generation investment to keep energy costs low, allow more efficient dispatch of generation throughout the Midwest and reduce energy losses, ITC said.

Project development is divided between ITC and MidAmerican Energy and the division of the segments was the result of negotiations between the two companies, Petersen said. Divisions were based on service territory and substation ownership, he said. ITC is developing about 110 miles of the new 345-kV line, he said.

— Mary Powers

ISO-NE auctions more volume for June FTRs

Total dollars and volume in the June monthly financial transmission right auction for the ISO New England saw upticks, according to auction results.

Total dollars for the June auction were about \$1.1 million, about \$28,000 higher than last month.

Total volume for June obligations was around 43,226 MW, an

increase of about 4,150 MW compared with May.

The path that saw the most volume was Internal Hub to Connecticut Zone with about 1,315 MW.

The second most volume was for Internal Hub to NE Mass-Boston with about 1,054 MW.

Castleton Commodities continued to dominate the ISO-NE FTR auction, winning about 11,788 MW for a net dollar position of about \$141,041.

Vitol moved up one spot to second place with 7,741 MW of volume for a net dollar position of \$147,039.

NextEra Energy moved down one spot to third with 5,083 MW and a net dollar position of about \$111,650.

DC Energy jumped 10 spots into fourth place with about 4,658 MW for a net dollar position of about \$79,291.

EDF Trading stayed in fifth place with about 2,728 MW and a net dollar position of about \$59,595.

Dominion Energy had the largest negative net dollar position with about negative \$19,862 for 109 MW.

— Eric Wieser

Gas storage inventories see 89-Bcf injection

An 89-Bcf storage injection reported by the Energy Information Administration on Thursday shrank the deficits to last year and the five-year average, though the market reacted bullishly because the build was smaller than expected.

Stocks now stand at 2.053 Tcf for the week ending May 17, EIA said in its weekly report.

The net injection was slightly below consensus expectations between 90 Bcf and 94 Bcf. A year earlier, EIA reported a 75-Bcf build.

As a result, the 694-Bcf deficit to the year-ago level shrank to 680 Bcf, while the 99-Bcf deficit to the five-year average of 2.137 Tcf narrowed to 84 Bcf.

The prompt-month NYMEX gas futures contract jumped into positive territory upon the report's release after trading to the downside earlier in the session.

"The 89-Bcf net injection was both in line with market expectations and close to the 90 Bcf five-year average for the date, a neutral figure. The rally in prices largely asserts that the absence of bearish data was enough to allow further buying," said analyst Tim Evans of Citi Futures. "Sentiment is still bullish, but the data was not."

EIA reported a 46-Bcf injection in the East to 857 Bcf, compared with 1,275 Tcf a year ago, a 11-Bcf injection in the West to 368 Bcf, compared with 397 Bcf a year ago and a 32-Bcf injection in the producing region to 828 Bcf, compared with 1.061 Tcf a year ago.

Inventories now are 111 Bcf below the five-year average of 968 Bcf in the East, 49 Bcf above the five-year average of 319 Bcf in the West and 22 Bcf below the five-year average of 850 Bcf in the producing region.

Looking ahead, BNP Paribas analyst Teri Viswanath said she expects some below-average storage injections.

"While temperatures in June will likely lag last year's records,

the forecasts are still reflecting very warm conditions. As a result, we expect that the resulting air-conditioning demand will keep the next few injections slightly below the five-year average pace," Viswanath said. "We see the possibility that prices will continue to advance following today's storage release."

— *Samantha Santa Maria*

Idaho PUC denies PURPA allegations

The Idaho Public Utilities Commission is denying the Federal Energy Regulatory Commission's claims that it violated the Public Utility Regulatory Policies Act in how it handled contracts between a local utility and several wind generators, while at the same time arguing that relevant portions of PURPA are unconstitutional as they impinge on states' sovereign immunity.

Idaho PUC made these arguments Tuesday in its response to FERC's first-of-its-kind suit filed in the US District Court for the District of Idaho (*FERC v. Idaho PUC*, 1:13-cv-141).

Under PURPA, FERC requires that electric utilities purchase electricity from qualifying facilities, or QFs, which are typically small cogeneration and renewable power facilities, at a utility's full avoided cost of replacing that power with other generation. Except when asked to intervene on a QF's behalf, FERC has left it to the states to set the avoided-cost rate and address QF contracts.

In this case FERC is asking the court to find that the PUC violated PURPA when it held that Idaho Power was not obligated to buy from wind generators Grouse Creek and Murphy Flat because the utility did not sign the QF contracts prior to December 14, 2010. After that date, the QF qualification threshold dropped to 100 kW from 10 MW. Both Grouse Creek and Murphy Flat's projects were expected to have an average monthly output of under 10 MW but well above 100 kW.

In its March 22 complaint, FERC noted that this "legally enforceable obligation" is intended "to prevent utilities from circumventing the PURPA mandatory purchase requirement by refusing to enter into a contract, or delaying the execution of a contract to obtain a later and lower rate." FERC also said that this obligation "can pre-date the signing of a contract," such as in the cases of Grouse Creek and Murphy Flat.

As such, FERC argued that Idaho PUC's orders with respect to Grouse Creek and Murphy Flat "invoke a bright line rule holding that a QF cannot incur a legally enforceable obligation in the absence of a fully executed contract," and that the rule violates PURPA.

FERC in the complaint also challenged Idaho PUC's requirement that a QF must file a meritorious complaint with the PUC in order to secure a legally enforceable obligation if the utility refuses to enter into a contract with that QF. FERC said this requirement "unreasonably interferes with the QF's right to choose to sell its power to an electric utility pursuant to a legally enforceable obligation," such as in the case of Grouse Creek, and as such violates PURPA.

FERC asked the court to enjoin Idaho PUC from "imposing conditions precedent to the formation of legally enforceable obligations" and direct the PUC "to give effect to the legally enforceable obligations otherwise rejected" in their previous rulings.

But Idaho PUC in its May 21 filing denied FERC's allegations regarding the "bright line rule" and argued that FERC mischaracterized the PUC's order on Grouse Creek. Idaho PUC said that its order rejecting Grouse Creek's agreement to sell power at avoided costs rates "fully evaluated Grouse Creek's contention that it had created a 'legally enforceable obligation' and rejected that contention on the merits, without requiring Grouse Creek to have filed or pursued a complaint."

Idaho PUC also argued in the filing that FERC is barred from receiving its requested relief due to the "sovereign immunity of the State of Idaho," asking the court to declare that PURPA section 210(h)(2)(B) is unconstitutional "to the extent that it purports to subject decisions of the Idaho Public Utilities Commission to review by the FERC on the petition of a private party, and to the extent that it purports to authorize private litigants to initiate suit in federal district courts against state utility regulatory commissions."

PURPA section 210(h)(2)(B) allows QFs and other utilities to petition FERC to enforce provisions within the law, or to allow states to pursue cases if FERC declines to do so. But Idaho PUC argued that this authority "is in derogation of the sovereign immunity of states, including the sovereign immunity of the State of Idaho, under the Constitution of the United States."

Said Idaho PUC, "Section 210(h)(2)(B) attempts to invest the FERC with authority to entertain petitions by private parties to the effect that a state regulatory commission has acted inconsistently with the requirements of PURPA, and further attempts to authorize private parties to bring suit against state regulatory commissions in federal district court if the FERC declines to do so. Both of the grants of authority . . . are inconsistent with, and precluded by, the reservation of the sovereign immunity of the States in ratifying the Constitution."

— *Bobby McMahon*

Texas PUC examining Entergy's move to MISO

The Public Utility Commission of Texas is moving forward with Entergy Texas' exit from the Entergy System Agreement, but will not make a final decision until Entergy meets all conditions in a PUC order on the move.

Entergy is seeking to exit the ESA with the goal of joining the Midcontinent Independent System Operator. The PUC approved an order in October 2012 allowing the move. However, proposed changes to purchased power agreements that the PUC based its order on are under analysis before the PUC will make a final decision.

After Entergy said in January that it intended to change the PPAs, the PUC considered voiding its order since the change would go against the order that allowed the transfer of operational control of Entergy's transmission assets to MISO. At the same January PUC meeting, Commissioner Kenneth Anderson requested a study to be done by a firm selected by the PUC and paid for by Entergy, with the cost of the study not passed onto ratepayers.

London Economics International performed an independent

assessment of analyses conducted by Entergy's consultant, the NorthBridge Group, regarding the impact of potential termination of specific PPAs. LEI concluded that the calculations were correct and reasonable. However, LEI was concerned with the underlying inputs relied upon in certain elements of the analysis and recommended further study "to ensure that the potential benefits of moving to MISO are not reduced by actions taken surrounding the studied PPAs."

Liberty Consulting Group is currently conducting a study on the Entergy transition to MISO, which is expected to be complete by the end of June. Entergy has agreed to do an additional study to add updated information, PUC Chairwoman Donna Nelson said, adding that PUC staff will work with them on the study. That additional data should be available by the end of July.

Anderson wanted it on the record that Entergy would fulfill the conditions set forth by the PUC in the previous order. "I will hold Entergy to it. If there's a failure, I'll hold them accountable," he said.

An Entergy representative said the company is "pleased to make that commitment."

In other news, the commission took action on several items related to changes proposed by Entergy Texas on a competitive generation service tariff.

The tariff covers a proposed competitive generation service by Entergy and associated competitive generation service rider costs for those involved in the program. The PUC docket on the issue has been open since 2010, after Entergy Texas filed with the PUC in late 2009 requesting authority to change rates and reconcile fuel costs.

The PUC denied Entergy's request to recover related costs dating back to 2012 until the program is implemented. The commission also denied Entergy's request to recover interest on the unrecovered balance of the competitive generation service cost rider.

The commission agreed to allow the utility to recover rider costs if there are no takers to the tariff.

The commission also agreed with the Texas Industrial Energy Consumers that it would constitute retroactive ratemaking to create a credit to offset amounts assumed to be in existing base rates.

Additional decisions on the item will take place at a separate PUC meeting.

— *Kassia Micek*

NRG plant highlights New England turmoil ...from page 1
saying that information is competitive.

NRG has several other power plants in ISO-NE, both in Connecticut, as well as in Massachusetts. But Gaier said NRG has no plans to cease operation at those plants, though he did say, "We are looking at the entire fleet and [are] doing everything possible to reduce operating costs. If we have to make another difficult decision, we will."

NRG has three other plants in Connecticut, all of which are oil-fired -- the 135-MW Devon station in Milford, the 500-MW Montville facility in Uncasville, and the 770-MW Middletown plant in the town of the same name. NRG also has four oil-fired "jet power" plants totaling 140 MW at sites around the state and a 50% share of the 95-MW gas- and oil-fired plant in Milford and the 95-W gas-and oil-fired GenConn Devon plant in Middletown. In Massachusetts NRG owns the 1,126-MW gas- and oil-fired Canal plant on Cape Cod, a 14-MW oil-fired plant on Martha's Vineyard and the 256-MW gas- and oil-fired Kendall plant in Cambridge.

Those plants make NRG one of the largest generators in the ISO-NE. The other large generators are Dominion, NextEra Energy and Exelon, which unlike NRG, all own nuclear plants in the region.

Norwalk Harbor is one of NRG's worst plants in the region, Macquarie analyst Angie Storzynski argued. "It runs less than 1% of the time." But it is unclear why Norwalk was singled out from the rest of the fleet. Those plants also run as peakers or as load-following units and would be subject to the same low capacity prices.

The clearing price in the New England ISO's fourth forward capacity market auction -- for the period running from June 1 to May 31, 2014 -- was \$2.951/kW-month.

In the fifth auction -- for June 1, 2014 through May 31 2015 -- the clearing price was \$3.209/kW-month. In the 2015-2016 auction, the clearing price was \$3.434/kW-month. For the FCM that closed in February for the June 1, 2016 to May 31, 2017 period, the clearing prices was \$3.15/kW-month.

NRG could be sending a signal to New England regulators and to Connecticut lawmakers in particular, Storzynski said. A bill now working its way through the Connecticut legislature, SB 1138, would make changes to the state's renewable portfolio standard. For many generators the most controversial item in the bill is the provision that would allow Canadian hydro resources into the generation mix as class one resources.

That could undercut efforts of companies seeking to develop in-state projects using local resources. NRG is among those companies. It is developing and has fully permitted a project to convert its Montville gas- and oil-fired plant in Uncasville to a 40-MW biomass plant.

In the wider region, there are also efforts under way to address the ISO's dependence on natural gas. One response would be to have generators enter into firm offtake contracts for the gas they burn. That proposal is very unpopular with generators, particularly those that run peaking units. They say it would be uneconomic for them to be forced into firm contracts when they do not know when their plants will be dispatched.

New England had been unique in the United States for the prevalence of oil-fired plants, but low natural gas prices have demolished oil's market share in the region.

In 2000 oil provided 22% of the electricity generated in ISO-NE, according to the ISO. In 2012, it provided less than 1%. In the same time period, natural gas has gone from providing 15% to

52% of the ISO's electricity.

From NRG's perspective, something has to be done to make peakers in the region viable, Storzynski said.

ISO-NE is, in fact, in the midst of a process to redesign the region's forward capacity market. That initiative is still in the proposal stage, but right now it includes provisions designed to address performance issues, particularly those that have involved oil-fired units during cold snaps when some generators did not have enough oil on hand or did not replenish their oil supplies quickly enough after the cold snap ended.

To address that issue, the ISO is trying to identify the market's resource needs, such as more flexible generating plants, and to create products to fill those needs.

ISO-NE, under a mandate from the Federal Energy Regulatory Commission, also plans to do away with the floor price now in use in its FCM. The idea is to clear some of the surplus generation out of the market, particularly some of the older, less efficient plants, such as older oil-fired units, to make room for newer, more efficient generation. While that may be a good goal in the long run, it could be particularly painful for some incumbent generators.

The FCM has used a floor price for the past seven years, and the market has always cleared at the floor price. But under the FERC mandated changes the floor price would disappear in the next auction, which would close in February 2014 for the 2017-18 capacity year. Because the market has always cleared at the floor price, it is expected to drop precipitously without the floor, Dan Dolan, president of the New England Power Generators

Association, said. "Many analysts expect capacity prices to drop very hard," he said.

Meanwhile, analysts expect NRG to make one or two significant corporate strategy announcements in the second quarter, possibly in June, even early June. NRG has not tipped its hand on the nature of the announcements but has in effect told analysts and investors to stay tuned.

Analysts say the announcements could pertain to the company's solar power strategy and/or address its plans for its current generation fleet in New England.

And, given the issues that are brewing in New England, it would seem likely that NRG would take steps to optimize its fleet, not only in New England, but in the wider Northeastern region.

In New York, NRG is battling National Grid over its plan to convert its 150-MW coal-fired Dunkirk plant to burn gas. NRG filed a letter May 22 with the New York Public Service Commission seeking to have its proposal re-examined.

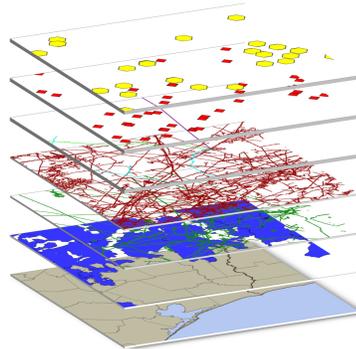
And in Pennsylvania, NRG recently said it plans to shut its 246 MW coal-fired Titus plant in September and close 401 MW of coal-fired capacity at its Portland plant by June 2014. However, the company left open the possibility that Portland could be converted to burn natural gas.

The action on both of the Pennsylvania plants is being taken under a settlement with New Jersey and Connecticut that ends a 2007 lawsuit brought by the states for alleged violations of the Clean Air Act.

— Peter Maloney

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NYISO should shift TCC auction: DC Energy ...from page 1
presentation. "This creates uncertainty on how to focus/deploy internal resources."

DC Energy said in its presentation that the California Independent System Operator, ISO New England and the Midcontinent Independent System Operator each set the schedule for their auctions about six months in advance. The PJM Interconnection has its schedule set one year in advance, according to DC Energy.

DC Energy recommended that NYISO commit to posting the schedule for its spring long-term TCC auction by October 1 of each year and posting the schedule for its autumn long-term TCC auction by March 1 of each year.

NYISO does not allow reporters to listen to its stakeholder meetings. A market participant who wished to remain anonymous said that while some other stakeholders agreed that there should be more advance notice, others said they see value in allowing the NYISO to conduct its pre-auction surveys of TCC market participants closer to the start of the auction.

"It sounded like everyone was amenable to moving it up" further than the current schedule but maybe not as far in advance as DC Energy's proposal, the market participant said.

The market participant said that NYISO staff said during the meeting that they agreed that the current process has

advantages in terms of conducting the survey, but that they could consider a compromise between the current policy and DC Energy's suggestion. ISO officials said they would discuss the issue and stakeholder comments internally, according to the market participant.

As of press time, NYISO spokesman Kenneth Klapp did not respond to requests for comment.

— Juliana Brint

Weather drops ERCOT terms: observers

 ...from page 1

But a Houston-based power trader who asked for his name not to be used because he was not authorized to speak to the media attributed the plunge more to the positions held by market players than to weather conditions, although that remains a factor going forward.

"The market is overweight long and needs a reason to be bullish," he said. "I believe that there is some more room to drop in summer until there is a little bit of weather that shows up. Current patterns are warm but not hot and windy."

Despite Thursday's drop this summer's forwards are substantially higher than summer 2012 forwards were on the comparable date in May 2012.

On May 23, 2012, on-peak June 2012 was \$42.25/MWh, July 2012 was \$59/MWh, and August 2012 was \$72.50/MWh.

— Mark Watson



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