Harvard Electricity Policy Group
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Too Little Money
and
Too Little Commitment
SP-15 Forward Curve (2006)

Date
0 5/15/02 5/20/02 5/25/02 5/30/02 6/4/02 6/9/02 6/14/02 6/19/02 6/24/02 6/29/02 7/4/02 7/9/02 7/14/02 7/19/02 7/24/02 7/29/02 8/3/02 8/8/02 8/13/02 8/18/02 8/23/02 8/28/02 9/2/02 9/7/02 9/12/02 9/17/02 9/22/02 9/27/02 10/2/02 10/7/02 10/12/02 10/17/02 10/22/02 10/27/02 11/1/02 11/6/02 11/11/02 11/16/02 11/21/02 11/26/02 12/1/02 12/6/02 12/11/02 12/16/02 12/21/02 12/26/02 12/31/02 1/5/03 1/10/03 1/15/03 1/20/03 1/25/03 1/30/03 2/4/03 2/9/03 2/14/03 2/19/03 2/24/03 3/1/03 3/6/03 3/11/03 3/16/03 3/21/03 3/26/03 3/31/03 4/5/03 4/10/03 4/15/03 4/20/03 4/25/03 4/30/03 5/5/03 5/10/03 5/15/03

Spark Spread ($/MWh)
0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28

SP-15 Forward Curve (2006)

On Peak

All Hours
Contracting Portfolio

- **Pricing**
  - Fixed
  - Multi Variable
  - Index

- **Term**
  - Spot
  - Mid
  - Long
Is an ICAP an Efficient Mechanism?

- Valuation Forecast
- Reliable
- Risk Mitigation
- Compared to What?
Monthly Auction Results for UCAP (NYC)
Back To The Future
What’s Important?

• Contracts
• Contracts
• Contracts
• How Much/How Long?