

Option C for Inclusion in Draft Straw Proposal

9-28-09

Alternative Price Rule Recommendations (OPTION C: FCA Residual Market)

- FCA continues “as is” but only for acquiring ICR not purchased with a bilateral contract.
- All contracted capacity, including de-list MWs determined to be needed for reliability and OOM MWs, treated as bilateral contracts.
- The market rules for this proposal are already in place and appear to be working well (“Self-Supply” Option where MW’s supplied and associated ICR are removed from FCM auction).