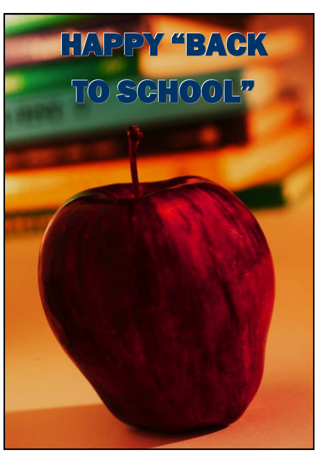
LYNX ELECTRIC CURRENTS

SEPTEMBER 2014 NEWSLETTER

INSIDE THIS ISSUE



EDITOR'S NOTE

The summer is history and natural gas prices are relatively stable hovering around $3.80's per MMBTU. Injection of natural gas is still slightly behind last year after being depleted by the severe winter. It appears gas output will remain high as forecasters project mild weather and little hurricane activity this fall. Because so much of the natural gas production is now supplied by Marcellus Shale, the Gulf of Mexico plays a lesser role than in previous years, therefore weather and hurricanes are not the major influencer for cost. Some of you may remember back in 2008 natural gas prices hit $14.50 per MMBTU. If you are purchasing gas futures this may be a good time to lock in some prices and protect yourself against higher prices this winter.

Across the country nature is beginning to treat us to the fall colors as leaves make their transformation. Once again the yellow buses travel the roads picking up their precious cargo. People are thinking about, and in some cases dreading, the upcoming winter heating bills. Regulators, FERC and utility officials as well as suppliers are trying to understand all of the new rules and regulations. Most importantly the market is trying to avoid price spikes and problems experienced last winter. Some states have outright banned variable pricing while others have made it so restrictive it has become unmanageable. Trade associations, such as NEMA, are developing model hedging programs. Those programs should provide protection for all parties. It is interesting to note while some new gas pipelines are being built the base problem still remains. EPA has forced the closing of too many coal plants because of new regulations, compliance costs or potential fines. Those regulations should be placed on hold until natural gas is upgraded and has sufficient capacity. Without infrastructure improvements, cost will rise and consumers will be burdened with high prices once again.

US ENERGY MARKETS

Exelon has a made purchase offer for Integrys for $60 million (plus adjusted net working capital). Integrys currently provides retail gas and electric to 1.2 million customers in 22 states. The purchase will roll Integrys in with Exelon subsidiary Constellation Energy pending approval by FERC, US Department of Justice and the various state regulatory agencies. Integrys CEO Charles Sebrock stated the company has a strong presence in the northeast US and expects continued success in joining Constellation.

RESA will be conducting an Energy Symposium in Columbus Ohio this October. Agenda items include the "Polar Vortex" and the resultant new marketing regulations. RESA president Melissa Lauderdale explained that FERC is working with the ISO's/RTO's in an effort to develop policies and rules to reduce the chance of another "Polar Vortex" winter pricing calamity. Faster switching times from one supplier or default utility to other suppliers is central to the changes. New technologies, like smart meters, will impact markets and peak demands modified by customer choice pricing signals. Strategies for hedging, new regulatory rules from the various state PSC's, the latest rules from FERC will also play a role as part of the symposium agenda.

PAPUC has reached a settlement with West Penn Power for $1.3 million. The fine is based on PA Act 129 which states that utilities with customer enrollment over 100,000 must develop an energy efficiency/ conservation program to reduce energy consumption. Based on power sales data, West Pen Power had a goal to reduce 628,160 MWH in 2013. Failure to achieve that number resulted in the fine.

PAPUC is also performing an investigation into retail natural gas sales. The PA OCMO is leading the probe. Items to be included are:

- How do gas markets function?
- Is there adequate competition?
- Is there adequate overview?
- Are the natural gas markets competitive?

Capacity and gas storage is also part of the investigation. Marketing practices time lines, disclosure and related marketing issues will be analyzed so gas markets can provide reliable and cost effective natural gas for PA customers.

FERC UPDATES

Past Chairman Jon Wellinghoff remains involved in FERC policy issues. The latest issue involves regulations for market manipulation as viewed by the Security and Exchange Commission versus FERC. FERC sites language from the 2005 Energy Policy Act, which requires wholesale market outcomes should be "just and reasonable" and avoid schemes and manipulation that adversely impacts markets. Order 670 defines fraud as action that impairs or obstructs a well-functioning market. Mr. Wellinghoff reaffirms that FERC is clearly the electric and natural gas market overseer. At issue is, "what is the definition of fraud"? Previous rulings by FERC such as Barclay's vs. PJM, claimed market manipulation and is currently being challenged in court. Barclay, a British banking firm, has lawyers claiming that Barclay business actions fall under CFTC domain and those market rules have not been violated. Wellinghoff argues that penalties need to be high to discourage bad behavior in the market and to recover fraudulently obtained funds. The definition of fraud, market manipulation and whether FERC has authority will be determined in court.

Members of FERC reported at a recent House Energy Committee regarding the impact of EPA regulations. FERC commissioners point out it is too early to project the impact because each state has the ability to choose their compliance action plan. Commissioner Tony Clark and Commissioner Philip Moeller suggested the EPA regulations will result in dispatching power for economic signals rather than the current model which dispatches for environmental reasons. FERC chairman La Fleur stated that FERC will have to modify their orders to accommodate various state decisions concerning carbon reduction and EPA compliance. RGGI was mentioned as a carbon reducing program used in ISO-NE, NYISO and PJM. Large carbon emitters are required to purchase "Allowances" from a pool of customers that have reduced their carbon output. The transaction results in generating a pool of money which is used to pay for carbon reduction measures. Recent Allowance auctions have decreased, signaling a lagging economy which does have a side benefit of reducing carbon emission. Natural gas is also playing a role as it becomes the prime fossil fuel for generation. FERC is evaluating reliability factors such as run hours of gas turbines above 70% to see if that can be sustained, providing more energy for the grid with existing plants. As a result of the many variables, FERC points out that real time operation is needed before informed and definitive decisions can be made about the latest EPA regulations.

FERC Commissioner Philip Moeller is organizing a natural gas meeting. Among the agenda items is a topic to develop an electronic trading platform for NG trading. Changes are needed according to Mr. Moeller in order for the NG industry to meet the needs of generators.

FERC Commissioner John Norris has tendered his resignation 3 years before his term expires. Mr. Norris will take a new position with Department of Agriculture as the Minister-Counselor of USDA in Rome Italy.

NY STATE UPDATES

IPPNY filed another request with FERC to review "out of market" contracts. The latest dispute involves a 581 MW nuclear plant in Ontario NY. IPPNY is concerned that state backed reliability contracts can result in lower capacity pricing for merchant generators. Nuclear plant coalitions are pushing fuel diversity benefits of nuclear power. Nuclear plants have the ability to lower carbon emission which justifies continued operation of uneconomic nuclear plants such as Ginna, in Rochester. Fuel diversity utilizing nuclear plants helps hedging and provides a cushion from having to use fossil fuels which lowers regional carbon emissions. Must-run uneconomical plants bid in low numbers in the capacity markets so they are selected because of contractual obligations. However the low bids impact overall capacity markets which negatively impacts merchant generators.

In an effort to provide customers more flexibility with power choice purchasing, the NY-PSC is proposing utilities provide faster switching times. Such a move would force utilities to switch customers quicker, so they can shop for cheaper power. The proposal would require the switch time to be reduced to 5 business days from the next meter read. Retailers would have 2 days to submit requests to utilities for supplier switch. The proposal is in response to this past winter's "Polar Vortex" when customers were locked in with their provider for months. Faster switch times will push the market away from variable pricing to either fixed pricing or some form of a hedging pricing in order to retain their customers. Statistically over an annual comparison, variable rates deliver lower prices than fixed. The problem is price spikes from unforeseen sources. Consumers will spend more with a fixed rate, however they will not be hit with crushing price spikes.

FERC continues to stand by their decision of adding the new Lower Hudson Zone in New York. The new zone is being reviewed by the US Court of Appeals Second Circuit Court, after the NY-PSC and NYISO filed appeals for a hearing. FERC states their position is based on dwindling generation capacity and transmission congestion which impacts reliability. NY utilities and the PSC want the new zone rejected. The PSC states that new transmission lines are being built and will mitigate the need for the additional capacity zone. FERC agreed with the PSC that the new zone will raise consumer prices but added it will encourage new generation and avoid capacity shortages in the region. NYISO has asked FERC to allow a phase in to lower the economic impact and allow the new resources approved by the PSC to be developed. Furthermore NY-PSC claims that generators know that new transmission lines are being developed, as a result generators will be reluctant to build new facilities realizing that additional capacity is available from WNY. FERC is concerned about the 2015 to 2018 timeline, pointing out that new transmission lines have not cleared state permit-

PJM UPDATES

Exelon continues to expand their power enterprises with the latest merger with Pepco. Delaware and District of Columbia PSC's are voicing their concern that Exelon will have to much control in the energy market. The corporation has transmission lines, generation facilities distribution companies and if approved retail power suppliers. Exelon with their multiple energy assets will speak with a heavy slant towards generation perhaps at the expense of the other market segments. PJM provides a voice to all of the stakeholders in the region, however having one firm with such a huge diverse vertical market raises the concern that it will dilute the input of other stakeholders. The Office of the People's Council raised concerns that the merger would create a corporation too large to govern. PJM has pointed out that they direct transmission lines, thereby eliminating that potential argument.

The clock is ticking for PJM as the RTO works on capacity issues to allow FERC to make a ruling before the winter season starts in November 2015-2016. Even though that timeline is over 14 months in the future the hearings and various agencies involved requires time to review and modify as needed. Previous rulings by FERC have clarified generators' obligations to procure sufficient fuel and pipeline capacity for natural gas winter needs. Reliability, being a key concept, along with a fuel security requirements remain a major concern. As such, it would require generators to have natural gas contracts in place or have dual fuel capabilities such as gas and oil. The recommended changes will also place more emphasis on winter DR resources for reliability in capacity markets. VP of Government and Regulatory Affairs Joseph Dominguez told stakeholders that a carrot and stick approach may be needed to get compliance. Such a move could signal higher compensation for winter DR participants along with stiffer penalties for non-compliance for not performing.

First Energy announced that commercial electric customers will no longer receive power from their supplier subsidiary First Energy Solution. The measure is a cost cutting effort as First Energy eliminates 70 positions in Ohio. Company CEO Anthony Alexander said they will no longer market to "weather sensitive" customers.

NYISO

IOU National Grid is requesting more time to develop and implement their bill comparison software because Brooklyn Gas, one of their subsidiaries, is transforming their billing system. The Brooklyn Gas billing revision is expected to be completed sometime in 2015. If given the time extension, NG plans on having the system operational in the fall of 2015. The software will allow customers to make comparisons between the various suppliers against the utility default prices. Subsidiaries Key Span and Niagara Mohawk will have their comparison software completed six months after NG makes the grid software public.

NYISO reports that NY reserve capacity showed a 10,000 MW surplus in 2000. That margin is currently at 1,900 MW. The drop is the result of closing coal plants and an annual growth rate of .83 %. If NY had not lost over 400,000 residents and thousands of business that percentage would be much higher. Transmission constraint in eastern and downstate NY continue to plague the grid. Various initiatives from the NY-PSC and the governor's office are working to resolve congestion. Improving transmission lines would allow underutilized generators in WNY to ship capacity east and downstate. Currently the Dunkirk coal plant is being repowered and with adequate transmission lines can ship power downstate. The Somerset coal plant and the North Tonawanda plants can be utilized similarly. Downstate utilities would benefit by having more capacity available which would ease transmission constraints and lower transmission costs. Regulators, ISO's and generators are working together on policies to make electric generation and natural gas supply work together.

REV is a state initiative that promotes co-ordination of distributive generation, multiple fuel sources, DR and DG projects. Broader inter regional coordination is also being promoted. In 2013 market to market exchanges saved NYISO over $4.7 million in savings. As collaborative programs continue, become refined and mature, we can expect more good news from NYISO.

US ENERGY

PURPA is supporting small solar power generators. National Grid, a utility headquartered in Massachusetts, wants to pay solar power projects spot market pricing for exported power. FERC regulations require utilities to pay energy and capacity payments based on utility full avoided costs. PURPA recognizes payment at the time of delivery or when the avoided cost obligation was contracted. That language results in solar providers being paid on a monthly basis or a fixed rate for the duration of the contract. FERC can enforce the PURPA regulations by having DPU rules changed. The enforced rules will provide solar generators with greater payment for their exported energy and force NG to pay up.

A new 100 mile pipeline is being constructed from Luzerne, PA to the Trenton-Woodbury NY gas pumping station, delivering Marcellus shale gas. The pipeline is being built by PennEast Pipeline at an estimated $1 billion. The pipeline will provide abundant Marcellus shale gas and is expended to create over 2000 new jobs.

Bloom Energy is providing 21 MW of fuel cell generation to be built on commercial customer sites. Exelon is purchasing the fuel cells and plans on selling the power to end users rather the having the customer purchase the fuel cell. The advantage for the customer is they are purchasing power from Exelon and not having to purchase a fuel cell or associated service and maintenance. Having generation on site, DG/CHP with heat recovery typically has an efficiency percentage above 60% versus the grid (generator to end user) which is typically 35%.

DOE has announced a new

TIP OF THE MONTH

For several months we have talked about hedging and developing marketing strategies. The recommendations include: becoming familiar with new regulations and changes your state regulators have developed. For example you may not be able to sell variable rates in your state. The alternative might be a fixed rate product. If you are a retailer we suggest you contact our office so we can help you develop strategies. There may be opportunities to purchase power whether gas or electric so you can ride through price spikes and retain your customers. State legislator continue adding ear market REC's such as off- shore power and recently more emphasis on biomass which includes food scraps used to enhance methane production in anaerobic digesters, turning biogas to electricity. Smart meters are also making inroads and show customers spot market pricing. Customers can make energy usage decision based on market pricing. Some additional recommendations include:

- Stay informed with current regulations and market changes
- Contact our staff for help with hedging or purchasing futures
- Contact our office if you need help with REC,s
- Provide value added services such as DR programs
- We can also assist you with data, records, IT technology and cyber-security

ISO-NE UPDATES

NEMA (National Electric Marketing Association) has voiced their concerns over the Connecticut PURA (Public Utilities Regulatory Authority) retail market reforms with potential negative impacts on retail marketing. Public Law PA 14-75 will make the rules for retail marketing more difficult for retailers. The retail markets are still coping with the after effects of last winters "Polar Vortex" price spikes and new proposed regulations further negatively impact retail power markets. According to NEMA, the new PURA law was not given sufficient hearing time for stakeholders to review. Another complaint points out that PA 14 -75 was written for residential customers, however language within the law also affects small commercial customers. Since small commercial customers are a protected class, the law conflicts with the protection provision for commercial customers. The new law also severely impacts variable rate contracts by placing numerous constraints including billing procedure. Contracts for variable rates will be monthly in duration while fixed price contracts are annual. Other changes include required 30 day notice to customers for pricing changes and 15 day notices to regulators. NEMA opposes the market restrictions in the law and points out that until hedging products are developed, PA 14-75 should be placed on hold.

Controversy over the reverse auction bid for capacity and obtaining information regarding bids, is the latest battle with FERC and the ISO. FERC has not released the data and the ISO is holding bid results back saying the data is confidential, claiming that releasing the data will impair future government proceedings. EMCO (Eastern Massachusetts Consumer Owned Systems) argue that ISO-NE should make auction data public considering FERC claims the auction results show the ISO in a capacity deficit. New capacity resources are needed as older plants shut down. FERC is reviewing the matter and hopes to release the data once reviewed and analysis have been completed. Connecticut PURA has released their proposed market reform rules. Proposed changes will impact generators and retailers as well as procedures for timelines, notification and market disclosure rules. Variable rate programs received the greatest scrutiny. The new rules would only allow variable rates for retailers who do their own billing and do not penalize their customers for cancellation or charge exit fees. In addition suppliers need to provide 72 hour notice for price increases and provide monthly plans with billing changes allowed on a monthly basis. Essentially this would be a monthly fixed price and no longer a true variable rate. Suppliers will be required to maintain a website posting their historical price changes and inform their customers on a quarterly basis of any rate changes. The changes on top of slim margins and financial damage from the previous winter may force suppliers to move on to more lucrative markets..

NY STATE UPDATES *(CONTINUED)*

ting and will require time to construct new line, and additional capacity is needed now.

The debate over Order 745 centers around jurisdiction as trade associations claim FERC overstepped their jurisdictional boundaries in compensation paid for DR programs. FERC has called for an "En Banc" review asking the first court of Appeals to to reevaluate their previous ruling with the entire bench of 15 judges presiding. FERC claims the present status will raise energy costs and endanger reliability as the various regional entities utilize DR as part of their capacity reserve margins. Customer participation is compensated and provides cost effective load shedding or reserve capacity during peak demand periods. By getting higher demand payments for their capacity court ruling specifically identifies jurisdictional boundaries which will determine the outcome of this dispute. Generators would benefit by receiving higher prices as demand increases and reliability is endangered.

NYSERDA PON UPDATES

Current PON's (Program Opportunity Notices), which are available to qualified customers from NYSERDA.

- **PON 1219 Existing Buildings:** Provides rebates and performance incentives for existing buildings including lighting, motors, generators, HVAC equipment etc. through 12-31-2015. This PON has added natural gas incentives.
- **PON 1601 New Construction Financial Incentives:** Provides incentives for new and remodeled buildings, paying for architectural and engineering services, rebates on electric equipment, appliances, HVAC equipment, and building envelope, through 2015.
- **PON 1746 Flex Tech:** Provides funding for a variety of feasibility and energy related studies through 12-31-2015.
- **PON 2112 Solar PV Program Financial Incentive** through 2015 and was revised in August 2014.
- **PON 2439 Wind Turbines:** This PON pays incentives to certified installers of DG windmills under 2 MW through 2015.
- **Multi Family Performance Partners:** Facilities with 5 or more housing units are eligible for energy audits and energy efficiency funding through 2015.
- **PON 2456 Industrial and Process Efficiency Program:** This PON is can pay up to $4.5 Million per project through Dec. 2015.
- **PON 2568 CHP Acceleration:** Funding for onsite generation with heat recovery (DG/CHP) packaged units through 2015.
- **PON 2758 Gas Station Back up Power Program.** This PON provides emergency power for generators in Downstate gas stations, and will do so until the funding runs out.
- **PON 2689 Emerging Technologies and accelerated Commercialization through Dec.** 2016
- **PON 2701 Combined Heat and Power CHP Performance Program through Dec. 2016**
- **PON 2846 Innovations in Data Center Information & Communications Technology Energy Efficiency:** This PON has funding through April 2015.
- **PON 2828 Renewable Portfolio Standard Customer-Sited Tier Anaerobic Digester Gas to Electricity Through 2015**

US ENERGY *(CONTINUED)*

funding program for advance nuclear projects. With a budget of $87 million, the DOE will be working with universities and national research facilities. The end goal is to develop state of the art advanced nuclear power and reduce carbon emissions with the new technology. According to US Energy Secretary Ernest Moniz, the funds are for research but will also provide training for future nuclear engineers, nuclear specialists, technicians and workers. Forty-four US universities will share $30 million for nuclear research, with an additional $20 million funding nuclear storage and technology, $11 million for R&D work and $1 million for national labs research.

Siemens Smart Grid will roll out their Demand Response Management Systems in ERCOT, NYISO, NE-ISO and PJM. The product is being marketed by Direct Energy. The software will be able to monitor customer usage, pricing and facilitate hedging. The software will allow participating customers to maximize their DR participation and optimize their payments for DR efforts.

GLOSSARY OF ACRONYMS

AEPS - Alternative Energy Credits

CFTC (Commodity Futures Trading Commission)

DOE - Department of Energy

IPPNY - Independent Power Producers of New York

IOU - Investor Owned Utility

NEMA - National Energy Marketers Associated

NYPA - New York Power Authority

NYSERDA - New York State Energy Research Development Authority

OCMO - Office of Competitive Market Oversight

PAPUC - Pennsylvania Public Utility Commission

PURPA - Public Utility Regulatory Policy Act

RESA - Retail Energy Supply Association.

REV - Reforming the Energy Vision

RGGI - Regional Greenhouse Gas Initiative

RPS - Renewable Portfolio Standards

September 2014

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	*2*	*3*	*4*	*5*	*6*
7	*8*	*9* *NYISO ICAP Monthly Auction*	*10* *NYISO ICAP Monthly Auction*	*11*	*12* *NYISO ICAP Monthly Auction Results*	*13*
14	*15*	*16*	*17* *SCR Enrollment Begins (through 10/9)*	*18*	*19*	*20*
21	*22* *Certification*	*23*	*24* *NYISO ICAP Spot Auction*	*25* *NYISO ICAP Spot Auction*	*26* *NYISO ICAP Spot Auction Results*	*27*
28	*29* *Strip Auction for Winter 2014-2015*	*30* *Strip Auction for Winter 2014-2015*				

FUTURE DATES

September

9-10 NYISO ICAP Monthly Auction
12 NYISO ICAP Monthly Auction Results
17 SCR Enrollment (through October 9)
22 Certification
24-25 NYISO ICAP Spot Auction
26 NYISO ICAP Spot Auction Results
29-30 Strip Auction for Winter 2014-15

October

2 Results for Strip Auction for Winter
9 SCR Enrollment Closes
10-13 NYISO ICAP Monthly Auction
15 NYISO ICAP Monthly Auction Results
23 Certification
27-28 NYISO ICAP Spot Auction
30 NYISO ICAP Spot Auction Results
31 Last Day of Summer Season

NYISO SCR CURTAILMENT PROGRAM

Proposed changes by the NYISO will impact SCR customers. Lynx will work to keep you informed and updated as changes get approved. **Prices for participation in DR programs are up as Governor Cuomo is getting behind peak load reduction programs.** Lynx is providing assistance for our customers with event notification and supplying documentation to the NYISO verifying results. A major obstacle for customers having peak demand less than 500 kW is having an interval meter. Lynx can help you with securing grants for interval meters, and getting those meters installed. Many customers willing to participate in NYISO programs need help in determining what items can be curtailed and to determine the kW value of those items to be shut off. Lynx can help your customers determining kW loads that can be curtailed. In addition Lynx can now provide **Cummins Generators** which can be used for curtailment purposes along with providing protection for property and life during emergencies. Lynx will work with you to get customers registered in a NYISO program. So help your customers get some cash for shedding electric loads during peak load emergency events. ESCO's or suppliers will also earn funds. With Lynx guidance you can avoid costly pitfalls and potential fines. Call Lisa Klein or Bert Spaeth in our Lynx office at 716-774-1341.

COMMODITY PRICING

Historical - Flat DAM / Current Projections

	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14 Flat	Oct-14 Flat	Nov-14 Flat	Sep-14 to Aug-15 Flat	Sep-14 to Aug-15 Peak	Sep-14 to Aug-15 Off Peak
NYISO-A	80.97	38.46	31.35	37.92	34.49	29.38	31.85	33.02	36.58	41.03	49.47	33.63
NYISO-F	106.16	43.82	33.91	38.03	36.39	30.45	32.74	35.20	43.58	55.42	65.39	46.66
NYISO-J	102.52	46.49	37.31	39.95	39.79	32.10	35.77	36.22	44.20	57.07	68.68	46.88
NYISO-K	108.43	50.75	48.89	44.75	46.55	37.00	43.13	45.59	51.07	64.31	77.87	52.40
PJM-PSEG	78.53	45.95	38.55	39.83	38.67	31.56	36.95	36.36	38.75	45.66	56.21	36.40
PJM-JCPL	73.97	41.79	37.75	39.20	38.66	31.33	36.07	36.15	37.72	44.34	54.47	35.45
PJM-APS	65.20	41.10	41.92	39.78	35.73	33.61	35.65	35.12	36.58	40.70	49.11	33.32
PJM-PECO	72.74	41.60	37.11	38.51	38.13	30.35	34.88	34.98	36.44	42.69	52.28	34.26
PJM-PPL	72.14	40.63	37.14	37.94	36.88	30.33	34.93	34.84	36.57	42.56	52.11	34.17
PJM-DLCO	52.31	38.13	40.25	38.08	32.77	31.71	34.24	34.57	35.35	38.24	46.29	31.18
PJM-PENELEC	67.47	41.47	45.19	39.45	36.68	33.12	37.01	36.21	37.70	41.80	51.09	33.63
PJM-METED	72.41	40.62	36.40	38.00	37.41	30.25	36.33	35.67	37.26	43.08	52.59	34.73
PJM-BGE	77.21	44.24	48.36	46.96	42.77	41.29	42.28	39.73	41.33	48.13	59.51	38.13
ISONE-CT	109.27	45.02	37.28	38.12	37.89	30.49	33.16	34.27	52.82	68.69	79.69	59.04

Note: On-peak is defined as HE08– HE23 Weekdays (less NERC Holidays)
Commodity pricing at MWh reflects an estimate of pricing based on current information available at time of printing from various market sources. The prices are not intended to be used as hard data for contractual purposes. Prices are represented in dollar per MWH.

GREEN ENERGY

As state mandates are phased in, suppliers or ESCO's will be required to purchase REC's (Renewable Energy Credits) and show documented proof of purchase. Some states require a percentage of Solar REC's or offshore wind depending on the host states social policies. Each category, whether it is called Tier or Class has different pricing and some states mandate a mix. Suffice it to say, Solar is the most expensive and Tier or Class II is the least expensive. Failure to purchase green energy or AEPS or REC's will result in a default REC. PJM customers would pay Alternative Energy Credits (AEP) at $500 per credit. Connecticut has a default rate as well. Lynx will assist you in locating cost effective green REC's to meet your needs. In addition, Lynx can handle your reporting and assist you in purchasing REC's. The percentage of renewable energy is expected to increase up to 27% in certain states by 2025.

Note: To ease the burden of purchasing annually and the large cash expenditure, Lynx is recommending purchasing REC's on a quarterly basis to avoid higher prices at the end of the reporting period.

Lynx EMS

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