

DRAFT 2004-2005 Shaped Price Caps for Mitigated In-City Generators

Formulas:

Mitigated Summer Price Cap for DGO n:

$$MSPCn = \frac{AMPC/6}{1 + Rn * \frac{DCL - R}{DCL - 1}}$$

Mitigated Winter Price Cap for DGO n:

$$MWPCn = MSPCn * \frac{DCL - R}{DCL - 1}$$

Given Values:

Annual Mitigated Price Cap (ICAP):

AMPC = \$105.00/kW-year

EFORd Value used for UCAP Translation of ICAP Price Caps:

EFORd = 7.03974% = 1 - (5995.1 / 6449.1)

Demand Curve Length (% of NYC ICAP Requirement):

DCL = 118%

Calculated Values: (based on DMNC data from tests performed in Winter 2002-2003 and Summer 2003)

Ratio of In-City Winter Generating Capacities to In-City Summer Generating Capacities:

R = 1.06773

Ratio of *Mitigated* In-City Winter Generating Capacities of DGO n to *Mitigated* In-City Summer Generating Capacities of DGO n:

Rn =	<u>1.04062</u>	<u>1.10134</u>	<u>1.10468</u>
	Keyspan	NRG	Reliant

Results:

	\$/kW-month (ICAP)		\$/kW-month (UCAP)		Actual AMPC {\$/kW-year}	
	MSPCn	MWPCn	MSPCn	MWPCn	ICAP	UCAP
Keyspan	\$10.61	\$6.62	\$11.42	\$7.12	\$104.99	\$112.98
NRG	\$10.37	\$6.47	\$11.16	\$6.96	\$104.97	\$112.95
Reliant	\$10.36	\$6.46	\$11.15	\$6.95	\$104.98	\$112.97