In-city Capacity Market Performance
NYSDPS
6/12/2006 ICAPWG Meeting

Based on NYISO posted data, it appears that about 800 MW of NYC capacity went unsold in the spot auctions for May and June 2006. This implies higher prices in both the NYC and statewide capacity markets, compared to an auction where all available NYC supplies had cleared. If all available NYC capacity had been sold, the NYC UCAP price would have dropped by about $7.26/kW-month (from $12.71 to $5.45). In addition, the NYS UCAP price could have dropped by as much as $1.28/kW-month (from $3.12 to $1.84), depending on the bid prices of the accepted offers.

NYC Forecast Peak Load for Summer 2006: 11627.8 MW
In-City Minimum Requirement (ICAP) = 80% * peak: 9302 MW
In-City Minimum Requirement (UCAP) based on 5.42% NYC EFORd: 8798 MW

June 2006 NYC Excess UCAP Sales (above minimum req.): 256 MW
June 2006 Total NYC UCAP Sales: 9054 MW
June 2006 Total NYC ICAP Sales (*assuming* 5.42% NYC EFORd): 9573 MW

NYC Generation (ICAP) as of 4/1/06 (Summer DMNC, per Gold Book): 9525 MW
Astoria SCS (per Gold Book): 500 MW
NYC SCRs (per PRLWG 6/5/06 meeting materials): 350 MW
Total NYC Supplies (ICAP): 10375 MW

Unsold NYC Supplies (ICAP): 802 MW

NYC Reference Price (ICAP): $14.34/kW-month
Length of NYC DC (18% * Minimum ICAP Requirement): 1674 MW
Slope of NYC DC (ICAP): $0.008564/MW

NYC Price Impact of Unsold NYC Supplies (ICAP): $6.87/kW-month
NYC Price Impact of Unsold NYC Supplies (UCAP): $7.26/kW-month

NYS Reference Price (ICAP): $7.09/kW-month
NYS Minimum Requirement (118% * 2006 forecast peak load): 39288 MW
Length of NYS DC (12% * Minimum ICAP Requirement): 4715 MW
Slope of NYS DC (ICAP): $0.001504/MW

NYS Price Impact of Unsold NYC Supplies (ICAP): $1.21/kW-month (maximum)
NYS Price Impact of Unsold NYC Supplies (UCAP, based on 5.43% NYS EFORd): $1.28/kW-month (maximum)
This assumes that the lower price would not have led to reductions in rest-of-state supplies (*i.e.* it assumes the accepted rest-of-state offers were below $1.84/kW-month).

For discussion purposes only