

To: Reliability Committee

From: Robert Ethier, Director, Resource Adequacy and Chief Economist

Date: January 28, 2008

Subject: Forward Capacity Market – Unit Maintenance Allotment Values

At their January 16, 2008 meeting, the Reliability Committee ("RC") voted and passed an amended motion to recommend a set of maintenance allotment values to be used during the first two Capacity Commitment Periods of the Forward Capacity Market (June 1, 2010 through May 31, 2011 and June 1, 2011 through May 31, 2012). The amended motion included a friendly amendment to modify the annual values for all three categories of Simple Cycle Turbine Plants (identified as "Not to Exceed in a Calendar Year" values). In addition, there was a friendly amendment allowing the classification for a subcritical unit having a coal-fired cyclone boiler to be determined after the meeting.

In response, the ISO has worked with its consultant, Stone and Webster Management, Inc., to develop a recommended amount of maintenance hours to allocate to subcritical units having a coal-fired cyclone boiler. In this analysis, it was determined that the additional maintenance required, when compared to a conventional coal-fired steam plant, is similar to the amounts that would be required for a supercritical coal-fired steam plant. Based on this finding, the plant type "Coal Fired Steam Plant – Supercritical" will be expanded to include coal-fired steam plants with a cyclone boiler.

For your reference, the table below reflects the changes as the result of the RC's action on January 16, 2008 and the expansion of the coal-fired unit classification as discussed above.

Generator Type	Not to Exceed EPOH	Over This Many Years	Not to Exceed in a Calendar Year
Coal Fired Steam Plant – Subcritical	7,200	9	1,400
Coal Fired Steam Plant – Supercritical and Cyclone Boilers	8,400	9	1,700
Oil and Dual fired Steam Plant - Subcritical	6,500	9	1,400
Oil and Dual fired Steam Plant - Supercritical	7,700	9	1,700
Natural Gas Fired Steam Plant	6,500	9	1,400
Waste Fuel Fired Steam Plant	6,500	9	1,400
Combined Cycle Combustion Turbine Plant	5,000	9	1,400
Natural Gas Simple Cycle Turbine Plant	1,200	3	1,000
Jet Fuel Fired Simple Cycle Turbine Plant	1,200	3	1,000
Oil Fired Simple Cycle Turbine Plant	1,700	3	1,100
Internal Combustion Engine Plant	1,600	3	1,100
Nuclear Power Plant	2,500	3	1,400
Hydro Power Plant	6,900	10	2,000
Pumped Storage Power Plant	6,900	10	2,000

CC: Markets Committee
 Power Supply Planning Committee