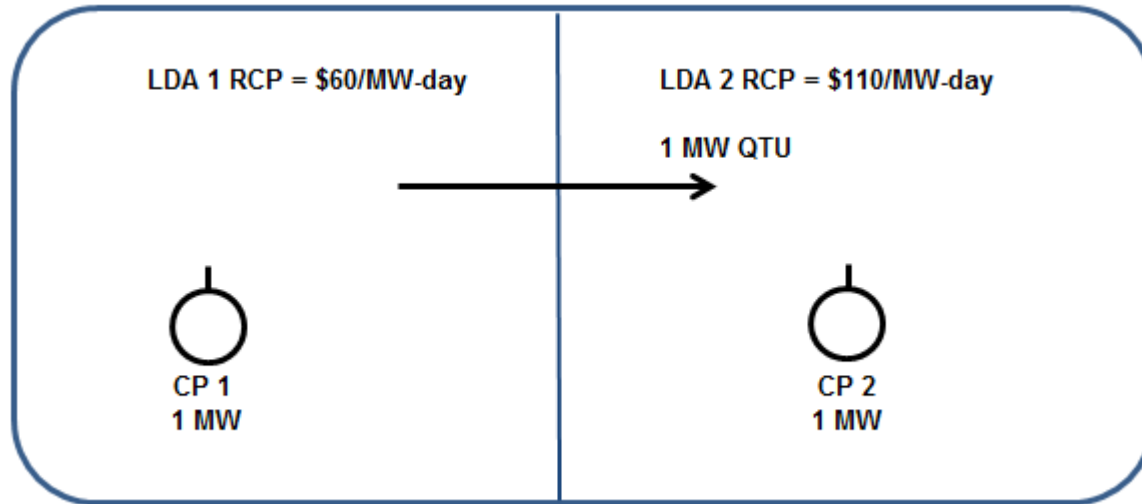




Capacity Deficiency Penalty for Capacity Resources and QTUs

CSTF
1/10/2014

	Capacity Resource (Generation, DR or EE)	QTU
RPM Revenue	Cleared Resource MW * RCP	Cleared QTU MW * (Sink LDA RCP - Source LDA RCP)
Capacity Deficiency Penalty	RCP + greater of [(0.2 * RCP) or (\$20)]	greater of [(2 * (Sink LDA RCP - Source LDA RCP)) or (Sink LDA Net CONE - Source LDA RCP)]
Post Auction Credit Rate	greater of [(0.2 * RCP) or (\$20)]	greater of [(0.2 * Sink LDA RCP) or (\$20)]



	CP 1	CP 2	QTU
RPM Revenue	1 MW * \$60 = \$60/MW-day	1 MW * \$110 = \$110/MW-day	1 MW * (\$110 - \$60) = \$50/MW-day
Capacity Deficiency Penalty	\$60 + greater of [\$12 or \$20] = \$80/MW-day	\$110 + greater of [\$22 or \$20] = \$132/MW-day	greater of [(2*(\$110 - \$60) or (\$277 - \$60)] = \$217/MW-day
Net Penalty	\$80 - \$ 60 = \$20/MW-day	\$132 - \$110 = \$22/MW-day	\$217 - \$50 = \$167/MW-day
Post Auction Credit Rate	greater of [\$12 or \$20] = \$20/MW-day	greater of [\$22 or \$20] = \$22/MW-day	greater of [\$22 or \$20] = \$22/MW-day
Replacement Requirements	Available MWs or cleared Buy Bid located in LDA 1 or LDA 2	Available MWs or cleared Buy Bid located in LDA 2	Available MWs or cleared Buy Bid located in LDA 2