

October 14, 2011

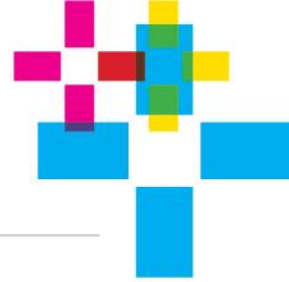
NEPA



Existing NEPA

- Must be in an LDA
- Planned Resource – Includes existing generating with investment of \$450/Kw or greater.
- Trigger: From point below LDA Reliability Requirement to MW point corresponding to a price no greater than 0.40 times Net CONE
- Must clear in Yr-1
- Up to 3-yr term
- In Yr 2-3 resource receives higher of clearing price or NEPA bid
- NEPA bid is lesser of 90% Net CONE or Yr-1 bid

Proposed Enhancements



- Clarify Trigger to be “From point below IRM to point above IRM + 3%”
- Cap Ex \$450/kW scaled
- Extend existing term to 7 years
- Remove upside in subsequent years so NEPA resource only receives Yr-1 Clearing Price
- Remove confusing bid requirements for subsequent years and require NEPA resource to offer Yr-1 offer price



Proposed Changes

- \$450/kW requirement
 - Where did the \$450/kW requirement come from?
 - Why \$450/kW?
 - May need to consider scaling it to allow smaller resources to qualify
- Aggregation
 - Could bundling/aggregation be allowed?
 - Individual resource in LDA don't meet 'Trigger' requirements but aggregated together they do**



NEPA Trigger

