



# Monthly Market Operations Report February 2010

ISO New England Inc.  
Market Analysis and Settlements  
March 15, 2010

## **1. Introduction**

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### **1.1 About ISO New England**

Created in 1997, ISO New England Inc. (the ISO) is the not-for-profit regional transmission organization (RTO) responsible for the day-to-day reliable operation of New England's bulk power generation and transmission system, oversight and administration of the region's wholesale electricity markets, and management of a comprehensive regional bulk power system planning process.

### **1.2 Market Reporting**

The ISO's FERC Electric Tariff No. 3, Section III – Market Rule 1 – Standard Market Design, Appendix A – Market Monitoring, Reporting and Market Power Mitigation Section III.A.11.2.1 requires the ISO to publish a monthly report, “which will be available to the public...containing an overview of the market's performance in the most recent period.”

The ISO produces many reports that summarize the operations of New England's wholesale electricity markets. The weekly report provides summaries of key market activities for the trading week encompassing Monday-Sunday. This report, generally posted on Thursdays, can be found on the ISO's web site at: [http://www.iso-ne.com/markets/mkt\\_anlys\\_rpts/wkly\\_mktops\\_rpts/index.html](http://www.iso-ne.com/markets/mkt_anlys_rpts/wkly_mktops_rpts/index.html).

Monthly summaries of certain wholesale market concepts are reported monthly by the ISO's Chief Operating Officer at the NEPOOL Participants Committee Meeting. These summaries are posted on the ISO's web site at: [http://www.iso-ne.com/committees/comm\\_wkgrps/prtcpnts\\_comm/prtcpnts/index.html](http://www.iso-ne.com/committees/comm_wkgrps/prtcpnts_comm/prtcpnts/index.html) under the link entitled “Materials.”

Additionally, in compliance with federal requirements, the ISO issues quarterly reports of key statistics for the region's wholesale electric power markets. These reports can be found on the ISO's web site at [http://www.iso-ne.com/markets/mkt\\_anlys\\_rpts/qtrly\\_mktops\\_rpts/index.html](http://www.iso-ne.com/markets/mkt_anlys_rpts/qtrly_mktops_rpts/index.html).

### **1.3 About This Report**

This report summarizes aspects of New England's wholesale electricity markets that are generally not discussed in the first two reports noted above. There are many interrelationships between the various markets that the ISO administers – each of the concepts presented in this report transact and interact with others that can or cannot be included here. Additional information can be found on the ISO's web site at [http://www.iso-ne.com/markets/mkt\\_anlys\\_rpts/index.html](http://www.iso-ne.com/markets/mkt_anlys_rpts/index.html).

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### 3. Monthly Summary

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Day-ahead and real-time LMPs at the New England Hub averaged \$52.36/MWh and \$53.37/MWh, respectively, during February 2010. Day-ahead and real-time prices at the Hub and in the Load Zones averaged 14-17% lower than January 2010 averages. In the aggregate, February 2010 day-ahead and real-time LMPs were approximately 7% higher during February 2010 than in February 2009. Average natural gas prices were about 32% above the prior year's average prices, while residual fuel prices were up 78% over a year ago.

Overall, the average of the hourly real-time LMPs at the Hub and in the Load Zones ranged between 0.8% higher than day-ahead in the Maine (ME) Load Zone to 2.3% higher than its day-ahead counterpart in the Connecticut (CT) Load Zone. In the Day-Ahead Market, Load Zone average LMPs ranged between 4.9% lower than the Hub average LMPs in the ME Load Zone to 2.5% higher than the Hub in the CT Load Zone. Results were similar in the Real-Time Market, with average LMPs ranging from 5.9% lower than the Hub average LMPs in the ME Load Zone to 2.9% higher than the Hub in the CT Load Zone. Price differentials between on-peak and off-peak hours at the Hub and in the Load Zones ranged between 17% and 23% in both the Day-Ahead and Real-Time Markets.

The New England Control Area was a net importer of electricity during February. In the Day-Ahead Energy Market, there were approximately 742,000 MWh of total exports and 1,548,000 MWh of imports, yielding a net import of approximately 807,000 MWh. In the Real-Time Energy Market, there were approximately 839,000 MWh of total exports and 1,728,000 MWh of imports, yielding a net import of approximately 888,000 MWh. This was about 200,200 MW higher than a year ago.

The Monthly FTR Auction (February 2010) had 41 participants and the awarded value of FTRs in the auction totaled \$0.8 million. This represented a decline of \$52,000 from the previous month and a decrease of about \$0.5 million from the prior year's monthly FTR auction. The allocation of FTR Auction Revenue for February 2010 resulted in \$1.9 million awarded to eligible entities, with \$316K allocated to Qualified Upgrade Awards.

The Marginal Loss Revenue Fund totaled \$3.3 million for February, down \$1.1 million from its January 2010 total.

Total Forward Reserve Credits to eligible assets of \$13.1 million were reduced by \$192,000 in Failure to Reserve Penalties and \$5,000 in Failure to Activate Penalties during February 2010. The net Forward Reserve Payment of \$12.9 million represented 98% of the maximum possible payment of \$13.3 million. Real-Time Reserve Prices occurred in 50 separate hours during the month, and those yielded real-time payments to designated assets of \$1,187,000. These payments were reduced by Forward Reserve Energy Obligation Charges totaling \$196,000 yielding a net compensation of \$991,000 during the month.

Regulation Market Payments totaled \$1.5 million during the month, a decrease of \$550K from the January 2010 value of \$2.0 million.

The Forward Capacity Market (FCM) Transition Period began December 1, 2006, and will continue until the first FCM Commitment Period begins on June 1, 2010. For the month of February 2010, Installed Capacity transition payments were made to a total of 37,845 MW of eligible unforced capacity and totaled \$155.2 million.

## 4. Locational Marginal Prices (LMPs)

Under Standard Market Design (SMD), the LMP is the cost of supplying an increment of load at a particular location. LMPs are calculated for each Internal and External Node as well as the eight Load Zones and the internal Hub in both the Day-Ahead and Real-Time Markets. LMPs are made up of three components: energy, congestion and marginal loss. The energy component of an LMP is the cost of providing an additional MW of energy to the distributed market reference bus. In any hour, the energy component is the same for all locations, while the congestion and marginal loss components vary among locations. If there were no congestion and losses, LMPs would be the same for all locations. Although the three components of the LMP are separated in some stages of the accounting process, the cost of energy at a location is the total LMP.

The following tables summarize Hub, zonal, and external node LMPs during the month on an overall, on-peak, and off-peak basis. On-peak hours are weekdays between 7:00 a.m. and 11:00 p.m. Off-peak hours are weekdays between 11:00 p.m. and 7:00 a.m., Saturdays, Sundays, and North American Electric Reliability Council (NERC) holidays.

### 4.1 LMP Summary Statistics

The following tables show summary statistics for LMPs for the Hub, eight internal Load Zones, and five external nodes for both the Day-Ahead and Real-Time Markets:

#### 4.1.1 All Hours, February 2010

Hub/Zone/ Ext. Node	Avg DA LMP (\$/MWh)	Avg RT LMP (\$/MWh)	Min DA LMP (\$/MWh)	Min RT LMP (\$/MWh)	Max DA LMP (\$/MWh)	Max RT LMP (\$/MWh)	DA % of Hub	RT % of Hub	RT % of DA	DA Std Dev	RT Std Dev	RT Std /DA Std
Hub	\$52.36	\$53.37	\$26.80	\$26.71	\$96.34	\$183.93	106%	108%	101.9%	\$13.04	\$19.85	1.52
ME	\$49.82	\$50.22	\$25.00	-\$32.86	\$92.04	\$177.63	101%	101%	100.8%	\$12.37	\$19.38	1.57
NH	\$51.49	\$52.07	\$25.72	\$2.11	\$94.79	\$181.60	104%	105%	101.1%	\$12.82	\$19.54	1.52
VT	\$52.49	\$53.35	\$26.63	\$26.64	\$97.06	\$182.32	106%	108%	101.6%	\$13.03	\$19.62	1.51
CT	\$53.67	\$54.91	\$26.79	\$27.19	\$100.13	\$185.59	109%	111%	102.3%	\$13.46	\$20.58	1.53
RI	\$52.02	\$52.95	\$25.90	\$26.45	\$95.59	\$183.90	105%	107%	101.8%	\$12.99	\$19.64	1.51
SEMA	\$52.31	\$53.35	\$26.06	\$26.57	\$96.21	\$185.88	106%	108%	102.0%	\$13.07	\$20.01	1.53
WCMA	\$52.85	\$53.73	\$27.36	\$26.88	\$97.44	\$184.26	107%	109%	101.7%	\$13.19	\$19.91	1.51
NEMA	\$51.97	\$53.03	\$25.91	\$26.48	\$95.49	\$183.62	105%	107%	102.0%	\$12.96	\$19.87	1.53
NB Ext	\$48.71	\$49.07	\$24.22	-\$36.69	\$91.97	\$177.24	99%	99%	101%	\$12.38	\$19.35	1.56
NYN Ext	\$52.82	\$53.71	\$26.96	\$27.01	\$98.67	\$183.59	107%	108%	102%	\$13.20	\$19.79	1.50
HQ Ext	\$50.92	\$51.97	\$25.44	\$25.98	\$93.55	\$179.28	103%	105%	102%	\$12.68	\$19.39	1.53
HG Ext	\$48.83	\$49.70	\$24.69	\$24.52	\$89.60	\$170.21	99%	100%	102%	\$12.00	\$18.15	1.51
CSC Ext	\$54.24	\$55.95	\$27.09	\$27.56	\$101.03	\$188.00	110%	113%	103%	\$13.56	\$21.20	1.56
NY-1385	\$53.89	\$55.26	\$27.01	\$27.30	\$100.51	\$185.53	109%	112%	103%	\$13.52	\$20.94	1.55

4.1.2 On-Peak Hours, February 2010

Hub/Zone/ Ext. Node	Avg DA LMP (\$/MWh)	Avg RT LMP (\$/MWh)	Min DA LMP (\$/MWh)	Min RT LMP (\$/MWh)	Max DA LMP (\$/MWh)	Max RT LMP (\$/MWh)	DA % of Hub	RT % of Hub	RT % of DA	DA Std Dev	RT Std Dev	RT Std /DA Std
Hub	\$57.42	\$58.69	\$40.89	\$28.86	\$91.14	\$183.93	107%	109%	102%	\$10.63	\$20.77	1.95
ME	\$54.55	\$54.44	\$37.93	-\$32.86	\$87.21	\$177.63	101%	101%	100%	\$10.03	\$21.21	2.11
NH	\$56.47	\$56.80	\$40.31	\$2.11	\$89.76	\$181.60	105%	105%	101%	\$10.43	\$20.66	1.98
VT	\$57.55	\$58.64	\$41.21	\$28.86	\$91.17	\$182.32	107%	109%	102%	\$10.58	\$20.48	1.94
CT	\$58.97	\$60.86	\$41.80	\$29.32	\$100.13	\$185.59	110%	113%	103%	\$11.05	\$21.52	1.95
RI	\$57.08	\$58.06	\$40.49	\$28.68	\$90.51	\$183.90	106%	108%	102%	\$10.60	\$20.59	1.94
SEMA	\$57.39	\$58.68	\$40.75	\$28.86	\$91.14	\$185.88	107%	109%	102%	\$10.66	\$20.94	1.96
WCMA	\$58.07	\$59.14	\$41.23	\$29.05	\$91.64	\$184.26	108%	110%	102%	\$10.73	\$20.79	1.94
NEMA	\$57.01	\$58.32	\$40.54	\$28.77	\$90.51	\$183.62	106%	108%	102%	\$10.57	\$20.81	1.97
NB Ext	\$53.31	\$53.40	\$36.76	-\$36.69	\$87.17	\$177.24	99%	99%	100%	\$10.09	\$21.56	2.14
NYN Ext	\$57.94	\$59.17	\$41.28	\$28.60	\$91.66	\$183.59	108%	110%	102%	\$10.71	\$20.74	1.94
HQ Ext	\$55.85	\$57.11	\$39.80	\$28.11	\$88.77	\$179.28	104%	106%	102%	\$10.32	\$20.33	1.97
HG Ext	\$53.51	\$54.50	\$38.74	\$26.79	\$84.68	\$170.21	100%	101%	102%	\$9.69	\$18.98	1.96
CSC Ext	\$59.59	\$62.17	\$42.27	\$29.82	\$101.03	\$188.00	111%	115%	104%	\$11.14	\$22.31	2.00
NY-1385	\$59.19	\$61.41	\$41.96	\$29.35	\$100.51	\$185.53	110%	114%	104%	\$11.10	\$22.11	1.99

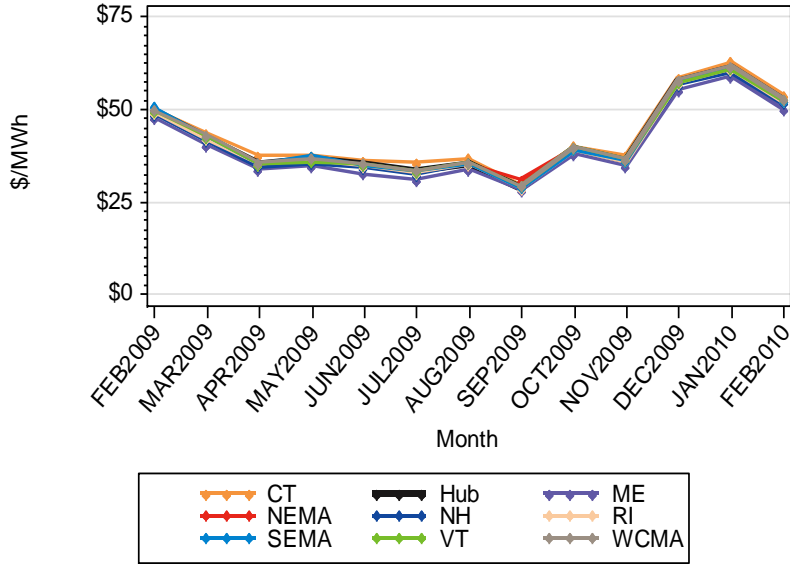
4.1.3 Off-Peak Hours, February 2010

Hub/Zone/ Ext. Node	Avg DA LMP (\$/MWh)	Avg RT LMP (\$/MWh)	Min DA LMP (\$/MWh)	Min RT LMP (\$/MWh)	Max DA LMP (\$/MWh)	Max RT LMP (\$/MWh)	DA % of Hub	RT % of Hub	RT % of DA	DA Std Dev	RT Std Dev	RT Std /DA Std
Hub	\$47.77	\$48.54	\$26.80	\$26.71	\$96.34	\$168.82	105%	107%	102%	\$13.34	\$17.67	1.32
ME	\$45.52	\$46.37	\$25.00	\$25.42	\$92.04	\$159.86	100%	102%	102%	\$12.72	\$16.66	1.31
NH	\$46.95	\$47.78	\$25.72	\$26.15	\$94.79	\$166.51	103%	105%	102%	\$13.12	\$17.42	1.33
VT	\$47.90	\$48.54	\$26.63	\$26.64	\$97.06	\$164.96	106%	107%	101%	\$13.36	\$17.48	1.31
CT	\$48.85	\$49.50	\$26.79	\$27.19	\$99.09	\$171.74	108%	109%	101%	\$13.66	\$18.08	1.32
RI	\$47.42	\$48.31	\$25.90	\$26.45	\$95.59	\$168.14	104%	106%	102%	\$13.27	\$17.52	1.32
SEMA	\$47.69	\$48.50	\$26.06	\$26.57	\$96.21	\$170.59	105%	107%	102%	\$13.36	\$17.82	1.33
WCMA	\$48.11	\$48.82	\$27.36	\$26.88	\$97.44	\$169.45	106%	107%	101%	\$13.44	\$17.73	1.32
NEMA	\$47.38	\$48.23	\$25.91	\$26.48	\$95.49	\$169.33	104%	106%	102%	\$13.25	\$17.69	1.34
NB Ext	\$44.53	\$45.14	\$24.22	\$24.60	\$91.97	\$150.87	98%	99%	101%	\$12.79	\$16.15	1.26
NYN Ext	\$48.17	\$48.74	\$26.96	\$27.01	\$98.67	\$166.65	106%	107%	101%	\$13.55	\$17.49	1.29
HQ Ext	\$46.44	\$47.31	\$25.44	\$25.98	\$93.55	\$165.20	102%	104%	102%	\$12.96	\$17.25	1.33
HG Ext	\$44.58	\$45.34	\$24.69	\$24.52	\$89.60	\$152.56	98%	100%	102%	\$12.32	\$16.20	1.31
CSC Ext	\$49.38	\$50.29	\$27.09	\$27.56	\$99.95	\$174.66	109%	111%	102%	\$13.76	\$18.43	1.34
NY-1385	\$49.07	\$49.66	\$27.01	\$27.30	\$99.61	\$170.34	108%	109%	101%	\$13.72	\$18.11	1.32

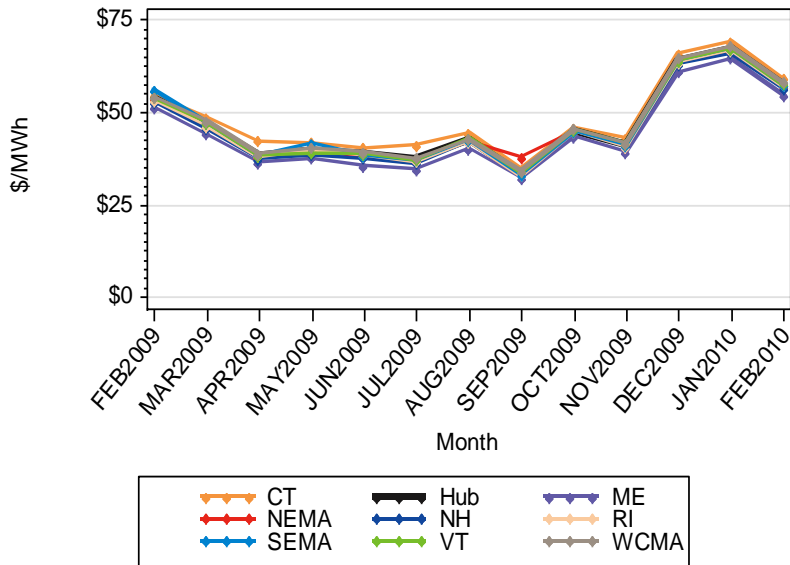
## 4.2 LMP Graphs, Day-Ahead Market, 13 Months Ending February 2010

The following four graphs show the 13 month history of average hourly Day-Ahead LMPs for the Hub, Load Zones, and External Nodes on an overall and on-peak basis.

**Monthly Avg Day-Ahead LMPs for Hub and Load Zones**  
13 Mos Ending February 2010, All Hours

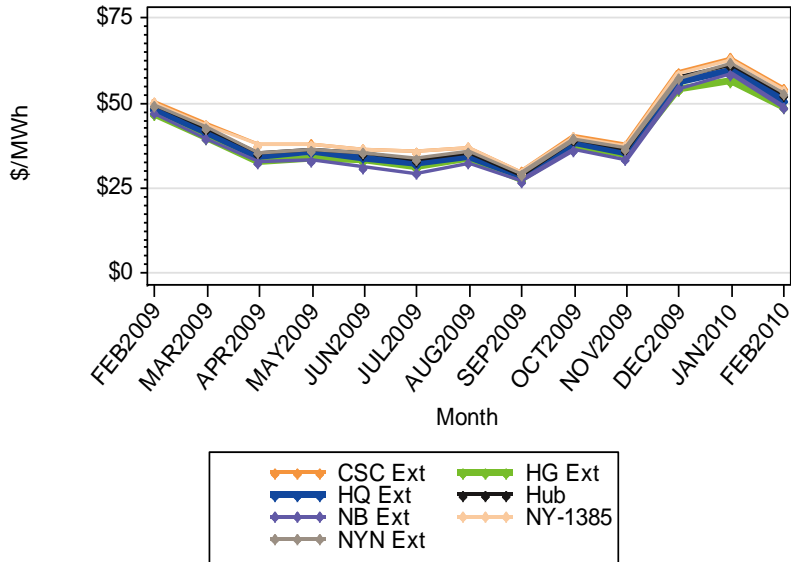


**Monthly Avg Day-Ahead LMPs for Hub and Load Zones**  
13 Mos Ending February 2010, On-Peak Hours

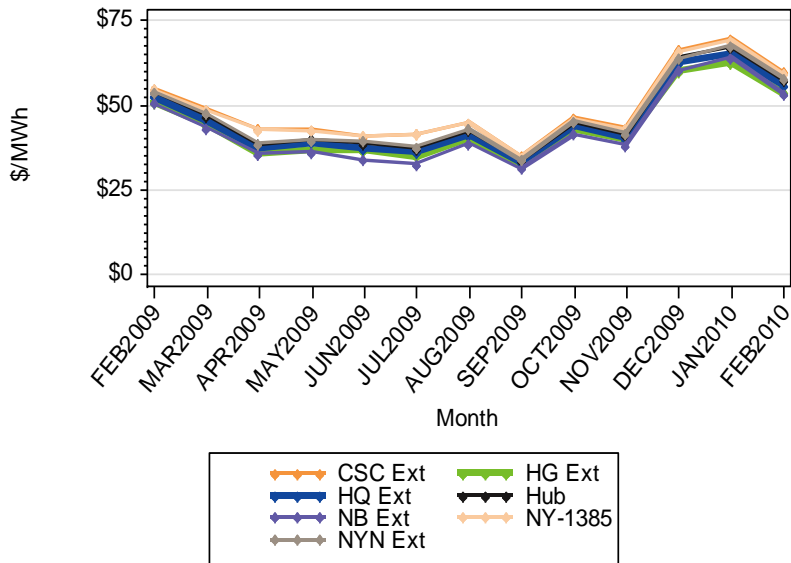




### Monthly Avg Day-Ahead LMPs for Hub and External Nodes 13 Mos Ending February 2010, All Hours



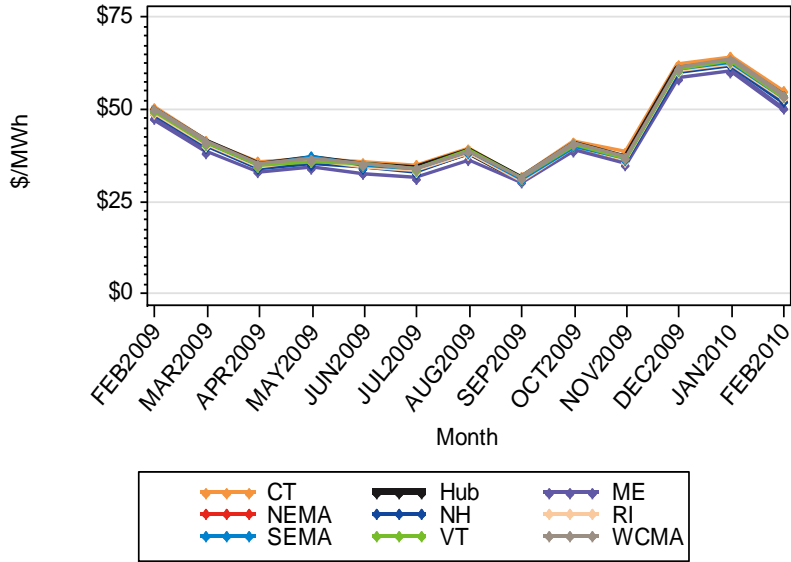
### Monthly Avg Day-Ahead LMPs for Hub and External Nodes 13 Mos Ending February 2010, On-Peak Hours



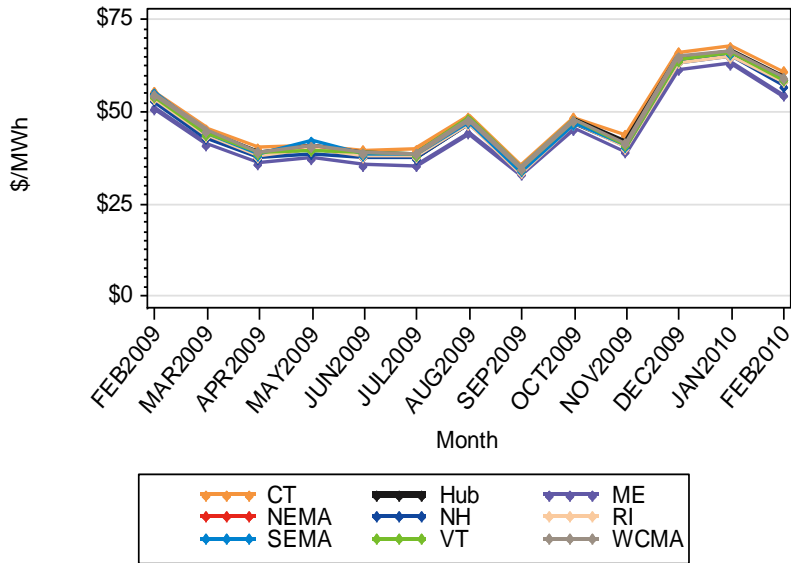
### 4.3 LMP Graphs, Real-Time Market, 13 Months Ending February 2010

The following four graphs show the 13 month history of average hourly Real-Time LMPs for the Hub, Load Zones, and External Nodes on an overall and on-peak basis.

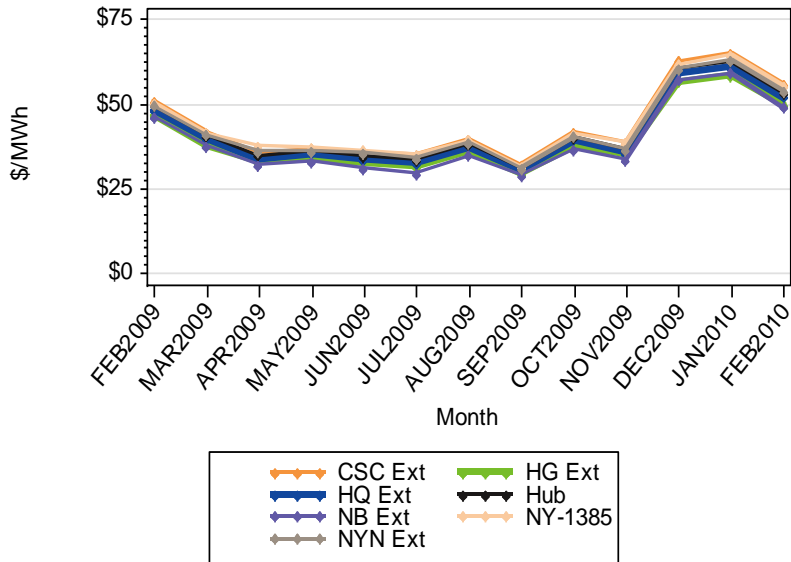
**Monthly Avg Real-Time LMPs for Hub and Load Zones**  
13 Mos Ending February 2010, All Hours



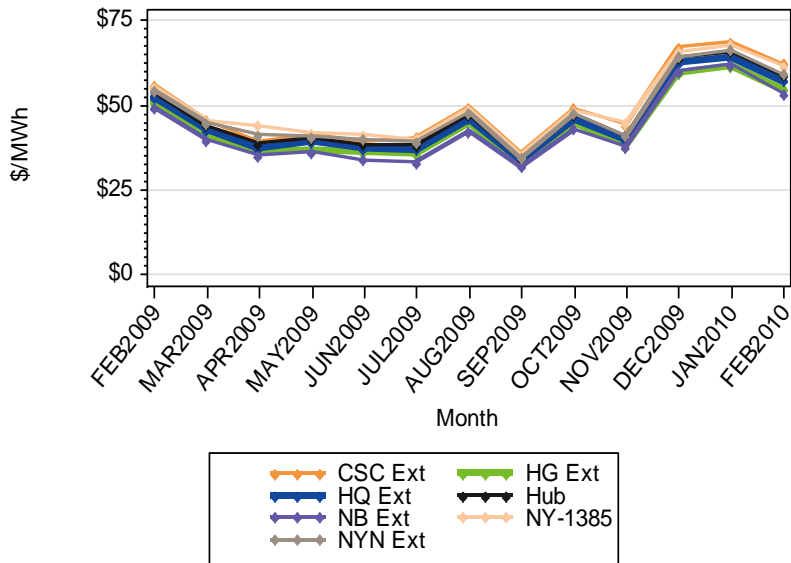
**Monthly Avg Real-Time LMPs for Hub and Load Zones**  
13 Mos Ending February 2010, On-Peak Hours



**Monthly Avg Real-Time LMPs for Hub and External Nodes**  
 13 Mos Ending February 2010, All Hours



**Monthly Avg Real-Time LMPs for Hub and External Nodes**  
 13 Mos Ending February 2010, On-Peak Hours



#### **4.4 For More Information**

The ISO provides a discussion of LMP results on a weekly basis in its Weekly Market Performance Report, located on the ISO's website at:

[http://www.iso-ne.com/markets/mkt\\_anlys\\_rpts/wkly\\_mktops\\_rpts/index.html](http://www.iso-ne.com/markets/mkt_anlys_rpts/wkly_mktops_rpts/index.html)

The ISO also provides a discussion of LMP results on a quarterly basis in its Quarterly Market Performance Reports, located on the ISO's website at:

[http://www.iso-ne.com/markets/mkt\\_anlys\\_rpts/qtrly\\_mktops\\_rpts/index.html](http://www.iso-ne.com/markets/mkt_anlys_rpts/qtrly_mktops_rpts/index.html)

Downloadable Hub and Load Zone weekly and monthly LMP indices are located at:

[http://www.iso-ne.com/markets/mkt\\_anlys\\_rpts/lmp\\_indices/index.html](http://www.iso-ne.com/markets/mkt_anlys_rpts/lmp_indices/index.html)

Customizable downloads of Day-Ahead and Real-Time Hourly LMPs can be performed at:

[http://www.iso-ne.com/markets/hst\\_rpts/hstRpts.do?category=Hourly](http://www.iso-ne.com/markets/hst_rpts/hstRpts.do?category=Hourly)

Current Day-Ahead and Real-Time LMPs for the Hub and Load Zones can be monitored at:

<http://www.iso-ne.com/portal/jsp/lmpmap/Index.jsp>

A discussion of the calculation of LMPs can be found in the ISO's Market Rule 1 located at:

[http://www.iso-ne.com/regulatory/tariff/sect\\_3/index.html](http://www.iso-ne.com/regulatory/tariff/sect_3/index.html)

## 5. Imports and Exports

Market Participants can submit hourly Fixed External Transaction quantities for which they commit to import at Day-Ahead LMPs for delivery in the next Operating Day. They can also submit hourly Fixed External Transaction quantities for which they commit to import at Real-Time LMPs for physical delivery within the Operating Day. There are also several types of price-dependent transactions that can be submitted.

### 5.1 Net Interchange Summary, February 2010

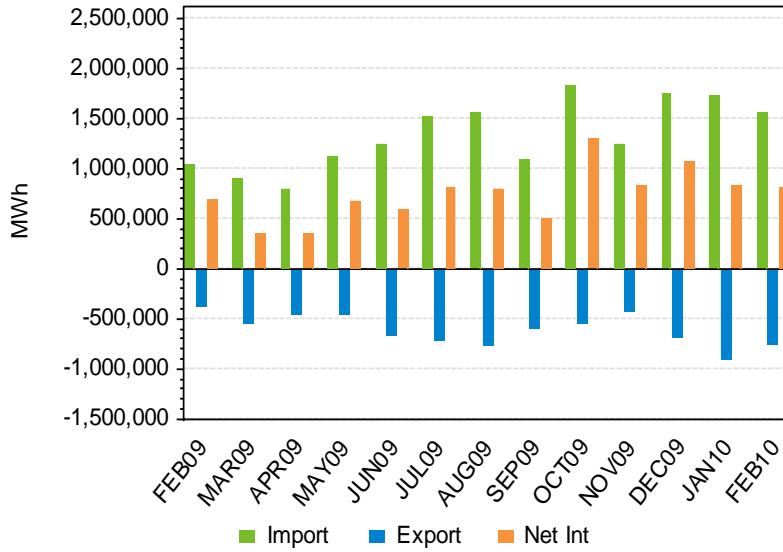
The following tables show summary statistics for imports and exports on the six external interfaces for both the Day-Ahead and Real-Time Markets:

#### 5.1.1 Day-Ahead and Real-Time Market Summary by Interface

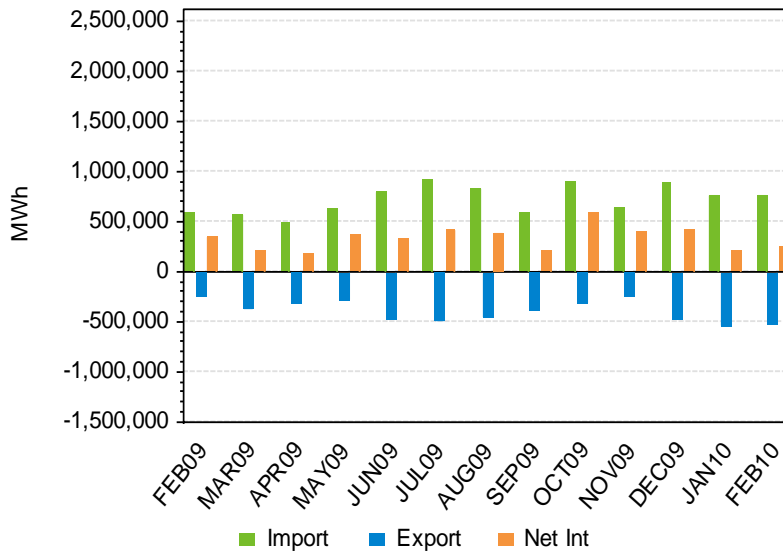
On/Off Peak	Interface	DA Total Exports (MWh)	DA Total Imports (MWh)	DA Net Int (MWh)	RT Total Exports (MWh)	RT Total Imports (MWh)	RT Net Int (MWh)
All Hours	NY-1385	-50,175	401	-49,774	-49,804	401	-49,403
	NY-CSC	-199,890	0	-199,890	-200,010	0	-200,010
	HQ HG	0	136,501	136,501	0	136,207	136,207
	HQ I/II	0	923,569	923,569	0	928,544	928,544
	NY-N AC	-413,080	311,100	-101,980	-466,453	452,151	-14,302
	NB	-78,455	176,571	98,116	-123,185	210,588	87,403
<b>Total</b>	<b>All Hours</b>	<b>-741,600</b>	<b>1,548,141</b>	<b>806,541</b>	<b>-839,452</b>	<b>1,727,891</b>	<b>888,439</b>
Off-Peak	NY-1385	-20,450	201	-20,249	-20,898	201	-20,697
	NY-CSC	-94,600	0	-94,600	-94,720	0	-94,720
	HQ HG	0	68,186	68,186	0	67,960	67,960
	HQ I/II	0	479,206	479,206	0	479,165	479,165
	NY-N AC	-82,520	141,763	59,243	-124,755	198,679	73,924
	NB	-28,441	101,027	72,586	-53,796	119,787	65,991
<b>Total</b>	<b>Off-Peak</b>	<b>-226,011</b>	<b>790,383</b>	<b>564,372</b>	<b>-294,169</b>	<b>865,792</b>	<b>571,623</b>
On-Peak	NY-1385	-29,725	200	-29,525	-28,906	200	-28,706
	NY-CSC	-105,290	0	-105,290	-105,290	0	-105,290
	HQ HG	0	68,315	68,315	0	68,247	68,247
	HQ I/II	0	444,363	444,363	0	449,379	449,379
	NY-N AC	-330,560	169,337	-161,223	-341,698	253,472	-88,226
	NB	-50,014	75,543	25,529	-69,389	90,801	21,412
<b>Total</b>	<b>On-Peak</b>	<b>-515,589</b>	<b>757,758</b>	<b>242,169</b>	<b>-545,283</b>	<b>862,099</b>	<b>316,816</b>

5.2 Day-Ahead and Real-Time Net Interchange Summary, Last 13 Months

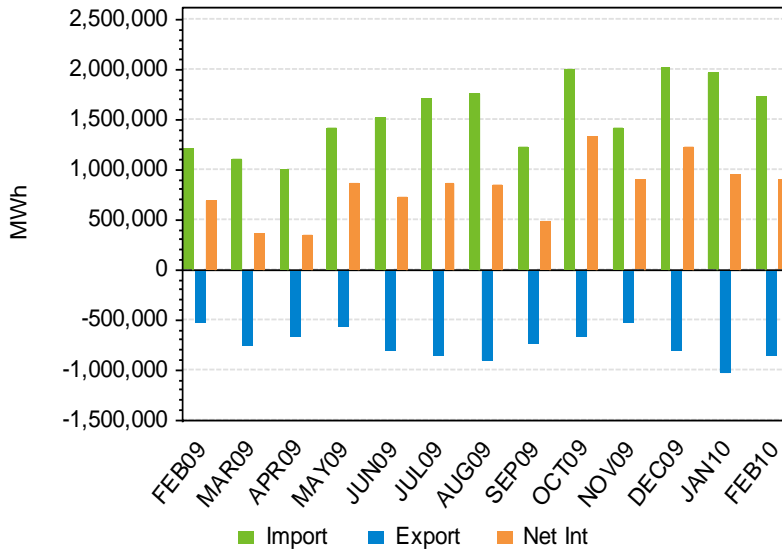
**Net Interchange, Last 13 Mos., New England Control Area**  
Day-Ahead Market, All Hours



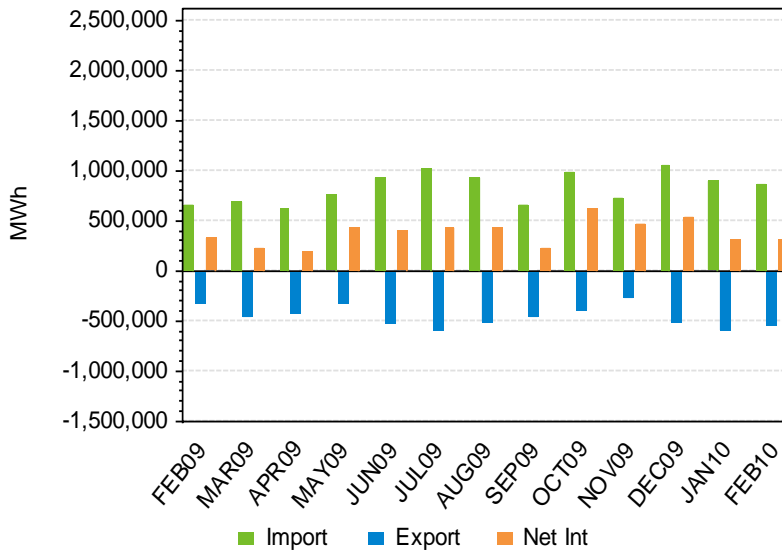
**Net Interchange, Last 13 Mos., New England Control Area**  
Day-Ahead Market, On-Peak Hours



**Net Interchange, Last 13 Mos., New England Control Area**  
Real-Time Market, All Hours

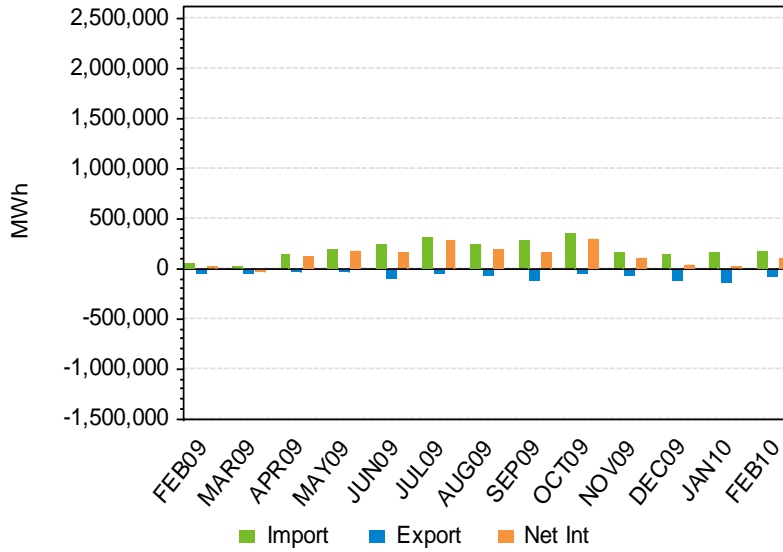


**Net Interchange, Last 13 Mos., New England Control Area**  
Real-Time Market, On-Peak Hours

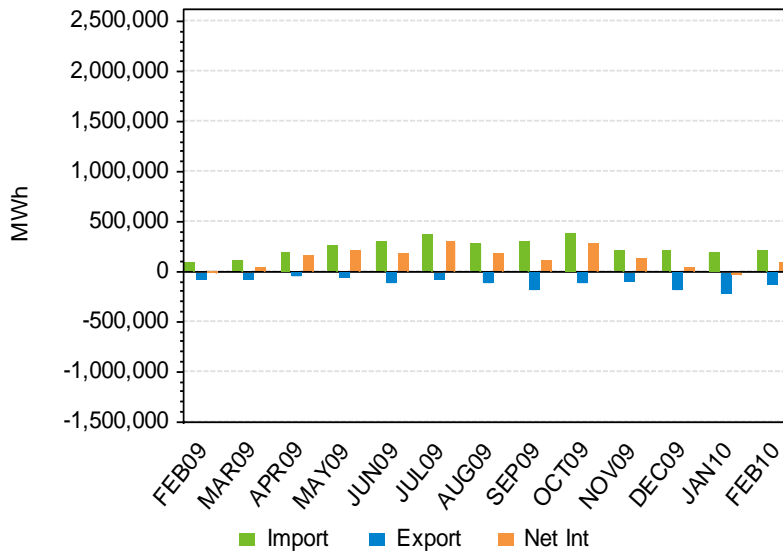


### 5.3 Net Interchange Summary by Interface, Last 13 Months

**Net Interchange, Last 13 Mos., New Brunswick**  
Day-Ahead Market, All Hours

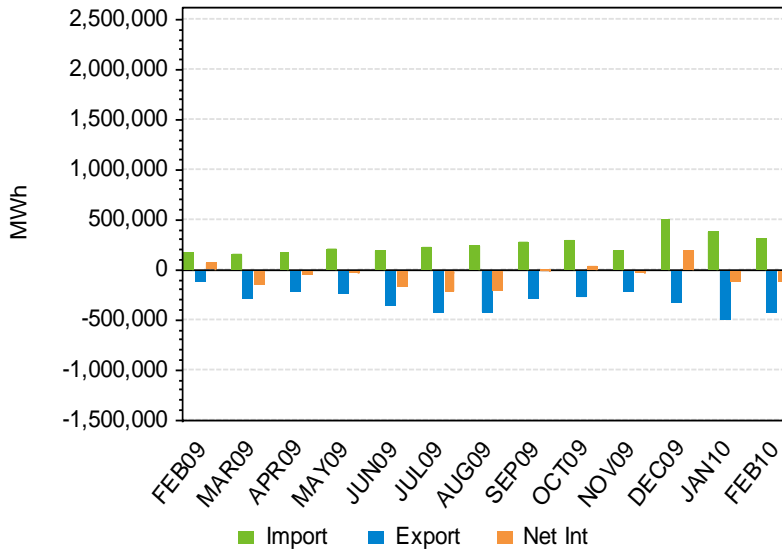


**Net Interchange, Last 13 Mos., New Brunswick**  
Real-Time Market, All Hours

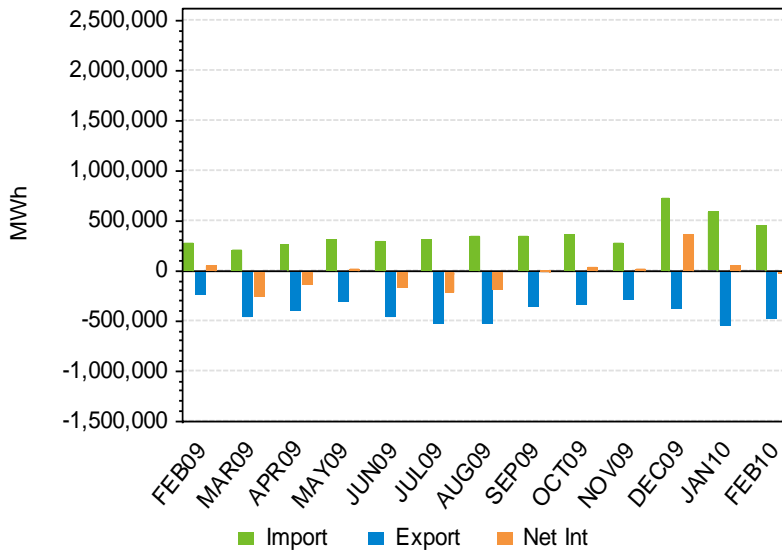




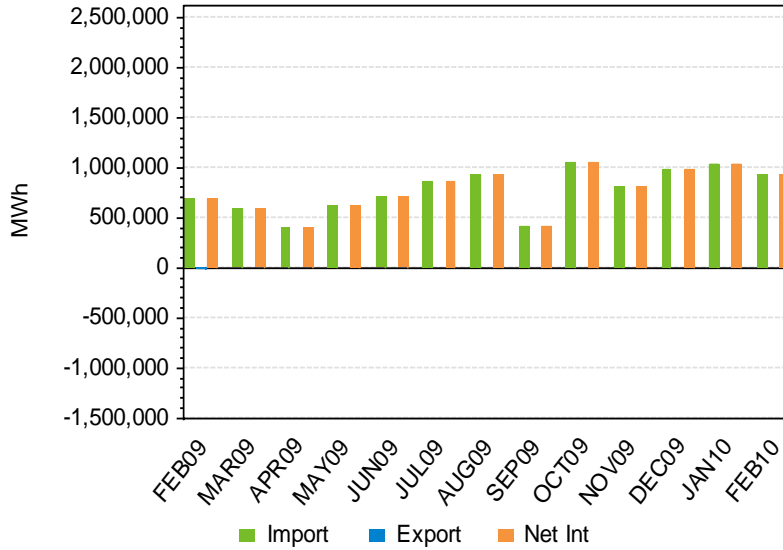
**Net Interchange, Last 13 Mos., New York N-AC Ties**  
Day-Ahead Market, All Hours



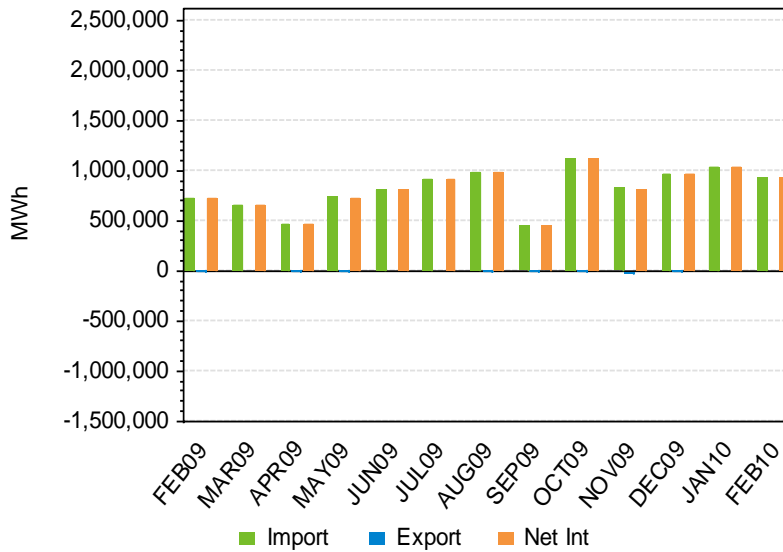
**Net Interchange, Last 13 Mos., New York N-AC Ties**  
Real-Time Market, All Hours



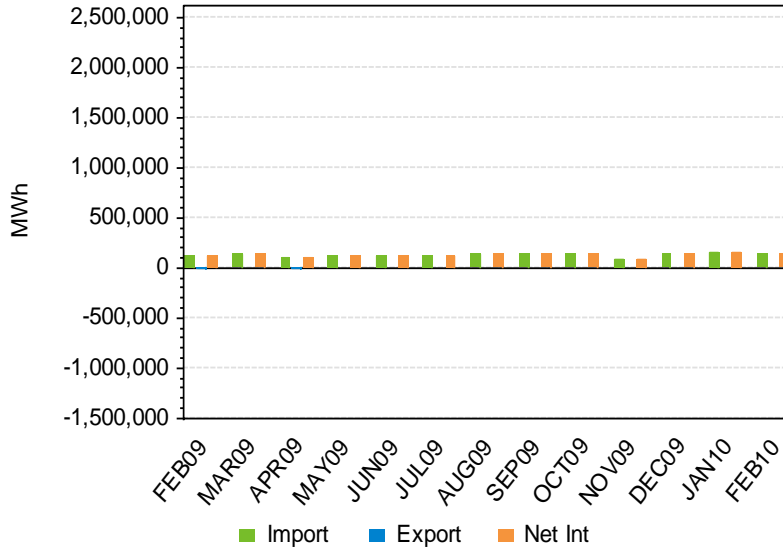
**Net Interchange, Last 13 Mos., Hydro-Quebec Phase I/II**  
Day-Ahead Market, All Hours



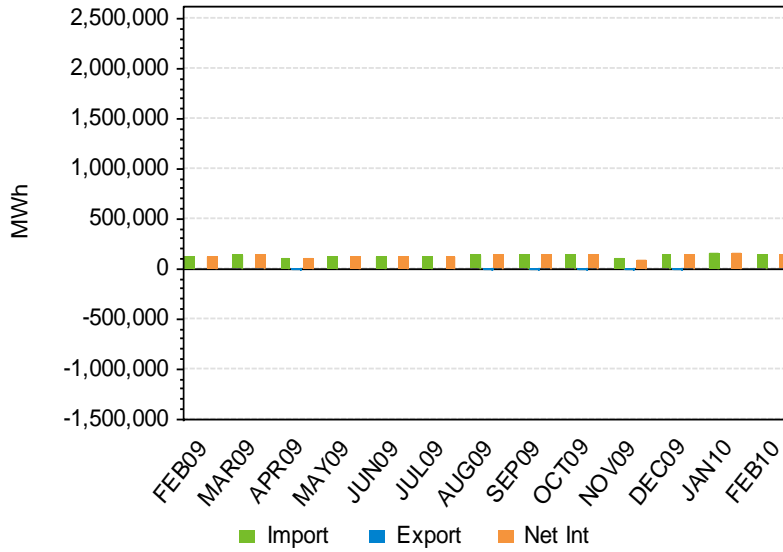
**Net Interchange, Last 13 Mos., Hydro-Quebec Phase I/II**  
Real-Time Market, All Hours



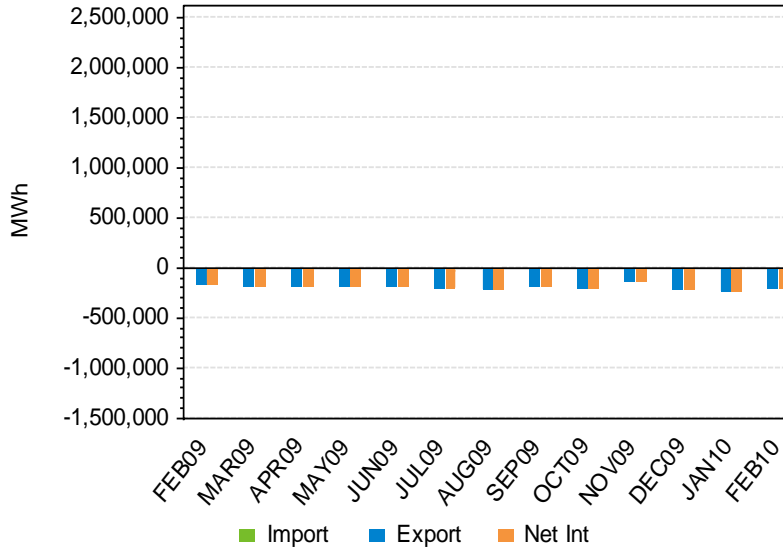
**Net Interchange, Last 13 Mos., HQ Highgate**  
Day-Ahead Market, All Hours



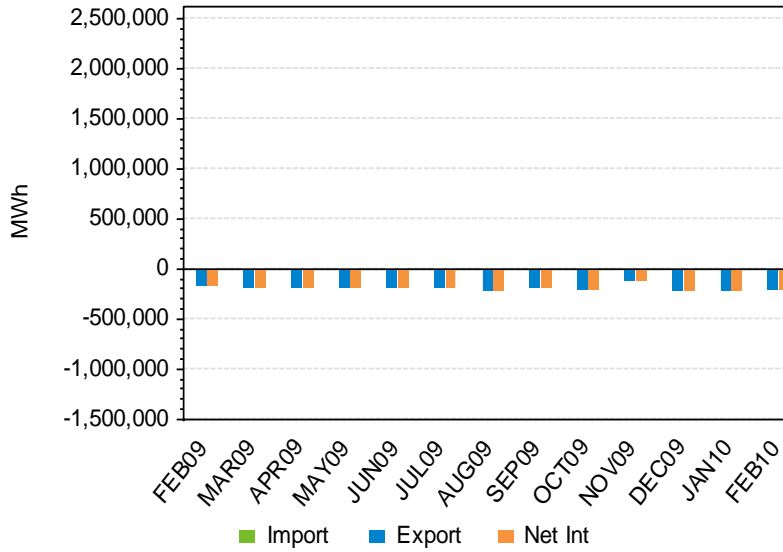
**Net Interchange, Last 13 Mos., HQ Highgate**  
Real-Time Market, All Hours



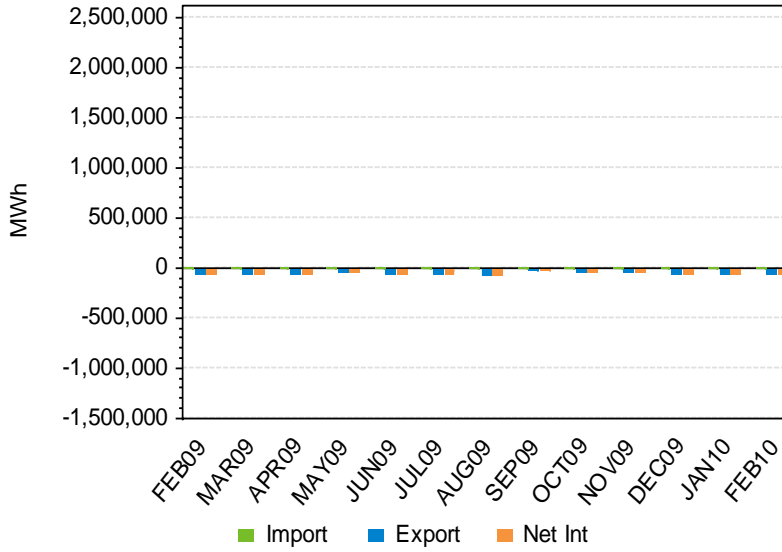
**Net Interchange, Last 13 Mos., NY Cross Sound Cable**  
Day-Ahead Market, All Hours



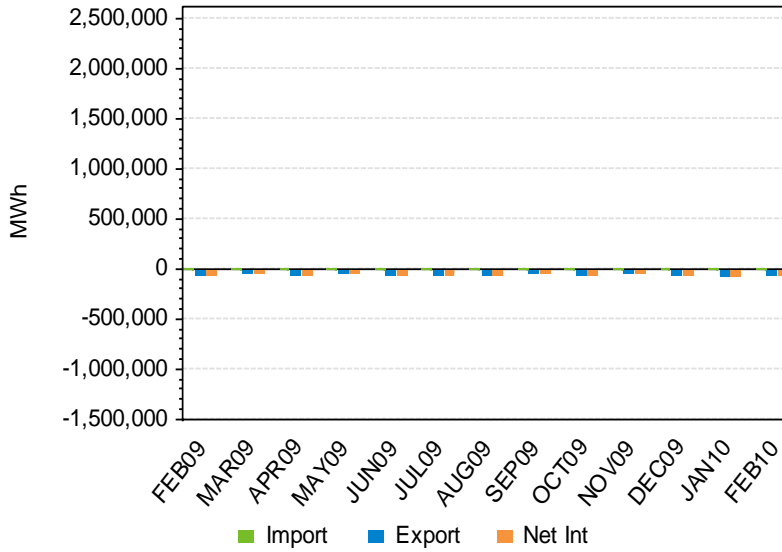
**Net Interchange, Last 13 Mos., NY Cross Sound Cable**  
Real-Time Market, All Hours



**Net Interchange, Last 13 Mos., NY-1385 Cable**  
Day-Ahead Market, All Hours



**Net Interchange, Last 13 Mos., NY 1385 Cable**  
Real-Time Market, All Hours



#### **5.4 For More Information**

Selectable historical hourly net interchange for the New England Control can be found on the ISO's website at (select 'Interchange' in the drop-down under 'Step 1'):

[http://www.iso-ne.com/markets/hst\\_rpts/hstRpts.do?category=Hourly](http://www.iso-ne.com/markets/hst_rpts/hstRpts.do?category=Hourly)

Monthly, daily, and hourly summaries of New England Control Area net interchange can be found on the ISO's web site at:

[http://www.iso-ne.com/markets/hstdata/znl\\_info/index.html](http://www.iso-ne.com/markets/hstdata/znl_info/index.html)

The market rules governing the scheduling of external transactions can be found in Section III.1.10 "Scheduling" of the ISO's Market Rule 1 located at:

[http://www.iso-ne.com/regulatory/tariff/sect\\_3/index.html](http://www.iso-ne.com/regulatory/tariff/sect_3/index.html)

The business rules and procedures for external transactions can be found in Section 6.5, "External Transactions" in the ISO's Manual 11 – Market Operations located at:

[http://www.iso-ne.com/rules\\_proceeds/isone\\_mnls/index.html](http://www.iso-ne.com/rules_proceeds/isone_mnls/index.html)

A history of emergency purchases and sales from and to neighboring control areas can be found at:

<http://www.iso-ne.com/stlmnts/emerg/index.html>

## 6. Financial Transmission Rights (FTR) Auctions

FTRs are financial instruments that entitle the holder to a share of congestion collections in the Day-Ahead Market. The difference in prices (excluding losses) along a path or between any two locations on the system in the Day-Ahead Market reflects the marginal cost of transmission along that path. An FTR allows its purchaser to collect up to the full value of such congestion as consistent with the FTR's specified path and MW value.

FTRs can be acquired in three ways:

- FTR Auction – the ISO conducts periodic auctions to allow bidders to acquire and sell monthly and long-term FTRs. The bidders in the FTR auction initially define all FTRs.
- Secondary Market – The FTR secondary market is an ISO-administered bulletin board where existing FTRs are electronically bought or sold on a bilateral basis.
- Unregistered Trades – FTRs can be exchanged bilaterally outside of the ISO-administered process. However, the ISO compensates only FTR holders of record and does not recognize business done in this manner for day-ahead congestion settlement purposes.

### 6.1 FTR Auction Results

The results of the monthly FTR auction and any applicable long-term FTR auction are shown below.

#### 6.1.1 Monthly Auction Summary, February 2010

Bids to Buy or Offers to Sell	On-Peak or Off-Peak	No. of Bids or Offers	Bid or Offered MW-Mos.	Bid or Offered Dollars	No. of Awards	Awarded MW-Mos.	Awarded Dollars
Buy	Off	18,384	113,717	-\$1,747,173	5,927	26,639	\$213,269
Buy	On	22,828	139,157	-\$2,090,904	6,743	29,998	\$644,236
Buy	Buy Total	41,212	252,875	-\$3,838,077	12,670	56,637	\$857,505
Sell	Off	3,385	11,363	\$1,870,837	30	383	-\$5,327
Sell	On	3,224	11,376	\$2,524,295	50	391	-\$16,954
Sell	Sell Total	6,609	22,739	\$4,395,132	80	774	-\$22,282
Grand Total	Grand Total	47,821	275,614	\$557,055	12,750	57,411	\$835,223

#### 6.1.2 Number of Auction Participants, February 2010

Auction Period	Monthly or Long-Term	No. of Bidders
Feb 2010	MO	41

#### 6.1.3 Monthly FTR Auction Results, Last 13 Months

Auction Month	Bids to Buy or Offers to Sell	No. of Bids or Offers	Bid or Offered MW-Mos.	Bid or Offered Dollars	No. of Awards	Awarded MW-Mos.	Awarded Dollars
FEB 2009	Buy	55,876	175,471	-\$26,921,388	16,344	52,987	\$1,301,832
FEB 2009	Sell	4,166	12,793	\$2,126,410	78	376	\$15,803
FEB 2009	Tot	60,042	188,263	-\$24,794,978	16,422	53,363	\$1,317,635
MAR 2009	Buy	40,611	174,939	-\$28,565,960	13,060	48,903	\$1,309,747
MAR 2009	Sell	4,882	16,090	\$2,461,911	145	471	\$43,185
MAR 2009	Tot	45,493	191,029	-\$26,104,049	13,205	49,374	\$1,352,932
APR 2009	Buy	37,927	161,456	-\$27,874,795	11,917	43,996	\$1,308,654

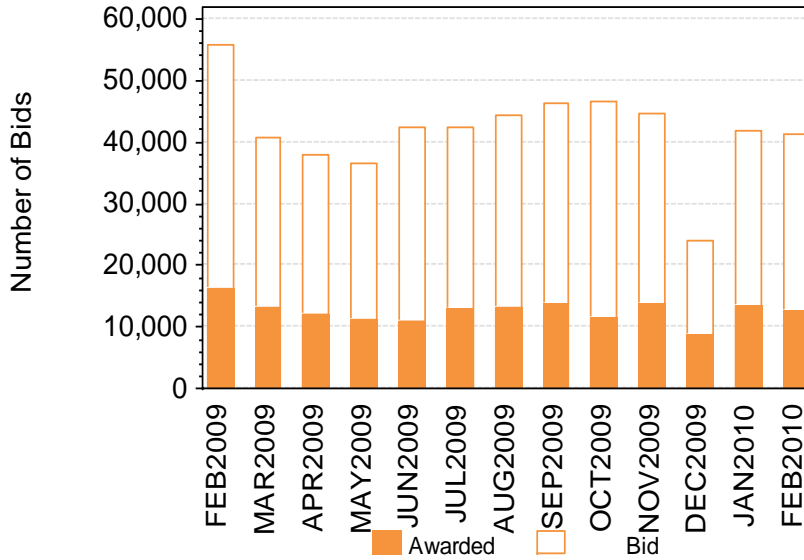
Auction Month	Bids to Buy or Offers to Sell	No. of Bids or Offers	Bid or Offered MW-Mos.	Bid or Offered Dollars	No. of Awards	Awarded MW-Mos.	Awarded Dollars
APR 2009	Sell	5,041	16,075	\$2,456,150	193	474	\$20,058
APR 2009	Tot	42,968	177,531	-\$25,418,645	12,110	44,469	\$1,328,712
MAY 2009	Buy	36,419	147,924	-\$23,117,759	11,273	38,261	\$843,244
MAY 2009	Sell	5,120	16,079	\$2,378,673	350	526	\$28,463
MAY 2009	Tot	41,539	164,002	-\$20,739,086	11,623	38,787	\$871,707
JUN 2009	Buy	42,300	174,149	-\$19,852,071	10,968	42,273	\$1,437,102
JUN 2009	Sell	5,051	16,054	\$2,308,575	262	757	\$49,553
JUN 2009	Tot	47,351	190,203	-\$17,543,497	11,230	43,031	\$1,486,655
JUL 2009	Buy	42,531	203,623	-\$16,314,208	12,925	52,019	\$1,506,595
JUL 2009	Sell	5,483	16,134	\$2,992,413	186	781	\$27,352
JUL 2009	Tot	48,014	219,757	-\$13,321,795	13,111	52,800	\$1,533,948
AUG 2009	Buy	44,288	234,177	-\$15,622,337	13,157	58,481	\$1,419,436
AUG 2009	Sell	5,318	16,316	\$2,718,906	144	648	-\$6,324
AUG 2009	Tot	49,606	250,492	-\$12,903,431	13,301	59,130	\$1,413,112
SEP 2009	Buy	46,387	251,116	-\$13,403,119	13,591	52,554	\$1,157,249
SEP 2009	Sell	4,900	17,754	\$3,126,479	205	1,074	-\$108,981
SEP 2009	Tot	51,287	268,870	-\$10,276,640	13,796	53,628	\$1,048,268
OCT 2009	Buy	46,530	287,908	-\$11,123,009	11,596	51,454	\$1,069,814
OCT 2009	Sell	4,832	17,641	\$2,384,201	214	1,162	-\$90,849
OCT 2009	Tot	51,362	305,549	-\$8,738,809	11,810	52,616	\$978,965
NOV 2009	Buy	44,766	293,271	-\$8,693,025	13,597	61,927	\$749,592
NOV 2009	Sell	4,534	16,361	\$2,221,916	248	1,048	-\$151,152
NOV 2009	Tot	49,300	309,631	-\$6,471,110	13,845	62,975	\$598,439
DEC 2009	Buy	23,918	130,970	-\$6,325,732	8,696	46,935	\$530,756
DEC 2009	Sell	4,458	16,101	\$2,230,054	263	894	-\$135,887
DEC 2009	Tot	28,376	147,071	-\$4,095,678	8,959	47,829	\$394,869
JAN 2010	Buy	41,940	236,517	-\$4,704,678	13,499	55,287	\$911,431
JAN 2010	Sell	6,849	22,211	\$3,498,445	49	403	-\$23,821
JAN 2010	Tot	48,789	258,728	-\$1,206,233	13,548	55,691	\$887,610
FEB 2010	Buy	41,212	252,875	-\$3,838,077	12,670	56,637	\$857,505
FEB 2010	Sell	6,609	22,739	\$4,395,132	80	774	-\$22,282
FEB 2010	Tot	47,821	275,614	\$557,055	12,750	57,411	\$835,223

## 6.2 Monthly FTR Auction Results, Last 13 Months

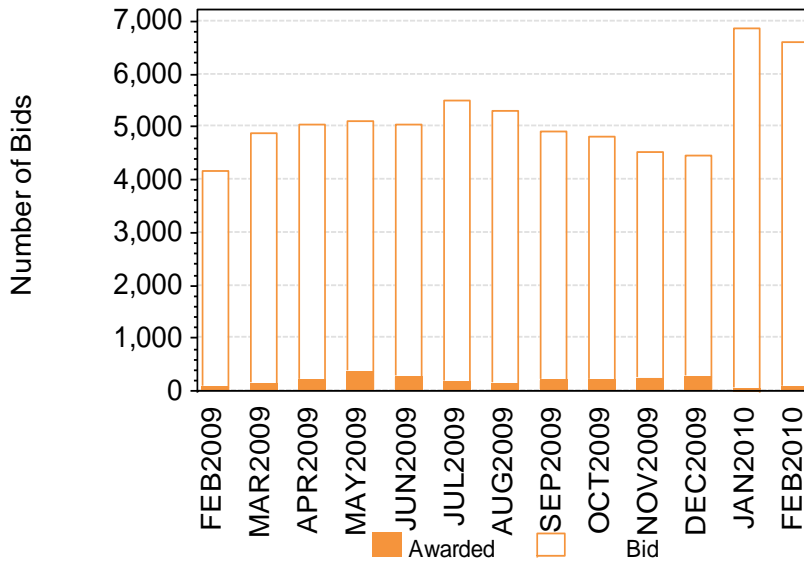
The next series of graphs show summaries of FTR Auction activity over the last 13 months, including bids to buy monthly FTRs and offers to sell long-term FTRs into each monthly auction.



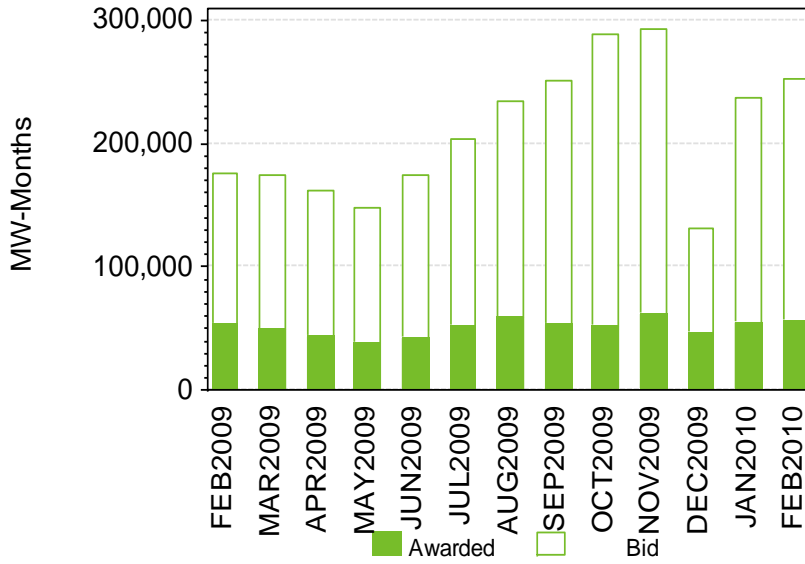
**Monthly FTR Auctions: Number of Bids, Buy Activity**  
13 Months Ending February 2010



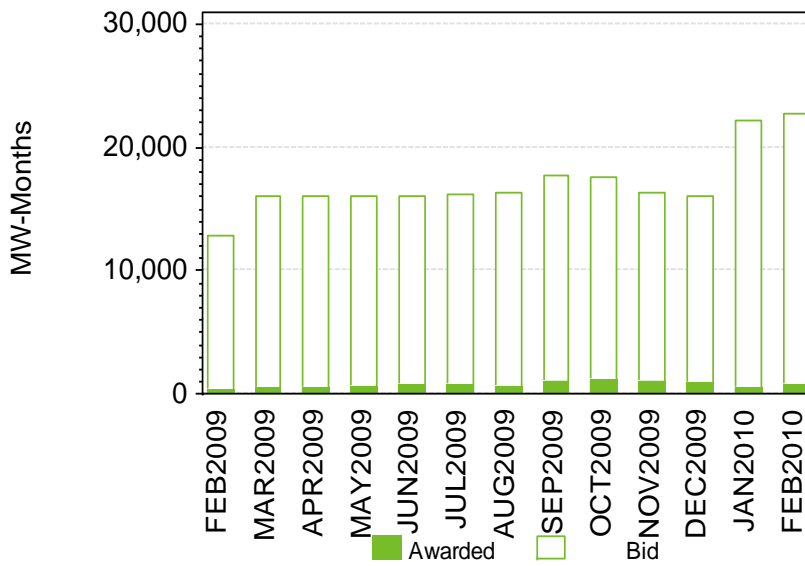
**Monthly FTR Auctions: Number of Bids, Sell Activity**  
13 Months Ending February 2010



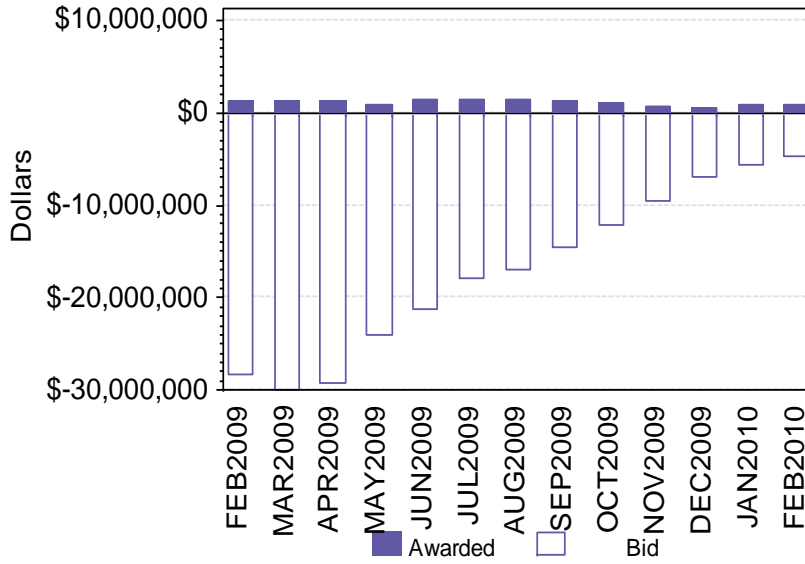
**Monthly FTR Auctions: MW-Months, Buy Activity**  
 13 Months Ending February 2010



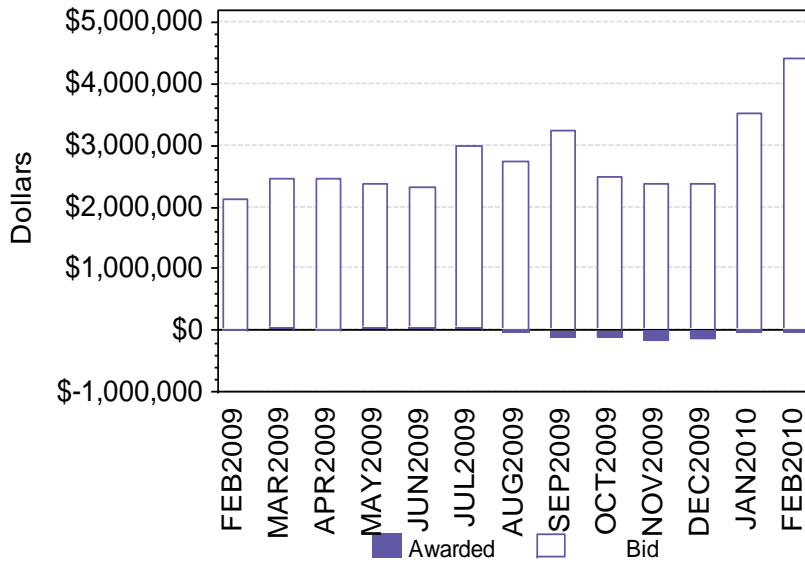
**Monthly FTR Auctions: MW-Months, Sell Activity**  
 13 Months Ending February 2010



**Monthly FTR Auctions: Dollars, Buy Activity**  
13 Months Ending February 2010



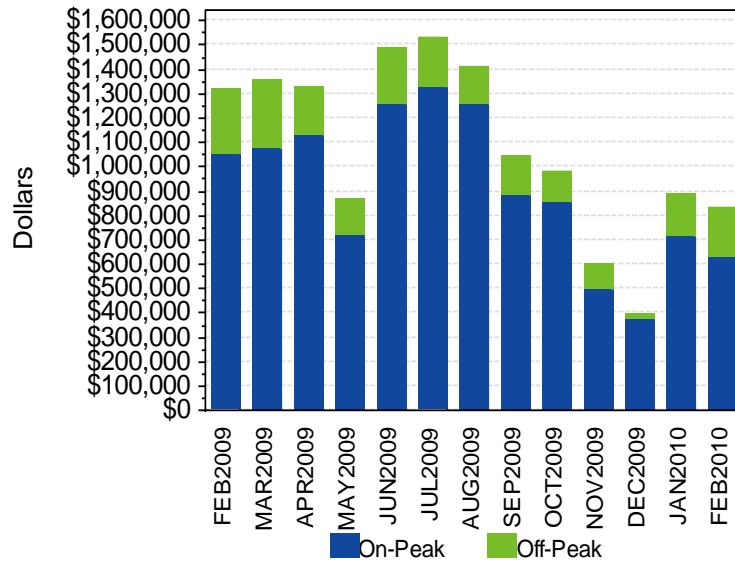
**Monthly FTR Auctions: Dollars, Sell Activity**  
13 Months Ending February 2010



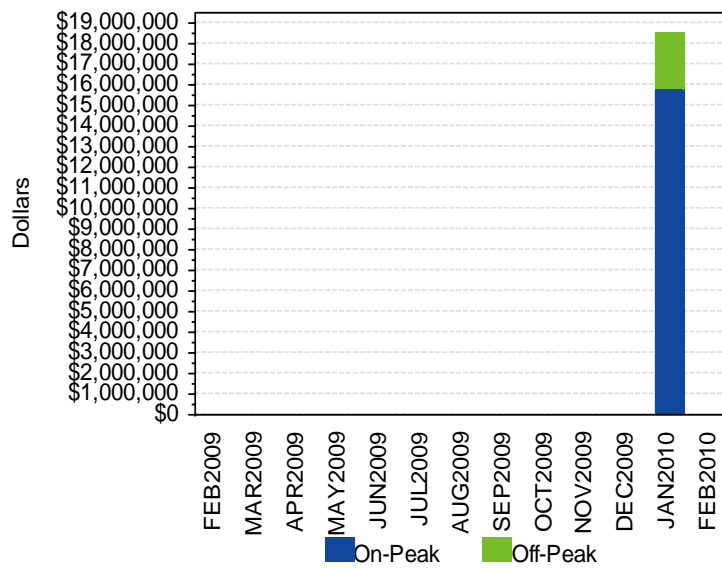
### 6.3 Auction Value, Last 13 Months

The next series of graphs show summaries of FTR Auction value and on/off-peak activity over the last 13 months.

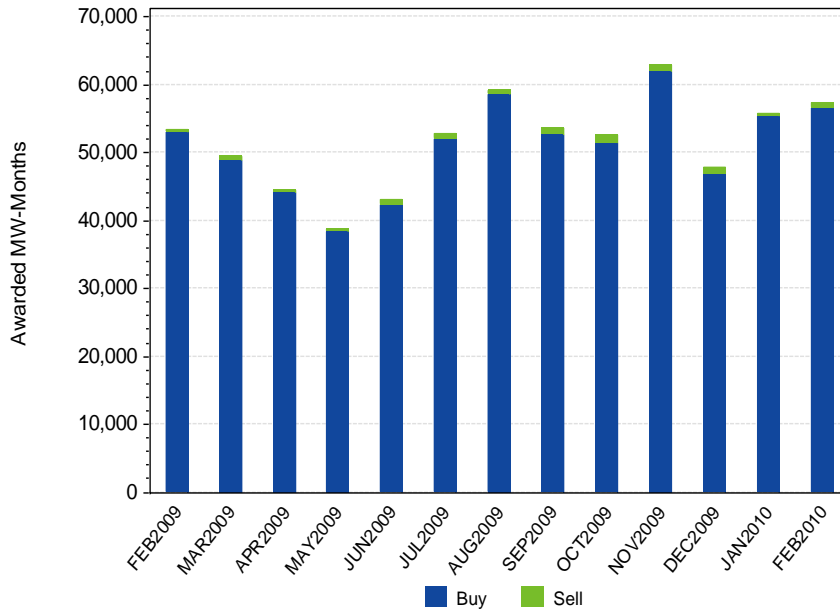
**Value of Monthly Auctions**  
13 Months Ending February 2010



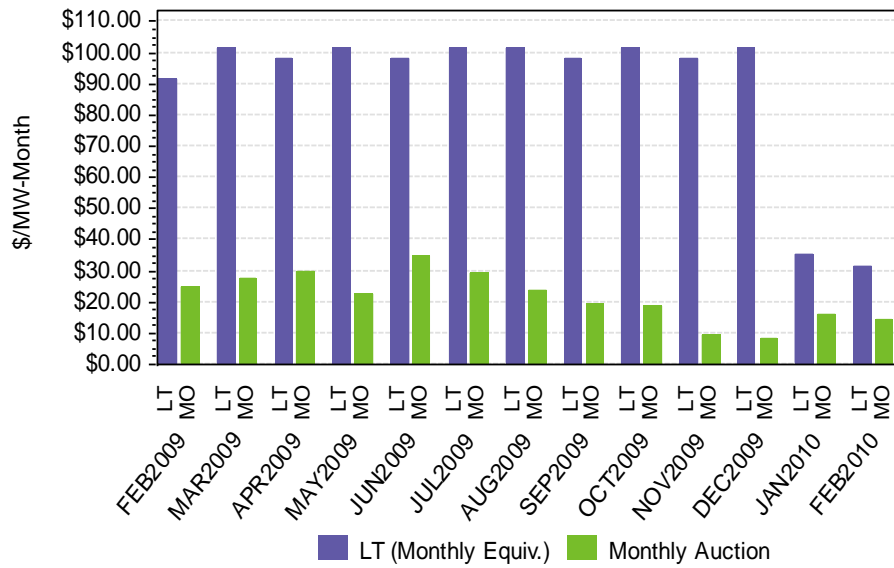
**Value of Long-Term Auctions**  
Conducted Within 13 Months Ending February 2010



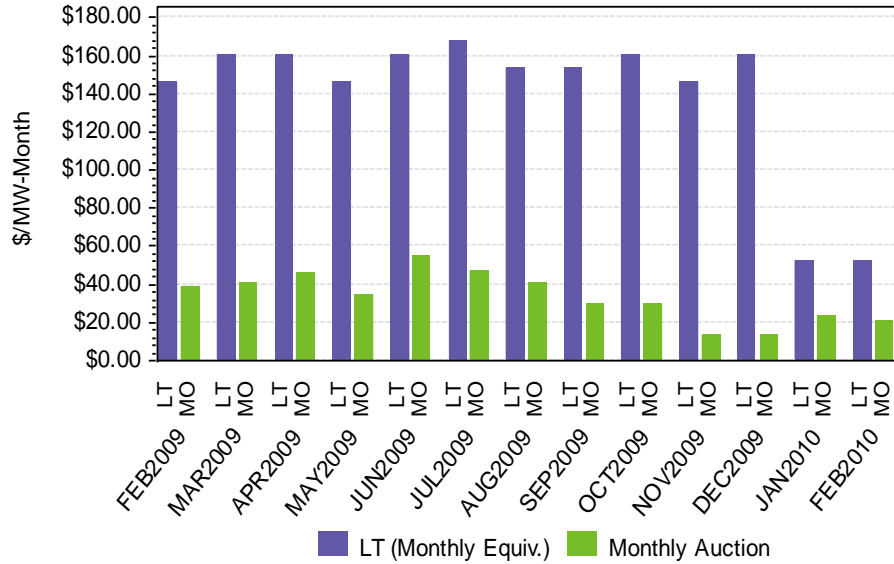
**Awarded MW-Months, Monthly FTR Auctions**  
Buy/Sell Activity, 13 Mos. Ending February 2010



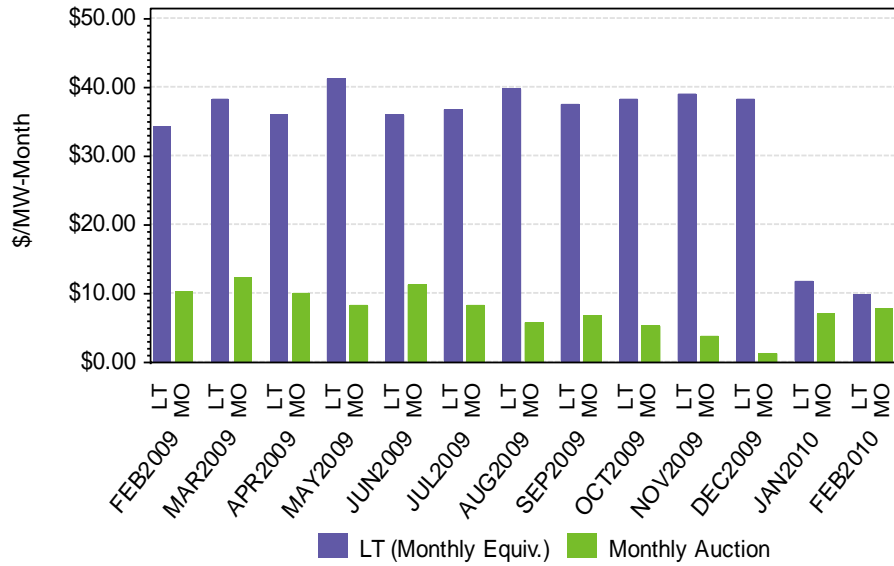
**Monthly and Long-Term FTR Auctions**  
Aggregate Equivalent Cost to Procure, All Hours



**Monthly and Long-Term FTR Auctions**  
 Aggregate Equivalent Cost to Procure, On-Peak Hours



**Monthly and Long-Term FTR Auctions**  
 Aggregate Equivalent Cost to Procure, Off-Peak Hours



#### **6.4 For More Information**

The market rules governing the FTR auctions can be found in Section III.7 “Financial Transmission Rights Auctions” of the ISO’s Market Rule 1 located at:

[http://www.iso-ne.com/regulatory/tariff/sect\\_3/index.html](http://www.iso-ne.com/regulatory/tariff/sect_3/index.html)

The business rules and procedures for FTRs can be found in Section 6.5, “External Transactions” in the ISO’s Manual 6 – Financial Transmission Rights located at:

[http://www.iso-ne.com/rules\\_proceeds/isonmnl/index.html](http://www.iso-ne.com/rules_proceeds/isonmnl/index.html)

Information about the monthly and long-term FTR auctions can be found on the ISO’s web site at:

[http://www.iso-ne.com/markets/othrmkts\\_data/ft/index.html](http://www.iso-ne.com/markets/othrmkts_data/ft/index.html)

## 7. Effectiveness of FTRs

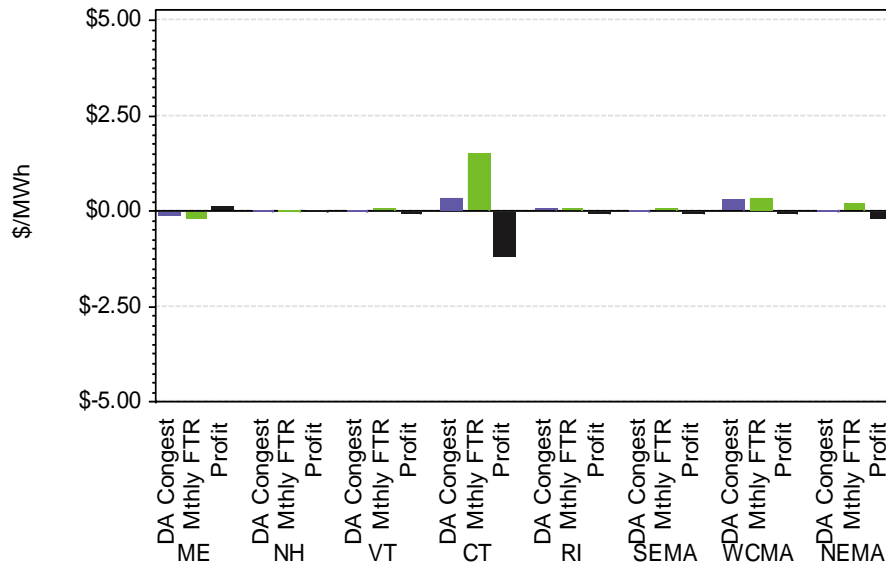
### 7.1 FTRs as a Congestion Hedging Instrument

Congestion costs occur in the Day-Ahead and Real-Time Markets between locations on the system when the most economic power cannot be transferred to needed load areas without violating transmission limits. These costs are embedded in the congestion component of LMP and its difference between locations. Customers who wish to protect against these real-time costs can do so by scheduling in the Day-Ahead Market. In turn, to hedge against day-ahead congestion costs, customers can obtain FTRs.

To analyze congestion and the effectiveness of the FTR market in managing the costs of congestion in New England, day-ahead congestion costs are examined in relation to FTR auction path clearing prices. Transmission paths from the Hub to the various New England Load Zones are examined in this section. In the following exhibits, monthly on-peak auction clearing prices are compared to the average day-ahead congestion components of prices for the month for each Hub-to-zone path. All units are presented in \$/MWh equivalents.

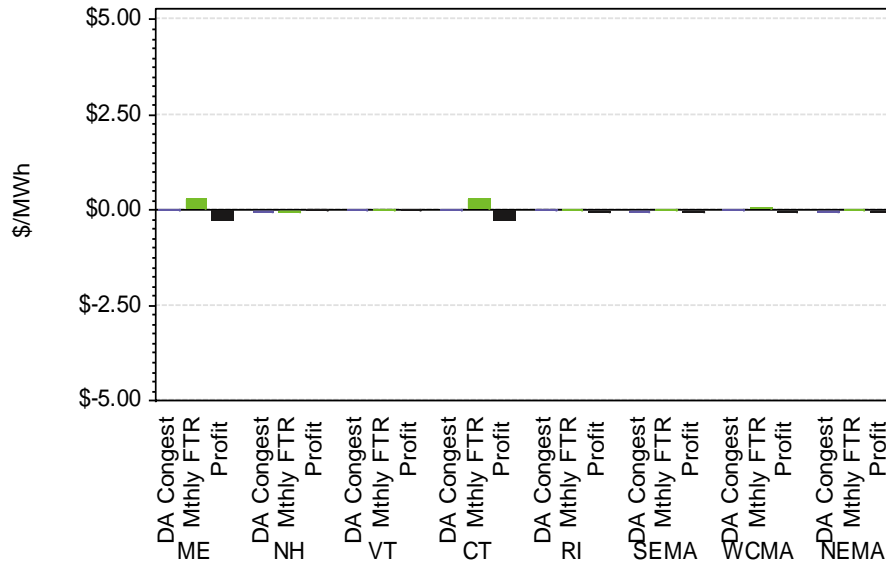
Note that the exhibits are for illustration only, and do not indicate whether FTRs were actually owned by any market participant for the paths shown.

**Monthly Avg Congestion vs. FTR Cost, FEB2010**  
Hub to Load Zones, On-Peak Hours





**Monthly Avg Congestion vs. FTR Cost, FEB2010**  
Hub to Load Zones, Off-Peak Hours



**7.2 Profitability of Monthly FTRs, 13 Mos. Ending February 2010, On-Peak Hours, in \$/MWh, from Hub to Load Zones**

A comparison of the “profitability” or the success of the hedge that the illustrated FTRs provided over the last thirteen months is presented below.

Hub to	Month	Avg DA Congest	FTR Path Cost	FTR Profit
ME	Feb-09	-\$0.62	-\$0.45	-\$0.16
ME	Mar-09	-\$0.53	-\$0.45	-\$0.08
ME	Apr-09	-\$0.16	-\$0.52	\$0.36
ME	May-09	-\$0.14	-\$0.29	\$0.15
ME	Jun-09	-\$1.15	-\$0.43	-\$0.71
ME	Jul-09	-\$0.34	-\$0.33	-\$0.01
ME	Aug-09	-\$0.01	-\$0.33	\$0.32
ME	Sep-09	\$0.00	-\$0.34	\$0.34
ME	Oct-09	-\$0.06	-\$0.24	\$0.18
ME	Nov-09	-\$0.44	-\$0.48	\$0.04
ME	Dec-09	-\$0.39	-\$0.13	-\$0.26
ME	Jan-10	-\$0.01	-\$0.21	\$0.20
ME	Feb-10	-\$0.10	-\$0.18	\$0.08

Hub to	Month	Avg DA Congest	FTR Path Cost	FTR Profit
NH	Feb-09	-\$0.35	-\$0.09	-\$0.27
NH	Mar-09	-\$0.43	-\$0.12	-\$0.31
NH	Apr-09	\$0.03	-\$0.21	\$0.24
NH	May-09	-\$0.29	-\$0.10	-\$0.18
NH	Jun-09	-\$0.33	-\$0.21	-\$0.12
NH	Jul-09	-\$0.37	-\$0.16	-\$0.21
NH	Aug-09	-\$0.06	-\$0.19	\$0.13
NH	Sep-09	\$0.07	-\$0.24	\$0.31
NH	Oct-09	\$0.05	-\$0.17	\$0.22
NH	Nov-09	-\$0.09	-\$0.23	\$0.14
NH	Dec-09	\$0.02	\$0.00	\$0.02
NH	Jan-10	\$0.00	\$0.00	\$0.00
NH	Feb-10	\$0.03	\$0.01	\$0.02

Hub to	Month	Avg DA Congest	FTR Path Cost	FTR Profit
VT	Feb-09	-\$0.14	\$0.27	-\$0.40
VT	Mar-09	\$0.29	\$0.19	\$0.10
VT	Apr-09	\$0.17	\$0.25	-\$0.08
VT	May-09	-\$0.38	\$0.10	-\$0.49
VT	Jun-09	\$0.12	\$0.16	-\$0.04
VT	Jul-09	-\$0.40	\$0.15	-\$0.55
VT	Aug-09	-\$0.05	\$0.17	-\$0.21
VT	Sep-09	\$0.08	-\$0.13	\$0.21
VT	Oct-09	\$0.07	\$0.01	\$0.06
VT	Nov-09	\$0.07	\$0.11	-\$0.04
VT	Dec-09	\$0.04	\$0.09	-\$0.05
VT	Jan-10	-\$0.01	\$0.08	-\$0.09
VT	Feb-10	\$0.02	\$0.05	-\$0.03

Hub to	Month	Avg DA Congest	FTR Path Cost	FTR Profit
CT	Feb-09	\$0.06	\$2.00	-\$1.94
CT	Mar-09	\$105	\$143	-\$0.38
CT	Apr-09	\$3.37	\$149	\$188
CT	May-09	\$160	\$170	-\$0.10
CT	Jun-09	\$103	\$3.27	-\$2.24
CT	Jul-09	\$2.81	\$2.53	\$0.29
CT	Aug-09	\$0.95	\$2.23	-\$1.28
CT	Sep-09	\$0.56	\$2.20	-\$1.64
CT	Oct-09	\$0.13	\$2.21	-\$2.08
CT	Nov-09	\$0.83	\$1.71	-\$0.88
CT	Dec-09	\$126	\$148	-\$0.22
CT	Jan-10	\$0.44	\$160	-\$1.16
CT	Feb-10	\$0.34	\$150	-\$1.16

Hub to	Month	Avg DA Congest	FTR Path Cost	FTR Profit
RI	Feb-09	\$0.03	-\$0.11	\$0.14
RI	Mar-09	-\$0.10	-\$0.05	-\$0.05
RI	Apr-09	-\$0.06	-\$0.14	\$0.09
RI	May-09	\$0.06	-\$0.08	\$0.14
RI	Jun-09	-\$0.23	-\$0.03	-\$0.20
RI	Jul-09	-\$0.16	-\$0.10	-\$0.06
RI	Aug-09	\$0.12	-\$0.04	\$0.17
RI	Sep-09	\$0.02	-\$0.05	\$0.07
RI	Oct-09	\$0.00	-\$0.02	\$0.02
RI	Nov-09	-\$0.24	-\$0.30	\$0.05
RI	Dec-09	\$0.07	-\$0.11	\$0.18
RI	Jan-10	\$0.05	\$0.08	-\$0.03
RI	Feb-10	\$0.05	\$0.06	-\$0.01

Hub to	Month	Avg DA Congest	FTR Path Cost	FTR Profit
SEMA	Feb-09	\$2.31	\$0.55	\$176
SEMA	Mar-09	\$0.61	\$105	-\$0.44
SEMA	Apr-09	\$0.24	\$0.66	-\$0.42
SEMA	May-09	\$165	\$105	\$0.60
SEMA	Jun-09	-\$0.17	\$154	-\$1.71
SEMA	Jul-09	-\$0.11	\$1.12	-\$1.23
SEMA	Aug-09	\$0.15	-\$0.09	\$0.24
SEMA	Sep-09	\$0.01	-\$0.05	\$0.06
SEMA	Oct-09	\$0.00	-\$0.03	\$0.02
SEMA	Nov-09	-\$0.12	-\$0.16	\$0.04
SEMA	Dec-09	\$0.03	-\$0.09	\$0.12
SEMA	Jan-10	\$0.02	\$0.04	-\$0.02
SEMA	Feb-10	\$0.03	\$0.07	-\$0.04

Hub to	Month	Avg DA Congest	FTR Path Cost	FTR Profit
WCMA	Feb-09	\$0.03	\$0.20	-\$0.17
WCMA	Mar-09	\$0.52	\$0.15	\$0.37
WCMA	Apr-09	\$0.21	\$0.14	\$0.07
WCMA	May-09	\$0.30	\$0.20	\$0.10
WCMA	Jun-09	\$0.24	\$0.27	-\$0.03
WCMA	Jul-09	\$0.02	\$0.31	-\$0.29
WCMA	Aug-09	-\$0.04	\$0.30	-\$0.33
WCMA	Sep-09	\$0.28	\$0.13	\$0.15
WCMA	Oct-09	\$0.10	\$0.18	-\$0.08
WCMA	Nov-09	\$0.15	\$0.14	\$0.01
WCMA	Dec-09	\$0.43	\$0.14	\$0.29
WCMA	Jan-10	\$0.30	\$0.23	\$0.06
WCMA	Feb-10	\$0.30	\$0.34	-\$0.04

Hub to	Month	Avg DA Congest	FTR Path Cost	FTR Profit
NEMA	Feb-09	\$0.05	-\$0.16	\$0.21
NEMA	Mar-09	-\$0.07	-\$0.08	\$0.01
NEMA	Apr-09	-\$0.10	-\$0.16	\$0.06
NEMA	May-09	\$0.27	-\$0.10	\$0.37
NEMA	Jun-09	-\$0.33	-\$0.01	-\$0.33
NEMA	Jul-09	-\$0.22	\$0.10	-\$0.32
NEMA	Aug-09	-\$0.09	\$0.00	-\$0.09
NEMA	Sep-09	\$4.41	\$0.17	\$4.24
NEMA	Oct-09	-\$0.02	\$0.34	-\$0.35
NEMA	Nov-09	-\$0.11	\$0.32	-\$0.44
NEMA	Dec-09	\$0.03	\$0.09	-\$0.07
NEMA	Jan-10	\$0.02	\$0.23	-\$0.21
NEMA	Feb-10	\$0.03	\$0.21	-\$0.18

## 8. Auction Revenue Rights

Auction Revenue is allocated to two main categories. First, it is allocated in the form of Qualified Upgrade Awards (QUAs) to entities, which, by paying for transmission upgrades, have increased the transfer capability of the NEPOOL transmission system and have enabled more FTRs to be available in the FTR auction. Second, it is allocated through the Auction Revenue Rights (ARR) process, where it is primarily received by congestion paying load-serving entities (LSEs). The majority of auction revenue is allocated through the ARR process.

The ARR process allocates dollars to:

- *Excepted Transactions* – special grandfathered transactions (listed in Attachment G of NEPOOL Tariff)
- *NEMA Contracts* – other long-term contracts having delivery in Northeastern Massachusetts.
- *Long-Term Firm Through or Out Service*.
- *Load Share* – the proportional Real-Time Load Obligation share of Congestion paying entities at the time of the pool’s coincident peak for the month.

The following table provides a more detailed view of how auction revenues are allocated through the ARR and QUA process by including the dollars allocated to each component of the ARR process for each of the last 13 months.

Month	Net FTR Auction Revenue	Excepted Transactions	NEMA Contracts	Load Share	Total ARR Allocation	QUA Allocation	Total Auction Distribution
Feb-09	-\$5,680,160	\$1	\$9,724	\$5,373,811	\$5,383,536	\$296,624	\$5,680,160
Mar-09	-\$6,182,870	\$9	\$10,774	\$6,004,591	\$6,015,375	\$167,496	\$6,182,870
Apr-09	-\$6,002,846	\$5	\$10,783	\$5,755,131	\$5,765,919	\$236,927	\$6,002,846
May-09	-\$5,701,646	\$35	\$10,600	\$5,514,203	\$5,524,839	\$176,807	\$5,701,646
Jun-09	-\$6,160,789	\$5	\$11,756	\$5,958,095	\$5,969,857	\$190,933	\$6,160,789
Jul-09	-\$6,363,886	\$82	\$12,425	\$6,143,985	\$6,156,493	\$207,394	\$6,363,886
Aug-09	-\$6,243,051	\$16	\$12,975	\$5,998,430	\$6,011,421	\$231,630	\$6,243,051
Sep-09	-\$5,722,402	\$98	\$19,540	\$5,456,123	\$5,475,761	\$246,641	\$5,722,402
Oct-09	-\$5,808,904	\$162	\$22,901	\$5,619,528	\$5,642,591	\$166,313	\$5,808,904
Nov-09	-\$5,272,574	\$27	\$11,528	\$4,819,705	\$4,831,260	\$441,314	\$5,272,574
Dec-09	-\$5,224,808	\$51	\$10,231	\$4,964,017	\$4,974,299	\$250,509	\$5,224,808
Jan-10	-\$2,462,820	\$237	\$12,993	\$2,232,496	\$2,245,725	\$217,095	\$2,462,820
Feb-10	-\$2,257,994	\$149	\$12,249	\$1,930,088	\$1,942,486	\$315,508	\$2,257,994

The following table displays the total distribution of ARR dollars to the various Load Zones for each of the last 13 months. The sum across zones totals to the ‘Total ARR Allocation’ column in the preceding table.

Month	ME	NH	VT	CT	RI	SEMA	WCMA	NEMA
Feb-09	\$169,013	\$138,514	\$178,499	\$2,569,447	\$27,207	\$1,629,785	\$377,972	\$293,099
Mar-09	\$172,348	\$139,750	\$195,212	\$2,710,254	\$29,762	\$2,031,582	\$404,728	\$331,739
Apr-09	\$144,952	\$136,074	\$197,040	\$2,717,564	\$28,915	\$1,790,319	\$418,299	\$332,755
May-09	\$143,058	\$121,214	\$173,781	\$2,591,256	\$25,662	\$1,780,538	\$387,417	\$301,914
Jun-09	\$130,571	\$120,208	\$178,342	\$2,887,251	\$27,919	\$1,904,032	\$392,977	\$328,556
Jul-09	\$134,948	\$119,847	\$175,279	\$3,058,586	\$28,258	\$1,856,143	\$421,166	\$362,266
Aug-09	\$156,493	\$125,587	\$181,251	\$3,194,002	\$38,130	\$1,497,434	\$444,888	\$373,636
Sep-09	\$133,895	\$114,827	\$159,931	\$2,804,172	\$31,821	\$1,444,257	\$385,954	\$400,904
Oct-09	\$128,761	\$113,510	\$165,367	\$2,906,201	\$29,876	\$1,486,672	\$395,869	\$416,335
Nov-09	\$117,487	\$109,703	\$164,424	\$2,315,236	\$25,400	\$1,432,589	\$344,833	\$321,588
Dec-09	\$116,197	\$115,024	\$163,620	\$2,408,816	\$25,906	\$1,481,683	\$354,043	\$309,010
Jan-10	\$106,560	\$37,371	\$36,336	\$1,473,413	\$35,022	\$72,611	\$216,456	\$267,957
Feb-10	\$117,657	\$30,038	\$29,142	\$1,259,181	\$28,572	\$63,185	\$199,717	\$214,993

## 8.1 For More Information

The market rules governing the FTR auctions can be found in Section III.7 “Financial Transmission Rights Auctions” of the ISO’s Market Rule 1 located at:

[http://www.iso-ne.com/regulatory/tariff/sect\\_3/index.html](http://www.iso-ne.com/regulatory/tariff/sect_3/index.html)

The business rules and procedures for FTR Auction Revenue Settlement for February can be found in Section 7 and the Qualified Upgrade Award procedures can be found in Section 8 of the ISO’s Manual 6 – Financial Transmission Rights located at:

[http://www.iso-ne.com/rules\\_proceeds/isone\\_mnls/index.html](http://www.iso-ne.com/rules_proceeds/isone_mnls/index.html)

The methodology for and details of ARR Contracts can be found at:

[http://www.iso-ne.com/markets/othrmkts\\_data/ftr/arr\\_info/index.html](http://www.iso-ne.com/markets/othrmkts_data/ftr/arr_info/index.html)

## 9. Reserve Markets

### 9.1 Reserve Market Summary

The seventh Forward Reserve Market Auction, covering the Winter 2009/10 Procurement Period (October-May) cleared on August 27. The results may be found on the ISO's website at the following link: [http://www.iso-ne.com/markets/othrmkts\\_data/res\\_mkt/summ/index.html](http://www.iso-ne.com/markets/othrmkts_data/res_mkt/summ/index.html).

Participants must meet their cleared portfolio-based obligations by assigning them to eligible generating or dispatchable asset related demand through offering or bidding them into the Energy Market at a \$/MWh rate that is greater than or equal to the Forward Reserve Threshold Price. For the month of February 2010, the threshold price was set at \$104.88.

### 9.2 Forward Reserve Market Results

Each month, the ISO calculates an individual hourly Forward Reserve Payment Rate for each reserve product and reserve zone by reducing (on a \$/MWh basis) its auction clearing price by the monthly ICAP Transition Rate for Unforced Capacity in effect for that month. Payments will be further reduced by any Failure-to-Reserve or Failure-to-Activate Penalties. FRM payments by reserve zone made during the month are shown in the following table. These figures are preliminary and subject to revision during the Settlement process.

#### 9.2.1 FRM Payment Summary by Reserve Zone, February 2010

Reserve Zone	Reserve Product	Max FRM Payment	Final FRM Credits	Failure to Reserve Penalties	Failure to Activate Penalties	Total FRM Performance	Pct. of Max.
SYSTEM	TMNSR	\$1,683,680	\$1,641,791	-\$62,875	-\$4,923	\$1,573,993	93%
SYSTEM	TMOR	\$11,588,005	\$11,501,836	-\$129,250	\$0	\$11,372,587	98%
SYSTEM	TOTAL	\$13,271,685	\$13,143,627	-\$192,125	-\$4,923	\$12,946,579	98%
ROS	TMNSR	\$1,683,680	\$1,641,791	-\$62,875	-\$4,923	\$1,573,993	93%
ROS	TMOR	\$0	\$0	\$0	\$0	\$0	n/a
ROS	TOTAL	\$1,683,680	\$1,641,791	-\$62,875	-\$4,923	\$1,573,993	93%
SWCT	TMNSR	\$0	\$0	\$0	\$0	\$0	n/a
SWCT	TMOR	\$4,220,820	\$4,177,444	-\$65,062	\$0	\$4,112,382	97%
SWCT	TOTAL	\$4,220,820	\$4,177,444	-\$65,062	\$0	\$4,112,382	97%
CT	TMNSR	\$0	\$0	\$0	\$0	\$0	n/a
CT	TMOR	\$7,367,185	\$7,324,392	-\$64,188	\$0	\$7,260,205	99%
CT	TOTAL	\$7,367,185	\$7,324,392	-\$64,188	\$0	\$7,260,205	99%
NEMABSTN	TMNSR	\$0	\$0	\$0	\$0	\$0	n/a
NEMABSTN	TMOR	\$0	\$0	\$0	\$0	\$0	n/a
NEMABSTN	TOTAL	\$0	\$0	\$0	\$0	\$0	n/a

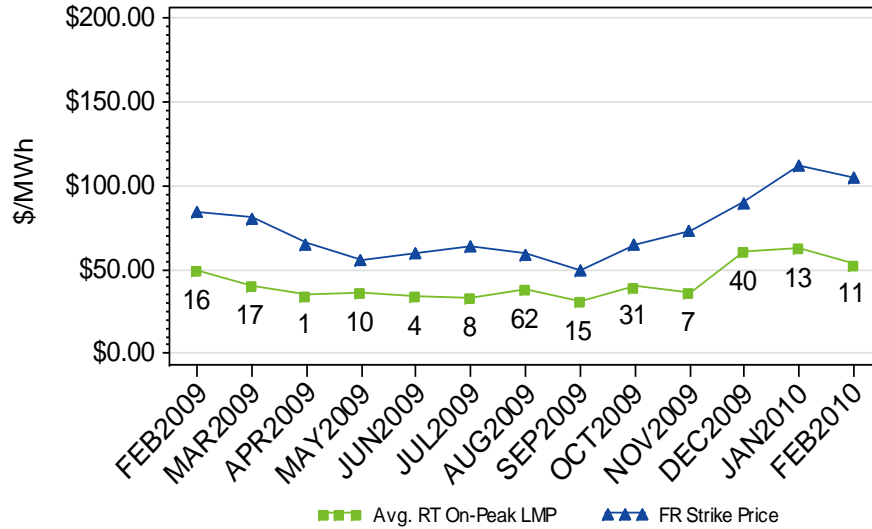
The ISO allocates Forward Reserve Credits, net of Forward Reserve Failure-to-Reserve Penalties and Forward Reserve Failure-to-Activate Penalties, to each Load Zone. FRM charges allocated to each Load Zone during the month are shown in the following table. These figures are also preliminary and subject to revision during the Settlement process.

9.2.2 FRM Charge Summary by Load Zone, February 2010

Load Zone	Reserve Product	FRM Charge
ME	TMNSR	\$102,847
ME	TMOR	\$0
ME	ALL	\$102,847
NH	TMNSR	\$106,874
NH	TMOR	\$0
NH	ALL	\$106,874
VT	TMNSR	\$55,665
VT	TMOR	\$0
VT	ALL	\$55,665
CT	TMNSR	\$686,065
CT	TMOR	\$11,372,587
CT	ALL	\$12,058,652
RI	TMNSR	\$75,607
RI	TMOR	\$0
RI	ALL	\$75,607
SEMA	TMNSR	\$137,870
SEMA	TMOR	\$0
SEMA	ALL	\$137,870
WCMA	TMNSR	\$169,035
WCMA	TMOR	\$0
WCMA	ALL	\$169,035
NEMA	TMNSR	\$240,029
NEMA	TMOR	\$0
NEMA	ALL	\$240,029
ALL	TMNSR	\$1,573,993
ALL	TMOR	\$11,372,587
ALL	ALL	\$12,946,579

**9.3 Real-Time On-Peak LMP vs. Forward Reserve Threshold Price, Last 13 Mos.**

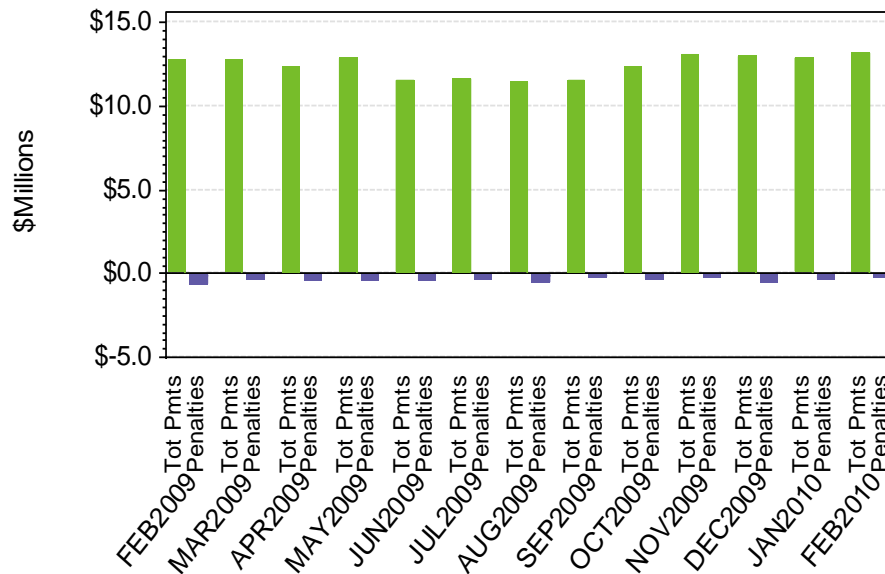
**On-Peak LMP Average vs. Forward Reserve Strike/Threshold Price  
13 Mos. Ending February 2010**



Number of times hourly RT LMP exceeded strike/threshold price during on-peak hours noted

**9.4 Composition of Forward Reserve Market Payments, Last 13 Mos.**

**Monthly Forward Reserve Market Payments  
By Component, 13 Mos. Ending, February 2010**



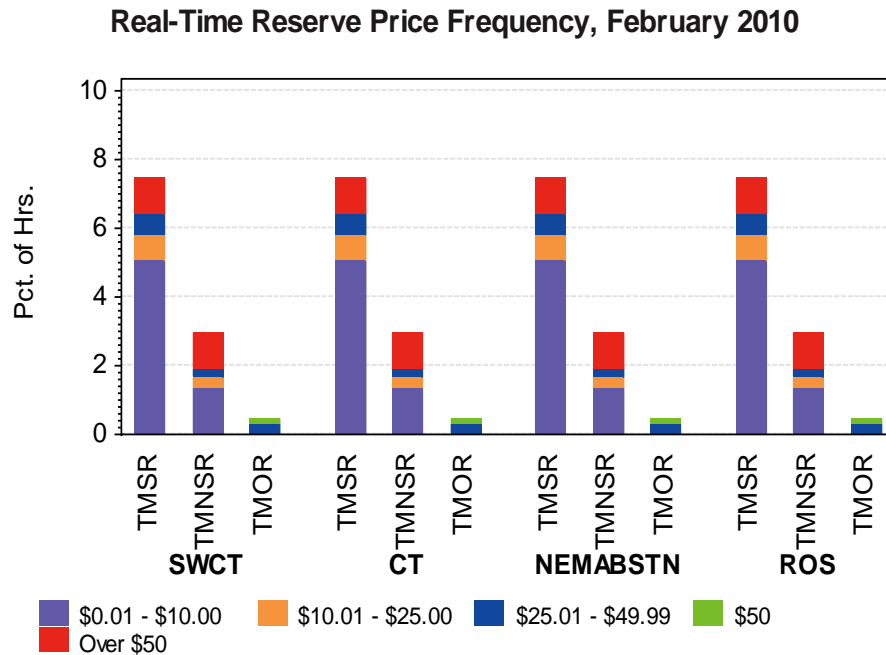
## 9.5 Real-Time Reserve Markets

Resources that are providing Real-Time Reserves are designated in the ISO's Energy Management System. When reserves are ample, the Real-Time Reserve price is \$0. However, if there is a shortage of available reserves in a reserve zone or system-wide or reserve requirements are met through a re-dispatch of the system, non-zero Real-Time Reserve prices can result.

During the month, there were non-zero real-time reserve prices in 50 separate hours. On a reserve zone basis, non-zero prices occurred thus: CT-50 hours; NEMABSTN-50 hours; ROS-50 hours; SWCT-50 hours. The total compensation paid to assets providing real-time reserves during February 2010, and reductions in those payments for the Forward Reserve Obligation Charge are shown in the following table:

Reserve Zone	Real-Time Reserve Credits	Fwd Reserve Obligation Charges	Net Real-Time Reserve Payments
SYSTEM	\$1,187,077	(\$196,040)	\$991,037
ROS	\$918,472	(\$196,040)	\$722,432
SWCT	\$60,245	\$0	\$60,245
CT	\$112,870	\$0	\$112,870
NEMABSTN	\$95,490	\$0	\$95,490

The following chart shows the frequency (in percent of total hours in the month) that there were non-zero reserve market prices by reserve zone and market product.





## 9.6 For More Information

The market rules governing the Forward Reserve Market can be found in Section III.9 “Forward Reserve Market” of the ISO’s Market Rule 1 located at:

[http://www.iso-ne.com/regulatory/tariff/sect\\_3/index.html](http://www.iso-ne.com/regulatory/tariff/sect_3/index.html)

The market rules governing Real-Time Reserve can be found in Section III.10 “Real-Time Reserve” of the ISO’s Market Rule 1 located at:

[http://www.iso-ne.com/regulatory/tariff/sect\\_3/index.html](http://www.iso-ne.com/regulatory/tariff/sect_3/index.html)

The business rules and procedures for forward and real-time reserve can be found in the ISO’s Manual 28 –Market Rule 1 Accounting located at:

[http://www.iso-ne.com/rules\\_proceeds/ison\\_e\\_mnls/index.html](http://www.iso-ne.com/rules_proceeds/ison_e_mnls/index.html)

Information about the monthly forward reserve auctions and assumptions can be found on the ISO’s web site at:

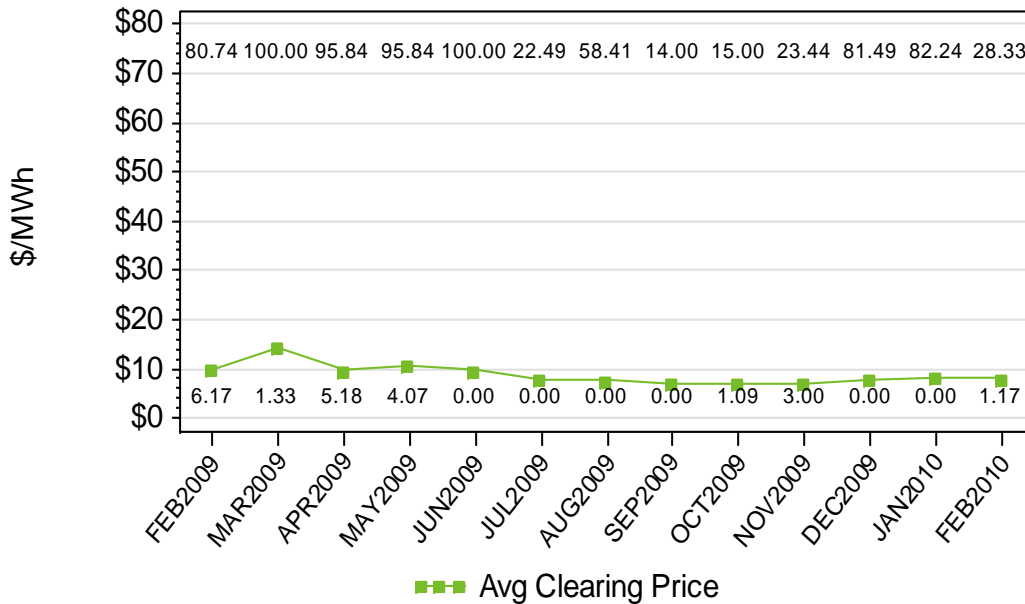
[http://www.iso-ne.com/markets/othrmkts\\_data/res\\_mkt/index.html](http://www.iso-ne.com/markets/othrmkts_data/res_mkt/index.html)

## 10. Regulation Market

Regulation, or Automatic Generation Control (AGC), is necessary to balance supply levels against second-to-second variations in demand. On October 1, 2005, the ISO implemented a new Regulation market featuring several modifications to the market design in place since March 2003. This market design replaced the existing day-ahead methodology for calculating the Regulation clearing price with a real-time pricing methodology. The new design also pays units providing regulation service a performance-based component. Finally, the new approach pays units any unit-specific out-of-merit or lost opportunity costs incurred by a generator while providing regulation service.

### 10.1 Monthly Average of Hourly Regulation Market Clearing Price, Last 13 Months

**Monthly Regulation Clearing Price**  
13 Months Ending February 2010



Value of monthly maximum and minimum clearing price also shown

### 10.2 Monthly Regulation Market Clearing Price Statistics, Last 13 Months

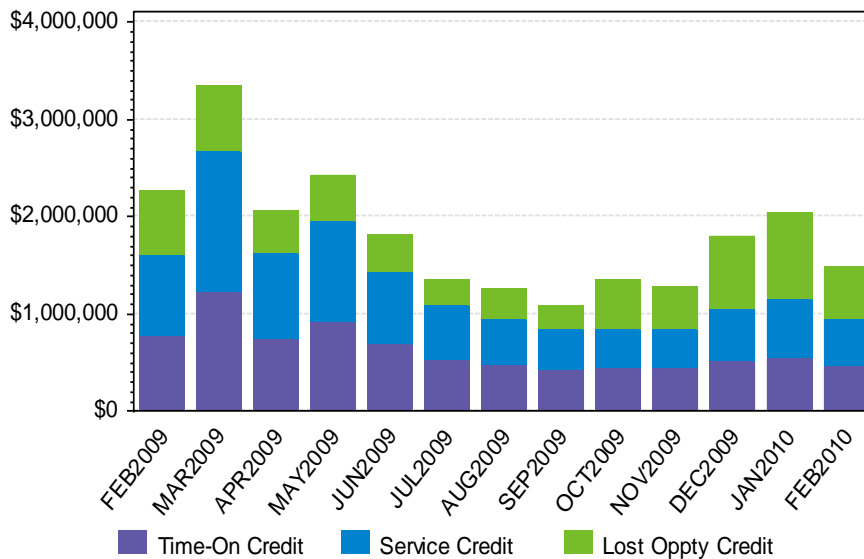
Month	On-Peak Clearing Price Statistics			
	Mean	Max	Min	StdDev
Feb-09	\$9.43	\$73.48	\$6.41	\$4.21
Mar-09	\$13.33	\$98.67	\$1.33	\$13.11
Apr-09	\$9.38	\$79.91	\$5.18	\$5.15
May-09	\$9.91	\$80.91	\$4.07	\$7.18
Jun-09	\$8.45	\$95.84	\$0.00	\$5.42
Jul-09	\$7.86	\$22.49	\$0.00	\$2.13
Aug-09	\$8.30	\$58.41	\$1.50	\$4.90
Sep-09	\$7.03	\$14.00	\$0.00	\$1.18
Oct-09	\$7.13	\$13.74	\$5.62	\$1.07

Month	On-Peak Clearing Price Statistics			
	Mean	Max	Min	StdDev
Nov-09	\$7.31	\$23.44	\$5.12	\$1.57
Dec-09	\$7.58	\$23.26	\$0.00	\$2.43
Jan-10	\$7.96	\$33.65	\$0.00	\$3.40
Feb-10	\$8.05	\$28.33	\$1.17	\$2.83

Month	Off-Peak Clearing Price Statistics			
	Mean	Max	Min	StdDev
Feb-09	\$10.07	\$80.74	\$6.17	\$7.56
Mar-09	\$15.39	\$100.00	\$6.84	\$16.65
Apr-09	\$9.97	\$95.84	\$6.25	\$8.38
May-09	\$11.12	\$95.84	\$6.50	\$13.00
Jun-09	\$10.89	\$100.00	\$5.96	\$12.02
Jul-09	\$8.02	\$15.00	\$5.49	\$1.87
Aug-09	\$7.03	\$12.01	\$0.00	\$1.05
Sep-09	\$7.12	\$11.00	\$5.45	\$0.73
Oct-09	\$6.88	\$15.00	\$1.09	\$1.07
Nov-09	\$6.93	\$13.66	\$3.00	\$1.31
Dec-09	\$8.12	\$81.49	\$3.67	\$5.01
Jan-10	\$8.69	\$82.24	\$2.68	\$6.38
Feb-10	\$8.06	\$22.00	\$3.00	\$1.82

### 10.3 Components of Monthly Regulation Market Cost, Last 13 Months

**Monthly Regulation Market Cost**  
By Component, 13 Mos. Ending, February 2010



#### **10.4 For More Information**

The market rules governing the Regulation Market can be found in Section III.1.11.5 “Regulation” of the ISO’s Market Rule 1 located at:

[http://www.iso-ne.com/regulatory/tariff/sect\\_3/index.html](http://www.iso-ne.com/regulatory/tariff/sect_3/index.html)

The business rules and procedures for the Regulation Market can be found in the ISO’s Manual 11 – Market Operations located at:

[http://www.iso-ne.com/rules\\_proceeds/isone\\_mnls/index.html](http://www.iso-ne.com/rules_proceeds/isone_mnls/index.html)

Information about current regulation clearing prices can be found on the ISO’s web site at:

[http://www.iso-ne.com/markets/hrly\\_data/res/hourlyRES.do](http://www.iso-ne.com/markets/hrly_data/res/hourlyRES.do)

Selectable hourly historical regulation clearing prices can be found on the ISO’s web site at:

[http://www.iso-ne.com/markets/hst\\_rpts/hstRpts.do?category=Hourly](http://www.iso-ne.com/markets/hst_rpts/hstRpts.do?category=Hourly)

## 11. Marginal Loss Revenue Fund

The Marginal Loss Revenue Fund is allocated back to customers hourly in a pro-rata format based on customer share of the Pool's RT Adjusted Load Obligation. It consists of six components, as displayed in the following formula:

$$\text{Monthly Marginal Loss Revenue} = (-1) * [\text{Loss Revenue (DA+RT)} + \text{Energy Settlement (DA+RT)} + \text{RT Inadvertent Energy Cost} + \text{RT Emergency Energy Sales}]$$

The following table shows the contribution of each component to the Marginal Loss Revenue Fund and the fund total for last thirteen months.

### 11.1 Marginal Loss Revenue Fund by Month, 13 Mos. Ending February 2010

Month	Day-Ahead Energy Stlmnt	Real-Time Energy Stlmnt	Day-Ahead Loss Rev	Real-Time Loss Rev	Real-Time Inadvrt Energy	Real-Time Emergency Energy	Day-Ahead Marginal Loss Total	Real-Time Marginal Loss Total	Marg Loss Rev Fund Total
Feb-09	\$8,419,955	-\$1,112,354	-\$10,992,126	-\$279,980	-\$102,318	\$0	\$2,572,171	\$1,494,652	\$4,066,823
Mar-09	\$7,102,504	-\$52,401	-\$9,398,349	-\$599,212	-\$209,192	\$0	\$2,295,844	\$860,806	\$3,156,650
Apr-09	\$5,450,286	\$575,987	-\$7,170,318	-\$233,046	-\$413,107	\$0	\$1,720,032	\$70,166	\$1,790,198
May-09	\$5,621,231	\$196,305	-\$7,410,079	-\$356,504	-\$218,484	\$0	\$1,788,847	\$378,683	\$2,167,530
Jun-09	\$5,870,743	\$458,192	-\$7,195,282	-\$230,057	-\$113,659	\$0	\$1,324,539	-\$114,476	\$1,210,063
Jul-09	\$6,693,951	\$673,747	-\$7,870,980	-\$479,215	-\$483,434	\$0	\$1,177,029	\$288,903	\$1,465,932
Aug-09	\$7,481,448	\$24,315	-\$10,206,244	-\$806,407	-\$209,349	\$0	\$2,724,796	\$991,441	\$3,716,237
Sep-09	\$3,789,069	\$564,841	-\$6,153,662	-\$241,158	\$351,839	\$0	\$2,364,593	-\$675,522	\$1,689,071
Oct-09	\$6,314,976	-\$1,105,868	-\$8,346,196	-\$203,381	\$835,070	\$0	\$2,031,220	\$474,179	\$2,505,399
Nov-09	\$5,412,765	-\$1,413,926	-\$7,030,981	-\$259,659	\$831,706	\$0	\$1,618,216	\$841,880	\$2,460,096
Dec-09	\$9,302,142	-\$465,981	-\$13,384,276	-\$828,403	\$1,185,681	\$0	\$4,082,134	\$108,703	\$4,190,838
Jan-10	\$10,415,821	-\$394,140	-\$14,737,660	-\$509,627	\$817,404	\$0	\$4,321,839	\$86,363	\$4,408,202
Feb-10	\$8,339,627	-\$1,025,405	-\$11,238,316	-\$429,475	\$1,014,101	\$0	\$2,898,689	\$440,780	\$3,339,469

### 11.2 For More Information

Rules governing the calculation of the Marginal Loss Revenue Fund can be found in Section III.3.2.1 Accounting and Billing of the ISO's Market Rule 1 located at:

[http://www.iso-ne.com/regulatory/tariff/sect\\_3/index.html](http://www.iso-ne.com/regulatory/tariff/sect_3/index.html)

## 12. Installed Capacity

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### 12.1 Installed Capacity Requirement

The monthly Installed Capacity Requirement (ICR), which is based on Northeast Power Coordinating Council (NPCC) Resource Adequacy Standards, is calculated by the ISO prior to the beginning of each Capability Year (June-May) and determines the minimum of amount of installed capacity (unforced) that should be procured for the Control Area each month.

### 12.2 Forward Capacity Market Transition Period

The Forward Capacity Market (FCM) Transition Period began December 1, 2006, and will continue until the first FCM Capacity Commitment Period begins on June 1, 2010. During the FCM Transition Period, all listed Installed Capacity (ICAP) resources will receive a monthly capacity payment based on a fixed rate schedule. The ICAP Transition Rate values for each power year are as follows:

December 1, 2006–May 31, 2007	\$3.05/kW-month
June 1, 2007–May 31, 2008	\$3.05/kW-month
June 1, 2008–May 31, 2009	\$3.75/kW-month
June 1, 2009–May 31, 2010	\$4.10/kW-month

The Transition Period payments made to ICAP resources are allocated to Participants based on the pro-rata share of their average UCAP (Unforced Capacity) Peak Contribution values.

ICAP Transition Payments will be determined for each ICAP resource based on the calculated product of the resource's UCAP rating on the first day of each month and the ICAP Transition Rate in effect during the month. Generating resources, import ICAP transactions, New York Power Authority (NYPA) transactions, Hydro-Quebec Interconnection Capacity Contracts (HQICC), load response assets, and other demand resources (ODRs) are eligible for compensation.

The following table shows the ICR for the last 13-months, along with the amount of installed (unforced) capacity supply (UCAP) that was compensated and any excess supply in relation to the ICR.

MONTH	ICAP REQ'T (ICR) MW	UCAP SUPPLY MW	EXCESS / (DEFICIENCY) MW
Feb-09	34,514	36,582	2,068
Mar-09	35,691	38,631	2,940
Apr-09	35,646	38,607	2,961
May-09	35,679	38,726	3,047
Jun-09	31,834	35,826	3,992
Jul-09	31,821	35,436	3,615
Aug-09	31,823	35,363	3,540
Sep-09	31,809	35,474	3,665
Oct-09	35,206	39,076	3,870
Nov-09	35,204	39,005	3,801
Dec-09	34,004	37,989	3,985
Jan-10	33,991	37,645	3,654
Feb-10	33,980	37,845	3,865

### 12.3 ICAP Payments and Costs

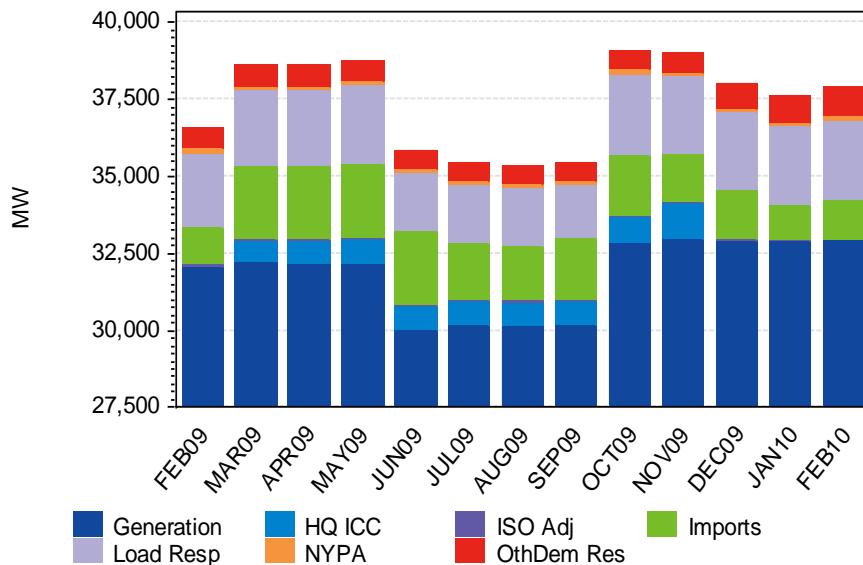
The following table compares the transition payment rate paid per MW of UCAP supply to the cost per MW of Peak Contribution charged to market participants for the last 13-months.

MONTH	UCAP SUPPLY MW	TRANSITION PAYMENT RATE (\$/MW-Mo.)	CAPACITY SUPPLY PAYMENTS (\$)	UCAP PEAK CONTRIB MW	CALCULATED COST RATE (\$/MW-Mo.)
Feb-09	36,582	\$3,750	\$137,183,279	(25,773)	(\$5,323)
Mar-09	38,631	\$3,750	\$144,867,031	(25,773)	(\$5,621)
Apr-09	38,607	\$3,750	\$144,776,526	(25,773)	(\$5,617)
May-09	38,726	\$3,750	\$145,221,631	(25,773)	(\$5,635)
Jun-09	35,826	\$4,100	\$146,888,162	(25,691)	(\$5,717)
Jul-09	35,436	\$4,100	\$145,288,423	(25,691)	(\$5,655)
Aug-09	35,363	\$4,100	\$144,989,562	(25,691)	(\$5,643)
Sep-09	35,474	\$4,100	\$145,444,369	(25,691)	(\$5,661)
Oct-09	39,076	\$4,100	\$160,212,456	(25,691)	(\$6,236)
Nov-09	39,005	\$4,100	\$159,919,713	(25,691)	(\$6,225)
Dec-09	37,989	\$4,100	\$155,756,212	(25,691)	(\$6,063)
Jan-10	37,645	\$4,100	\$154,344,725	(25,691)	(\$6,008)
Feb-10	37,845	\$4,100	\$155,163,894	(25,691)	(\$6,040)

### 12.4 Sources of Installed Capacity

The following graph shows, in MW, the amount of capacity by type in New England during the last 13 months. The subsequent table provides the same data along with monthly totals of UCAP supply and payments, as well as the monthly reserve margin and pool peak contribution MW, which is used in the process of determining allocation of charges in the Forward Capacity Market. The table displays values related to the current Transition Period only.

**Sources of Installed Capacity by Type**  
13 Months Ending February 2010



MONTH	MONTHLY RSV. MARG.	GEN UCAP MW	LR UCAP MW	ODR UCAP MW	IMPORT UCAP MW	NYPA UCAP MW	HQICC UCAP MW	SUPPLY ADJ MW	UCAP SUPPLY MW	ICAP SUPPLY PAYMENT	UCAP PEAK CONTRIB MW
Feb-09	0.51577	32,119	2,419	716	1,177	126	0	25	36,582	\$137,183,279	(25,773)
Mar-09	0.56746	32,183	2,431	716	2,402	131	736	32	38,631	\$144,867,031	(25,773)
Apr-09	0.56548	32,142	2,482	681	2,402	130	736	33	38,607	\$144,776,526	(25,773)
May-09	0.56693	32,145	2,559	654	2,392	131	810	35	38,726	\$145,221,631	(25,773)
Jun-09	0.14203	29,999	1,896	622	2,392	95	810	13	35,826	\$146,888,162	(25,691)
Jul-09	0.14156	30,149	1,911	629	1,819	95	810	24	35,436	\$145,288,423	(25,691)
Aug-09	0.14163	30,142	1,914	633	1,746	95	810	23	35,363	\$144,989,562	(25,691)
Sep-09	0.14113	30,161	1,746	629	1,997	95	835	11	35,474	\$145,444,369	(25,691)
Oct-09	0.59303	32,828	2,618	629	1,997	133	835	37	39,076	\$160,212,456	(25,691)
Nov-09	0.59294	32,947	2,497	629	1,566	133	1,200	34	39,005	\$159,919,713	(25,691)
Dec-09	0.53864	32,932	2,529	804	1,566	128	0	30	37,989	\$155,756,212	(25,691)
Jan-10	0.53805	32,921	2,546	924	1,096	128	0	29	37,645	\$154,344,725	(25,691)
Feb-10	0.53756	32,950	2,560	985	1,296	128	0	(74)	37,845	\$155,163,894	(25,691)

## 12.5 Installed Capacity vs. Unforced Capacity Supply

Resources receiving ICAP supply payments may have a difference between their underlying ICAP supply and their UCAP supply. In some cases the underlying supply MW are adjusted upward, in some cases, downward, and in others no adjustment is made. For Generators and (generator-based) Non-NYPA imports, downward adjustments are made based on equivalent forced outage rates. For Load Response Program (LRP) supply and NYPA imports, an upward adjustment is made based on the monthly reserve margin. For Other Demand Resources (ODRs), an upward adjustment is made based on the annual reserve margin and the transmission and distribution loss factor. No adjustments are made for ISO calculated Supply Adjustment MW and HQICC MW.

The following six tables show the ICAP and UCAP Supply MW in total and for each type of ICAP resource for the last 13 months. When a difference exists between the two values, (an) additional factor(s) that accounts for the difference may also be shown.

MONTH	ICAP SUPPLY MW	UCAP SUPPLY MW
Feb-09	37,241	36,582
Mar-09	39,244	38,631
Apr-09	39,206	38,607
May-09	39,307	38,726
Jun-09	36,715	35,826
Jul-09	36,327	35,436
Aug-09	36,259	35,363
Sep-09	36,390	35,474
Oct-09	39,125	39,076



MONTH	ICAP SUPPLY MW	UCAP SUPPLY MW
Nov-09	39,115	39,005
Dec-09	38,132	37,989
Jan-10	37,792	37,645
Feb-10	37,971	37,845

MONTH	GEN ICAP MW	GEN AVG EFORd	GEN UCAP MW
Feb-09	33,774	4.899%	32,119
Mar-09	33,853	4.932%	32,183
Apr-09	33,807	4.925%	32,142
May-09	33,810	4.922%	32,145
Jun-09	31,235	3.957%	29,999
Jul-09	31,398	3.979%	30,149
Aug-09	31,398	3.999%	30,142
Sep-09	31,399	3.942%	30,161
Oct-09	33,996	3.434%	32,828
Nov-09	34,144	3.507%	32,947
Dec-09	34,146	3.556%	32,932
Jan-10	34,174	3.666%	32,921
Feb-10	34,199	3.651%	32,950

MONTH	LR ICAP MW	NYP A IMPORT ICAP MW	MLY RSV. MARGIN	LR UCAP MW	NYP A IMPORT UCAP MW
Feb-09	1,596	83	0.51577	2,419	126
Mar-09	1,551	83	0.56746	2,431	131
Apr-09	1,585	83	0.56548	2,482	130
May-09	1,633	83	0.56693	2,559	131
Jun-09	1,660	83	0.14203	1,896	95
Jul-09	1,674	83	0.14156	1,911	95
Aug-09	1,677	83	0.14163	1,914	95
Sep-09	1,530	83	0.14113	1,746	95
Oct-09	1,643	83	0.59303	2,618	133
Nov-09	1,567	83	0.59294	2,497	133
Dec-09	1,644	83	0.53864	2,529	128
Jan-10	1,656	83	0.53805	2,546	128
Feb-10	1,665	83	0.53756	2,560	128

MONTH	ODR ICAP MW	ANNUAL RSV. MARGIN	T & D LOSS FACTOR	ODR UCAP MW
Feb-09	576	0.14973	1.08	716
Mar-09	576	0.14973	1.08	716
Apr-09	549	0.14973	1.08	681

MONTH	ODR ICAP MW	ANNUAL RSV. MARGIN	T & D LOSS FACTOR	ODR UCAP MW
May-09	527	0.14973	1.08	654
Jun-09	505	0.14156	1.08	622
Jul-09	510	0.14156	1.08	629
Aug-09	514	0.14156	1.08	633
Sep-09	510	0.14156	1.08	629
Oct-09	510	0.14156	1.08	629
Nov-09	510	0.14156	1.08	629
Dec-09	652	0.14156	1.08	804
Jan-10	749	0.14156	1.08	924
Feb-10	799	0.14156	1.08	985

MONTH	NON-NYPA IMPORT ICAP MW	NON-NYPA IMPORT Avg. EFORD	NON-NYPA IMPORT UCAP MW
Feb-09	1,187	0.809%	1,177
Mar-09	2,412	0.399%	2,402
Apr-09	2,412	0.399%	2,402
May-09	2,409	0.726%	2,392
Jun-09	2,409	0.726%	2,392
Jul-09	1,828	0.510%	1,819
Aug-09	1,755	0.531%	1,746
Sep-09	2,021	1.193%	1,997
Oct-09	2,021	1.193%	1,997
Nov-09	1,576	0.658%	1,566
Dec-09	1,576	0.658%	1,566
Jan-10	1,100	0.339%	1,096
Feb-10	1,300	0.287%	1,296

MONTH	SUPPLY ADJ ICAP MW	HQICC ICAP MW	SUPPLY ADJ UCAP MW	HQICC UCAP MW
Feb-09	25	0	25	0
Mar-09	32	736	32	736
Apr-09	33	736	33	736
May-09	35	810	35	810
Jun-09	13	810	13	810
Jul-09	24	810	24	810
Aug-09	23	810	23	810
Sep-09	11	835	11	835
Oct-09	37	835	37	835
Nov-09	34	1,200	34	1,200
Dec-09	30	0	30	0
Jan-10	29	0	29	0
Feb-10	(74)	0	(74)	0

## 12.6 Capacity Imports, Last 13 Months

The following table shows total monthly ICAP and UCAP MW imported by interface and in total during the last 13 months. Imported capacity (unforced) associated with NYPA contracts are displayed separately, but included in the final total. Currently ICAP imports are not accepted on the Cross Sound Cable DC tie with New York, and so this interface is not reflected in the table.

	HQ-Highgate		New Brunswick		NY AC Ties		HQ-Phase I/II		SUBTOTAL		NYPA	TOTAL
	ICAP MW	UCAP MW	ICAP MW	UCAP MW	ICAP MW	UCAP MW	ICAP MW	UCAP MW	ICAP MW	UCAP MW	UCAP MW	UCAP MW
Feb-09	203	203	0	0	706	697	278	278	1,187	1,177	126	1,304
Mar-09	215	215	427	427	706	697	1,064	1,064	2,412	2,402	131	2,533
Apr-09	215	215	427	427	706	697	1,064	1,064	2,412	2,402	130	2,533
May-09	215	215	626	623	578	564	990	990	2,409	2,392	131	2,522
Jun-09	215	215	626	623	578	564	990	990	2,409	2,392	95	2,487
Jul-09	215	215	561	558	62	56	990	990	1,828	1,819	95	1,914
Aug-09	215	215	488	485	62	56	990	990	1,755	1,746	95	1,841
Sep-09	215	215	637	626	204	191	965	965	2,021	1,997	95	2,092
Oct-09	215	215	637	626	204	191	965	965	2,021	1,997	133	2,130
Nov-09	215	215	417	413	385	379	559	559	1,576	1,566	133	1,698
Dec-09	215	215	417	413	385	379	559	559	1,576	1,566	128	1,694
Jan-10	215	215	26	26	300	297	559	559	1,100	1,096	128	1,224
Feb-10	215	215	226	226	300	297	559	559	1,300	1,296	128	1,424

## 12.7 Bilateral UCAP Transactions

The following table displays the amount and percentage of bilaterals traded for capacity through the ISO in the last 13 months.

MONTH	UCAP SUPPLY MW	BILATERALS FOR CAPACITY	% OF SUPPLY
Feb-09	36,582	2,891	7.9%
Mar-09	38,631	2,780	7.2%
Apr-09	38,607	2,778	7.2%
May-09	38,726	2,724	7.0%
Jun-09	35,826	4,884	13.6%
Jul-09	35,436	4,884	13.8%
Aug-09	35,363	4,884	13.8%
Sep-09	35,474	6,704	18.9%
Oct-09	39,076	5,706	14.6%
Nov-09	39,005	5,706	14.6%
Dec-09	37,989	5,702	15.0%
Jan-10	37,645	4,998	13.3%
Feb-10	37,845	4,998	13.2%

## **12.8 For More Information**

Rules governing Installed Capacity and the Forward Capacity Transition Period can be found in Section III.8 Installed Capacity of the ISO's Market Rule 1 located at:

[http://www.iso-ne.com/regulatory/tariff/sect\\_3/index.html](http://www.iso-ne.com/regulatory/tariff/sect_3/index.html)

A discussion of Installed Capacity business rules can be found in the ISO's Manual 20 – Installed Capacity located on the ISO's web site at:

[http://www.iso-ne.com/rules\\_proceeds/isonel\\_mnl/index.html](http://www.iso-ne.com/rules_proceeds/isonel_mnl/index.html)

A discussion of the calculations involving Installed Capacity and the Forward Capacity Transition Period can be found in the ISO's Manual 28 – Energy Market Accounting located on the ISO's web site at:

[http://www.iso-ne.com/rules\\_proceeds/isonel\\_mnl/index.html](http://www.iso-ne.com/rules_proceeds/isonel_mnl/index.html)

### 13. Document History

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Date	Version	Description
3/15/2010	Original Posting	