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Megawatt Daily

Tuesday, November 11, 2008

Panda eyes more gas-fired, solar projects

Panda Energy International said Monday that, in addition to its previously announced plan to build 1,500 MW of natural gas-fired capacity in Texas, the company is exploring the opportunities for development of gas-fired capacity in the Northeast and on the West Coast, as well as utility-scale solar projects.

Panda President Todd Carter said in an interview that the near-term focus for his company, which developed and later divested several independent power plants over the past few years, is developing a 1,000-MW, gas-fired IPP in Temple, Texas, and 500-MW, gas-fired plant in Sherman, Texas. Both projects will be combined-cycle facilities that will sell power to buyers in the Electric Reliability Council of Texas region, which has experi-

(continued on page 9)

Power Edge, PJM preparing for trial

Almost a year after limited liability company Power Edge defaulted in the PJM Interconnection markets, causing about $51.7 million in losses, the parties are locked in litigation and are preparing for a trial.

Mark Gorton, BJ Energy, Franklin Power, GLE Trading, Ocean Power and Pillar Fund filed a complaint against the grid operator July 2, claiming, among other things, that PJM has seized and refused to return at least $32 million belonging to the companies.

Gorton is founder and managing director of Tower Research Capital, which set up several LLCs to operate in the PJM financial transmission rights market. The plaintiff companies are all Tower Research Capital affiliates.

(continued on page 10)

OPA names finalists for 350-MW gas peaker

The Ontario Power Authority released the names of six projects from four developers that are finalists to build and operate a 350-MW natural gas-fired peaking plant in northern York.

The OPA plans to choose one project before the end of the year to serve the rapidly growing region, where power demand is expected to increase 3% annually over the next 10 years.

The finalists include three projects by Northland Power, two of them in the township of King and the third in East Gwillimbury. Sithe the Global Canadian Power Services and TransCanada Energy also separately proposed projects in Gwillimbury. Pristine Power offered a project in the township of King.

The winning peaker is expected to begin providing power in 2011. In addition to winning approval from an independent

(continued on page 10)

Day-ahead markets for delivery Nov 11 ($/MWh)

ERCOT	Index	Change	Range	Deals	Volume	Avg $/Mo
On-peak						
ERCOT	51.50	15.66	51.50-51.50	N.A.	N.A.	31.81
ERCOT, North	52.45	5.24	48.00-56.00	57	3,725	42.88
ERCOT, Houston	57.42	3.49	56.25-58.50	20	1,100	49.72
ERCOT, West	53.25	16.25	53.25-53.25	N.A.	N.A.	34.16
ERCOT, South	58.02	3.27	57.40-59.00	14	825	48.61
Off-Peak						
ERCOT	25.00	15.00	25.00-25.00	N.A.	N.A.	3.96
ERCOT, North	24.97	2.21	22.00-28.00	27	1,400	19.85
ERCOT, Houston	24.34	0.23	22.50-27.50	11	550	21.68
ERCOT, West	22.75	1.75	22.75-22.75	N.A.	N.A.	9.16
ERCOT, South	25.73	0.48	24.50-27.05	10	700	21.80

Southeast	Index	Change	Range	Deals	Volume	Avg $/Mo
On-peak						
VACAR	55.00	3.00	55.00-55.00	N.A.	N.A.	49.00
Southern, into	57.25	3.25	57.25-57.25	N.A.	N.A.	51.61
Florida	64.00	3.50	64.00-64.00	N.A.	N.A.	55.29
TVA, into	56.00	2.50	56.00-56.00	N.A.	N.A.	47.79
Entergy, into	55.50	2.70	55.50-55.50	N.A.	N.A.	47.37
Off-Peak						
VACAR	35.00	1.50	35.00-35.00	N.A.	N.A.	30.00
Southern, into	36.75	1.75	36.75-36.75	N.A.	N.A.	31.89
Florida	40.00	2.50	40.00-40.00	N.A.	N.A.	34.57
TVA, into	36.00	2.00	36.00-36.00	N.A.	N.A.	28.93
Entergy, into	26.00	0.75	26.00-26.00	N.A.	N.A.	25.18

†West	Index	Change	Range	Deals	Volume	Avg $/Mo
On-peak						
COB	52.81	-0.50	52.00-55.00	13	375	53.23
Mid-C	47.88	-1.39	46.00-49.25	126	3,500	50.34
Palo Verde	50.26	6.77	49.00-52.00	56	1,550	41.51
Mead	56.94	8.94	55.00-61.00	18	450	47.42
Mona	38.50	-4.00	38.50-38.50	N.A.	N.A.	38.95
Four Corners	47.50	2.25	47.50-47.50	N.A.	N.A.	42.26
NP15	62.43	8.24	59.50-65.30	129	3,725	55.14
SP15	62.48	9.06	60.00-65.50	176	4,600	51.32
Off-Peak						
COB	45.22	-2.79	44.00-47.00	13	325	46.38
Mid-C	42.07	-4.54	40.00-45.00	121	3,300	44.97
Palo Verde	38.52	-2.68	36.00-40.25	27	675	32.84
Mead	43.00	-0.28	43.00-43.00	N.A.	N.A.	37.76
Mona	33.50	-2.50	33.50-33.50	N.A.	N.A.	30.36
Four Corners	34.50	-7.75	33.00-36.50	7	175	32.14
NP15	46.12	-2.37	44.00-47.00	56	1,400	45.51
SP15	45.98	-1.74	44.25-47.00	59	1,500	39.13

Northeast	Index	Change	Range	Deals	Volume	Avg $/Mo
On-peak						
Mass Hub	71.00	2.50	71.00-71.00	N.A.	N.A.	67.43
N.Y. Zone-G	69.00	-4.00	69.00-69.00	N.A.	N.A.	67.57
N.Y. Zone-J	74.25	-0.75	74.25-74.25	N.A.	N.A.	74.14
N.Y. Zone-A	54.75	-1.75	54.75-54.75	N.A.	N.A.	52.05
Ontario*	53.50	-1.50	53.50-53.50	N.A.	N.A.	54.14
Off-Peak						
Mass Hub	51.25	-0.25	51.25-51.25	N.A.	N.A.	50.32
N.Y. Zone-G	49.75	3.75	49.75-49.75	N.A.	N.A.	47.07
N.Y. Zone-J	50.50	3.50	50.50-50.50	N.A.	N.A.	48.21
N.Y. Zone-A	42.25	4.25	42.25-42.25	N.A.	N.A.	38.68
Ontario	33.00	3.00	33.00-33.00	N.A.	N.A.	33.32

(continued on page 2)

MARKET WRAP

EAST MARKETS

Dailies, near-terms mostly higher; terms gain

Power dailies and near-term packages in the East were mostly higher in Monday trading. Terms saw prices climb as the December NYMEX natural gas contract gained 49.1 cents, or 7.3%, to settle at $7.248/MMBtu on a changing forecast that is calling for below-normal temperatures through the end of the month in most heavy gas-consuming regions of the US.

Northeast next-day prices for power delivered Tuesday were mixed. Spot gas prices in the New York and Boston areas were substantially higher, following a 38-cent increase in the NYMEX natural gas prompt-month contract. Peak demand and weather forecasts were steady with Monday's levels. In the near-term markets, packages for next-week and balance-of-the-month were stronger. Mass Hub dailies moved about $2.50 higher, trading near $71/MWh on the IntercontinentalExchange Monday. Peak demand for today was forecast at 17,970 MW, about 2.5% higher than Monday. Spot gas at Tennessee, zone 6 delivered was 77 cents higher, trading near $7.84/MMBtu on ICE. Weather forecasts were calling for highs in the low 50s today, 4 degrees lower than Monday's forecast highs.

Lows were forecast in the mid-30s. Off-peak traded near $51.25/MWh, slightly lower than Platt's for-Monday index. In nears, Mass Hub balance-of-the-week, November 12-14, was bid at

Day-ahead markets for delivery Nov 11 ($/MWh)

PJM	Index	Change	Range	Deals	Volume	Avg $/Mo
On-peak						
PJM West	67.50	3.25	67.50-67.50	N.A.	N.A.	63.99
Dominion Hub	70.75	7.50	70.75-70.75	N.A.	N.A.	54.04
AD Hub	58.75	5.25	58.75-58.75	N.A.	N.A.	46.86
NI Hub	55.00	2.50	55.00-55.00	N.A.	N.A.	45.75
Off-Peak						
PJM West	48.00	9.00	48.00-48.00	N.A.	N.A.	39.50
Dominion Hub	56.25	15.00	56.25-56.25	N.A.	N.A.	39.07
AD Hub	41.00	3.50	41.00-41.00	N.A.	N.A.	35.75
NI Hub	37.25	7.75	37.25-37.25	N.A.	N.A.	19.43

MISO	Index	Change	Range	Deals	Volume	Avg $/Mo
On-peak						
Michigan Hub	51.00	-2.00	51.00-51.00	N.A.	N.A.	45.54
First Energy Hub	41.75	-8.00	41.75-41.75	N.A.	N.A.	40.61
Cinergy Hub	55.50	3.25	55.50-55.50	N.A.	N.A.	45.21
Illinois Hub	41.75	-7.00	41.75-41.75	N.A.	N.A.	40.79
Minnesota Hub	44.75	-9.25	44.75-44.75	N.A.	N.A.	43.68
Off-Peak						
Michigan Hub	32.75	3.00	32.75-32.75	N.A.	N.A.	25.18
First Energy Hub	30.00	1.75	30.00-30.00	N.A.	N.A.	24.18
Cinergy Hub	33.25	3.50	33.25-33.25	N.A.	N.A.	24.50
Illinois Hub	29.50	5.25	29.50-29.50	N.A.	N.A.	18.32
Minnesota Hub	30.00	6.50	30.00-30.00	N.A.	N.A.	16.96

SPP/MRO	Index	Change	Range	Deals	Volume	Avg $/Mo
On-peak						
MAPP, South	56.50	5.50	56.50-56.50	N.A.	N.A.	46.04
SPP, North	53.00	2.50	53.00-53.00	N.A.	N.A.	44.79
Off-Peak						
MAPP, South	25.25	1.00	25.25-25.25	N.A.	N.A.	24.32
SPP, North	25.00	1.00	25.00-25.00	N.A.	N.A.	23.89

**Ontario prices are in Canadian dollars*
†West markets traded for Tuesday-Wednesday delivery

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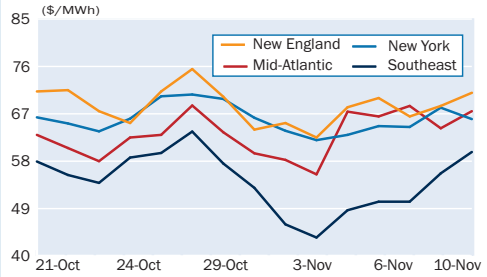
$68.50 and offered at $73/MWh. Next-week (November 17-21) was bid at $71, $3.50 higher than the previous day's bids, and offered at $77/MWh. Balance-of-the-month packages for November 12-30 were bid $3 higher at $71 and offered $3 higher at $75/MWh. In generation news, the return of Entergy's 635-MW nuclear unit, Vermont Yankee, helped to keep prices from strengthening further. The unit, located in Brattleboro, Vermont, shut October 19 for a refueling outage and was operating at 23% Monday morning. In New York, dailies moved in the opposite direction, trading lower.

Peak demand was forecast to inch 81 MW higher to 21,066 MW. Weather forecasts were calling for highs to range in mid-40s and low 50s, steady with Monday's forecast highs. The 88-cent increase in Transco zone 6, New York spot gas prices, was ignored as Zone-A dailies fell $1.75 to $54.75/MWh. Zone-G dailies fell even further, trading $4 lower at $69/MWh. Zone-J fell 75 cents to $74.25/MWh. Zone-A balance-of-the-week traded near $56.50/MWh. Zone-G bal-week was bid at $66.75 and offered at $73/MWh. Next-week trades in Zone-A exceeded the previous day's bids and offers, trading near $65.50/MWh on ICE. The following week, November 24-28, was bid $1.50 higher at $55 and offered $3 higher at $61/MWh. Zone-A balance-of-the-month, November 12-30, was bid $1.50 higher at $56.50 and offered $3 higher at $62/MWh. Zone-G bal-month was bid $1 lower at $69 and offered 75 cents higher at $76.50/MWh.

East day-ahead markets



Note: Based on averages from each region

Northeast forwards rose with a rally in NYMEX gas. The December natural gas contract jumped more than 50 cents, while January and February were up about 35 cents. Power trading on ICE was slower than usual but bids and offers were available across the board. December Mass Hub rose $3.25 into the low $80s and winter rose $2 to $89.75/MWh. The summer package rose $2.25 to $87.75/MWh. December New York Zone A gained $1.50 to $65.75 and winter turned higher $3.25 to $67.75/MWh.

In the Mid-Atlantic, day-ahead prices moved up on higher spot gas and an increase in expected peak load. Texas M-3 spot gas traded around $7.65/MMBtu on ICE, a 64-cent increase from Platts' for-Monday index. PJM Interconnection predicted a 7% increase in peak load from Monday to today. Forecasts called for highs mostly in the mid-50s, with lower-than-normal overnight lows ranging from 29 to 41. PJM Interconnection West Hub day-ahead traded around $67.34/MWh on ICE, about $3 more than Platts' for-Monday index. Off-peak traded $9.75 more, around $48.75/MWh. Bal-week fell back $1, trading around $61.50/MWh. By the end of the week, overnight lows are expected to move up back into the 40s, normal for this time of year. Next-week gained $4 from deals seen Friday on ICE, trading around $68/MWh.

Mid-Atlantic forwards ended the day higher. Rising prices dampened trading on ICE and volumes dropped compared to the average levels. December PJM West rose $2.25 to $67/MWh, unchanged from Monday morning. Winter jumped $2.75 to $72.50 and the summer package climbed $2.50 to $90/MWh, also unchanged since the morning.

Generation unit outage report

East

Plant/Operator	Cap	Fuel	State	Status	Return	Shut
Browns Ferry-1/TVA	1,120	n	Ala.	PM/RF	Unk	10/25/08
Bruce-3/Bruce Power	770	n	Ont.	PMO	11/15/08	09/15/08
Brunswick-2/Progress	938	n	N.C.	MO	Unk	11/09/08
Farley-2/Southern	860	n	Ala.	RF	Unk	10/18/08
McGuire-1/Duke	1,100	n	NC	RF	late Oct.	09/20/08
Millstone-3/Dominion	1,154	n	Conn.	RF	mid-Nov.	10/11/08
North Anna-2/Dominion	960	n	Va.	MO	Unk	10/29/08
Oconee-2/Duke	846	n	S.C.	PM/RF	Unk	10/25/08
Oyster Creek/Exelon	650	n	N.J.	RF	Unk	10/27/08
Pickering-1/Ontario Power Gen.	515	n	Ont	MO	Unk	10/25/08
Pickering-7/Ontario Power Gen.	525	n	Ont	PMO	Unk	04/06/08
Salem-1/PPL	1,156	n	NJ	RF	Unk	10/14/08
Sequoyah-2/TVA	1,147	n	Tenn.	MO	Unk	11/03/08
St. Lucie-1/FPL	839	n	Fla.	RF	Unk	10/18/08

Central

Plant/Operator	Cap	Fuel	State	Status	Return	Shut
Arkansas-1/Entergy	912	n	Ark.	RF	Unk	10/27/08
Cook - 1/AEP	1,026	n	Mich.	MO	Unk	09/20/08
Dresden-3/Exelon	867	n	Ill.	RF	Unk	11/03/08
Point Beach-1/FPL Energy	518	n	Wis.	MO	Unk	10/06/08
Prairie Creek/Alliant Energy	185	c	Iowa	MO	2009-Q1	06/13/08
Sixth Street/Alliant Energy	55	c	Iowa	MO	2009-Q3/Q4	06/12/08

West

Plant/Operator	Cap	Fuel	State	Status	Return	Shut
	175	g	Calif.	PMO	Unk.	11/02/08
American/Calpine	135	g	Calif.	PMO	Unk.	11/03/08
Ciclo Mexicali/Intergen	180	g	Mexico	PMO	Unk.	11/09/08
Colgate-1/PG&E	177	h	Calif.	PMO	Unk.	10/01/08
Colgate-2/PG&E	176	h	Calif.	PMO	Unk.	10/01/08
Crockett-7/Delta	240	g	Calif.	PMO	Unk.	11/09/08
Elk Hills/Sempra	552	g	Calif.	MO	Unk.	11/04/08
Encina-4/NRG	300	g	Calif.	PMO	Unk.	10/20/08
Gilroy/Calpine	135	g	Calif.	MO	Unk.	09/15/08
Helms Pump-3/PG&E	404	h	Calif.	PMO	Unk.	09/28/08
Huntington Beach-1/AES	226	g	Calif.	PMO	Unk.	11/22/08
Huntington Beach-2/AES	226	g	Calif.	PMO	Unk.	11/09/08
Inland Empire-1/Inland	376	g	Calif.	MO	Unk.	08/17/08
Inland Empire-2/Inland	337	g	Calif.	MO	Unk.	08/14/08
Kerkhoff-1/PG&E	154	h	Calif.	PMO	Unk.	10/13/08
Malburg GS/Vernon	134	g	Calif.	PMO	Unk.	11/05/08
Middle Fork/Placer Co	218	h	Calif.	PMO	Unk.	11/04/08
Morro Bay-3/LS	337	g	Calif.	PMO	Unk.	10/05/08
Moss Landing-2/LS Power	510	g	Calif.	PMO	Unk.	11/09/08
Palo Verde-1/APS	1,245	n	Ariz.	RF	Unk.	10/05/08
Pine Flat-7/KRCD	210	h	Calif.	MO	Unk.	08/17/08
San Onofre-3/SoCal Ed	1,080	n	Calif.	RF	Unk.	10/13/08
Sutter-2/Calpine	525	g	Calif.	PMO	Unk.	11/09/08
Termo-1/Sempra	625	g	Mexico	PMO	Unk.	11/09/08

For methodology, see table.

Daily generation outage references

MO	unplanned maintenance outage
PMO	planned maintenance outage
RF	refueling outage
Unk	unknown
OA	offline/available

Fuels: Nuclear=n; Coal=c; Natural gas=g; Hydro=h

Sources: Generation owners, public information and other market sources.

Southeast markets gained ground as higher spot gas prices weighed on the market. Spot gas prices at Transco zone 3 moved up more than 60 cents to around $7.15/MMBtu.Gains were limited as mostly seasonable weather was expected to blanket the region. Highs were expected to range mostly in the 50s and 60s today and edge up slightly during the remainder of the week. In the power markets, into Southern day-ahead packages traded in the mid-$50s/MWh, a $2 premium to Platts for-Monday's index. Balance-of-the-week was bid 50 cents higher than Friday at $50/MWh, ICE showed. Next-week shed $1.50 during the session, bid at $57 and offered at $60/MWh. Into TVA next-day off-peak packages traded in the mid-$30s/MWh on ICE, up $2 on the day. Bal-week was bid at $50; next-week was bid at $55/MWh.

Southeast forward prices moved higher amid thin volume on ICE Monday. Into Southern December was pulled about $2.25 higher to around $54.75/MWh, while Into Southern winter jumped a little over $3 to around $56/MWh. Into TVA December moved up about $1.50 to around $53.50/MWh, while winter shifted about $2.25 higher to around $59.50/MWh.

CENTRAL MARKETS

Dailies gain; forwards follow gas higher

Day-ahead power prices and most near-term packages moved higher on Monday supported by spot gas prices n rising demand. Forward prices were buoyed as the December NYMEX natural gas contract gained 49.1 cents, or 7.3%, to settle at $7.248/MMBtu on a changing forecast that is calling for below-normal temperatures through the end of the month in most heavy gas-consuming regions of the nation.

Midwest day-ahead prices rose on higher spot gas prices. Chicago city-gates spot gas traded around $7.15/MMBtu on the IntercontinentalExchange, 79 cents higher than Platts' for-Monday index. Forecasts called for highs ranging from 38 to 48 and overnight lows ranging from 27 to 42. Cinergy Hub day-ahead traded around $55.60/MWh on ICE, a $3 increase from Platts' for-Monday index. Off-peak traded around $33/MWh, a $3.25 increase from Platts' index. Balance-of-the-week was steady, trading around $47.30/MWh on ICE. Next-week moved up $7, trading around $59/MWh. November 24-28 packages traded around $46/MWh, $2 more than Friday trades on ICE.

Michigan Hub day-ahead was bid at $51/MWh on ICE, $2 less than Platts' for-Friday index, with no corresponding offers. Minnesota Hub day-ahead bids and offers on ICE were pulled by midday. In the Midwestern portion of the PJM Interconnection, prices also strengthened in tandem with spot gas. AEP-Dayton Hub day-ahead was trading around $58/MWh on ICE, about a $5 increase from Platts' for-Monday index. Off-peak was trading around $41/MWh on ICE, up about $3.50/MWh. Northern Illinois Hub day-ahead traded around $57/MWh, $4.50 higher than Platts' for-Monday index of $52.50/MWh.

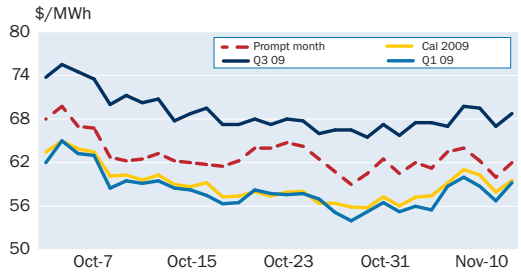
Midwest forwards climbed with higher NYMEX gas. However, liquidity on ICE was very low with limited trading taking place. December Cinergy Hub was up $1.75 to $53.50/MWh and the win-

Platts-ICE Forward Curve — Electricity, Nov 10 ($/MWh)

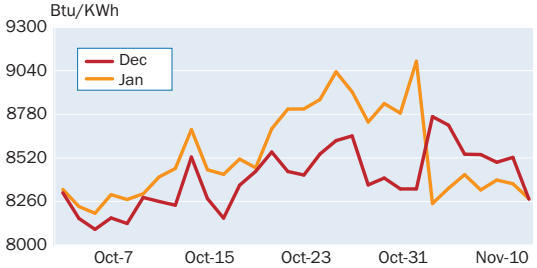
Prompt month: Dec08	
Mass Hub	82.00
N.Y. Zone G	85.00
N.Y. Zone J	92.50
N.Y. Zone A	65.75
Ontario*	64.50
PJM West	67.00
AD Hub	54.50
NI Hub	53.75
Cinergy Hub	53.25
TVA Into	53.50
Southern Into	54.75
Entergy Into	50.75
ERCOT	32.75
Mid-C	62.00
Palo Verde	52.50
NP15	65.50
SP15	64.50

Ontario prices are in Canadian dollars

Mid-C: Key packages, last 30 days



Mid-C: Marginal heat rate



Mid-C: Forward curve

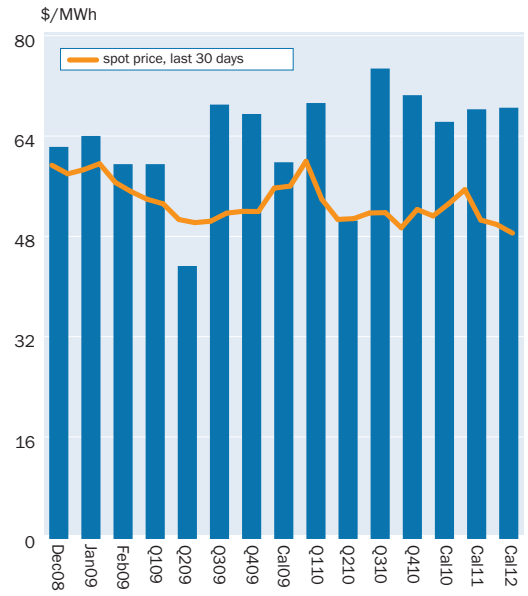


Table and graphs are created using Platts–ICE Forward Curve — Electricity (North America) data. Both on-peak and off-peak electricity forward assessments are available for periods spanning four years. To see a sample and find information on how to subscribe to the full data set go to www.risk.platts.com. For more information about Platts services, please call +1-800-PLATTS8. For editorial questions call Mike Wilczek +202-383-2246 or Eric Wieser +202-383-2092

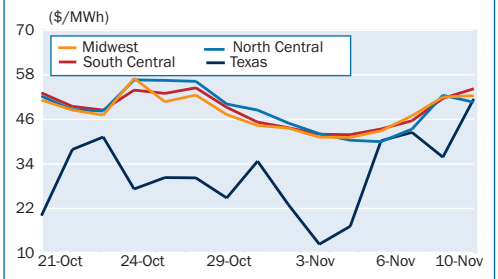
ter gained $2.50 to $59.50/MWh. AEP Dayton Hub unchanged at $54.50 and winter moved up $3 into the low $60s/MWh. The summer package ended up $2 at $73.50/MWh.

South Central day-ahead prices firmed on support from rising spot gas prices and increasing demand. Spot gas prices at the Houston Ship Channel climbed more than 40 cents to around $6.66/MMBtu, activity on ICE showed. In addition, ERCOT load forecasts posted midday Monday showed peak load rising more than 2,700 MW to 36,284 MW today. The expected jump in demand is due to warmer-than-normal weather forecast for much of the state. Daytime temperatures were expected to range widely from the low 60s in Amarillo, near normal, to the mid-80s in San Antonio, 12 degrees above normal. Cooler weather was expected by Friday after several days of rain. Gains in the power markets were most pronounced at ERCOT's seller's choice and West zone, where day-ahead packages traded about $15 higher into the low $50s/MWh.

Other ERCOT points also traded in the $50s/MWh, with gains limited to about $5 at best. Near-term markets also gained momentum Monday, with traders focused mainly on balance-of-the-month packages in ERCOT. North zone's bal-month was bid at $46 and offered at $50/MWh. The package was bid at $49 in Houston and bid at $31 and offered at $47/MWh at seller's choice. Next-week in the North zone was bid at $45.50 and offered at $51.50/MWh. Day-ahead prices in neighboring Entergy also rose on the back of stronger spot gas prices, which were up more than 45 cents at $7.07/MMBtu at the Henry Hub. Meanwhile, weather outlooks showed wide-ranging temperatures in the region, with highs in the mid-50s to mid-70s. Slightly warmer conditions were expected by Friday. Into Entergy next-day packages traded in the mid-$50s/MWh on ICE, up nearly $3 from the Platts for-Monday index. Balance-of-the-week tightened during trading with bids and offers moving to the low $50s/MWh. Next-week was bid at $55 and offered at $59/MWh.

South central forwards got a big boost from NYMEX gas as prompt month December gained around 50 cents. ERCOT December seller's choice heat rates were bid higher at 4.5 and offered at 5 MMBtu/MWh on ICE, with fixed values gaining about $3.50 to around $32.75/MWh. South zone winter package, January-February 2009, rocketed up about $5.75 to around $56/MWh with heat rates bid at 7.5 and offered at 7.8 MMBtu/MWh. Into Entergy December rose $3.25 to around $50.75/MWh.

Central day-ahead markets



Note: Based on averages from each region

Near-term markets ($/MWh)

Contract	Transacted	Range
East		
Mass Hub		
Bal-month	11/06	68.00-68.50
N.Y. Zone-G		
Bal-month	11/06	70.75-72.00
PJM West		
Bal-week	11/10	61.75-62.25
Bal-week	11/07	62.75-63.25
Bal-week	11/04	62.00-64.00
Bal-month (off-peak)	11/04	44.75-45.25
Next-week	11/10	68.00-68.50
Next-week	11/06	62.75-63.25
Next-week	11/05	63.50-64.00
Next-week	11/04	62.75-63.50
Central		
SPP, North		
Bal-week	11/07	49.75-50.25
Entergy, Into		
Next-week	11/10	56.75-57.25
ERCOT, North		
Bal-week	11/10	48.75-49.25
Bal-month	11/07	45.25-45.75
Bal-month	11/06	41.75-42.25
Bal-month (off-peak)	11/07	21.75-22.25
Next-week	11/06	41.75-42.25
ERCOT, Houston		
Bal-month	11/07	51.25-51.75
ERCOT, South		
Bal-month	11/06	47.75-48.25
Bal-month (off-peak)	11/07	23.00-23.50
West		
Mid-C		
Bal-month	11/10	49.00-52.00
Bal-month	11/06	49.75-50.25
Bal-month	11/05	52.00-53.75
Bal-month	11/04	52.75-53.75
Bal-month (off-peak)	11/10	43.25-44.00
Bal-month (off-peak)	11/06	42.75-43.75
Bal-month (off-peak)	11/05	43.50-44.75
Bal-month (off-peak)	11/04	44.50-45.00
NP15		
Bal-month	11/04	53.00-53.50
SP15		
Bal-month	11/07	53.75-54.25

**Ontario prices are in Canadian dollars*

Electricity market coverage

More information about Platts electricity market coverage, explanations of methodology and descriptions of delivery points are available at www.platts.com/Electric Power/Resources/ Methodology & Specifications/.

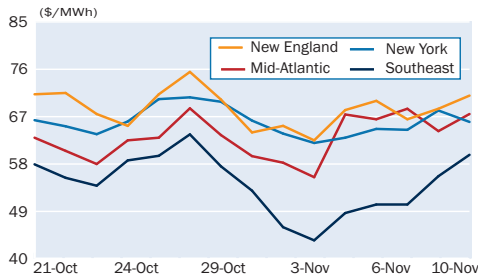
Questions may also be directed to our market editors; Lisa Lawson, (713) 658-3267, lisa_lawson@platts.com and Mike Wilczek, (202) 383-2246, mike_wilczek@platts.com .

WEST MARKETS

Dailies mixed on two-day risk; forwards up

Western on-peak day-ahead prices were mixed Monday, climbing as much as about $8.75 on an altered schedule in Southern California and rising by about $8 in Northern California on strong spot gas prices, increased power plant outages and the two-day on-peak risk. November financial balance-of-the-month saw some action on ICE during the afternoon, after a slow morning with bids and offers at three price points forming up. Forwards showed some strength.

West day-ahead markets



Note: Based on averages from each region

Daily trades on IntercontinentalExchange were for delivery Tuesday and Wednesday to accommodate the Veterans Day holiday. On-peak leapt by about $7 in the Southwest, as one of three nuclear units there remained offline, but dailies fell by about $1.25 in the Northwest on mild weather and abundant hydro power in ICE trades.

In day-ahead trading in California, NP15 and SP15 on-peak averaged around $62.25/MWh. Los Angeles was forecast by AccuWeather to reach about-average high in the low 70s today. Sacramento was forecast to reach below-average highs in the mid-60s today and Wednesday. The California Independent System Operator projected peak load Monday of 30,496 MW, and peak for today at about the same. The Western Electricity Coordinating Council expected peak load of 38,542 MW Monday in the California-Mexico border area, about 3,300 MW more than on Sunday. Some 23 power plants that produce about 7,432 MW were offline Monday in California due to maintenance. SP15 bal-months were being bid at about $55.75 and offered at around $57.75/MWh, with a deal at about $56.75/MWh. NP 15 bal-months had bids of about $56.25 and offers of about $58.50/MWh, with a deal at about $57.25/MWh during the afternoon.

Palo Verde on-peak averaged about $50.50/MWh on ICE. AccuWeather forecast Phoenix to reach below-average highs in the low 70s today and Wednesday. Total volume traded at Palo Verde on ICE was about 2,735 MW Monday. WECC projected peak load of 23,016 MW Monday in the Rocky Mountain/Desert Southwest region, about 1,200 MW more than on Sunday. November bal-month at Palo Verde was bid at about $42.75 and offered at around $45.50/MWh, with no deals on ICE.

Mid-Columbia on-peak averaged around $48/MWh on ICE. The Northwest Power Pool projected peak load Monday of 47,618 MW, about 1,900 MW more than on Sunday. Mid-C November bal-month was being bid at $50.25 and offered at $52/MWh during the afternoon, with a deal at $51.75/MWh on ICE. Portland was forecast by AccuWeather to reach below-average highs in the low 50s today and Wednesday.

Forwards moved higher, with a run-up in the December NYMEX gas futures contract. Power trading on ICE was thin throughout the day, although bids and offers did expand as the day progressed. SP15 December jumped about $2.75, with bids at $64.25 and offers at $65/MWh on ICE around 2:30 pm EDT. SP15 January rose about $2.50, with bids at $65.50 and offers at $67.25/MWh. SP15 first quarter was boosted about $2.50, with bids at $63.75 and offers at $64.75/MWh. NP15 December increased about $3, with bids at $64.75 and offers at $66.25/MWh.

Mid-Columbia December gained about $2, with bids at $61.50 and offers at $62.50/MWh. Mid-Columbia January ran up about $2.75, with bids at $62.75 and offers at $64.50/MWh. Mid-Columbia first quarter climbed about $2.50, with bids near $58 and offers at $60.25/MWh.

Palo Verde December tacked on about $2.25, with bids close to $51 and offers at $52.25/MWh. Palo Verde January was up about $2.50, with bids at $54.25 and offers at $56.50/MWh. Palo Verde first quarter also gained about $2.50, with bids close to $54.50 and offers at $56/MWh.

Daily emissions assessments, Nov 10

	$/allowance	Change	$/st
SO2 2008	145.00	-47.00	145.00
NOx 2008	575.00	0.00	575.00
NOx 2009	550.00	25.00	550.00
NOx 2010	550.00	0.00	550.00

For methodology, visit www.emissions.platts.com.

Full coverage of SO2 and NOx emissions markets now appears in Platts Coal Trader. For information on Coal Trader, contact support@platts.com or call 1-800-PLATTS-8.

Spark spreads for Nov 11

	Marginal heat rate	Spark spreads @7k	@8k	@10k	@12k	@15k
East						
Mass Hub	9053	16.10	8.26	-7.42	-23.11	-46.64
N.Y. Zone-G	8829	14.29	6.48	-9.15	-24.78	-48.23
N.Y. Zone-J	9393	18.92	11.01	-4.80	-20.61	-44.32
N.Y. Zone-A	7276	2.07	-5.45	-20.50	-35.55	-58.12
Ontario*	6046	-8.44	-17.29	-34.99	-52.69	-79.23
PJM West	8621	12.69	4.86	-10.80	-26.46	-49.95
TVA, into	7898	6.37	-0.72	-14.90	-29.08	-50.35
Central						
Cinergy Hub	7587	4.29	-3.02	-17.65	-32.28	-54.23
NI Hub	7746	5.30	-1.80	-16.00	-30.20	-51.50
Entergy, into	9561	14.87	9.06	-2.55	-14.16	-31.57
ERCOT	7698	4.67	-2.02	-15.40	-28.78	-48.85
West						
Mid-C	7594	3.75	-2.56	-15.17	-27.78	-46.69
Palo Verde	9381	12.76	7.40	-3.32	-14.03	-30.10
NP15	9583	16.83	10.31	-2.72	-15.75	-35.29
SP15	10904	22.37	16.64	5.18	-6.28	-23.47

**Ontario prices in Canadian dollars*
†Spark spreads are reported in ($) and Marginal heat rates in (Btu/kWh)

IN THE NEWS

Obama no enemy of coal power: Boucher

President-elect Barack Obama is no enemy of coal power despite what was asserted by "right wing blogs" before the election, Virginia Democratic Representative Rick Boucher told the Edison Electric Institute financial conference on Monday.

Boucher was on the five-man panel "Carbon Regulation: What and When?" and when moderator Ron Insana began to frame a question by saying "Obama said bankruptcy of coal companies was acceptable…" Boucher practically cut him off.

"That's not what he said at all," Boucher fired back. "That was circulated by right-wing blogs in the days before the election. McCain came into my district and said this."

What Obama actually said, in a January interview with the *San Francisco Chronicle*, Boucher continued, was that the "'notion of no coal is unrealistic.' The notion of no coal is unrealistic," the congressman repeated for emphasis.

"'Utilities are going to have to employ carbon capture and storage. If someone wants to build a new coal plant fine; but it will bankrupt them if they don't use these new technologies," was what Obama did say, Boucher continued. "Don't come away with a misconstrued quote and think this [incoming] administration is hostile to long-term use of coal."

"If we don't continue to use coal we will have economic devastation. [because] then you will see a rush to gas."

The chemical industry would move offshore because the price of a critical source of supply would move offshore and agriculture would also be hard hit because gas is the major feedstock for fertilizer, Boucher predicted, at the Scottsdale, Arizona conference.

"For utilities, the spike in natural gas prices would simply be unacceptable. Senator Obama understands that."

Boucher echoed concerns voiced earlier by panelist James Miller, chairman, president and CEO of PPL Corp. that if coal and nuclear are thwarted the power industry will "rush to [natural] gas again."

Boucher is the co-author of a "discussion draft" of a GHG control bill with committee Chairman John Dingell, a Michigan Democrat, which was posted on the committee's web site October 7. It outlines a GHG cap and trade plan under which emission allowances would be allocated free, not auctioned. Boucher chairs the committee's subcommittee on energy and air quality.

Rather than formally introduce a bill "which Chairman Dingell and I could have done two months ago," the committee wants to refine it further so he urged conference attendees to email their input. Boucher expects a bill to move from the subcommittee to the House floor by late summer or early fall. — *Paul Carlsen*

Carbon policy throws reliability into question

The early retirement of existing coal-fired power plants as a way of combating climate-change is a serious concern for utilities and independent system operators as they consider the potential reliability effects of greenhouse gas emission reduction plans, officials from the North American Electric Reliability Corp. said Monday.

NERC held a media conference call Monday after it issued a report – which was based on industry comments — that said carbon-reduction policies in the US raise serious concerns about the continued reliability of the country's power grid, given that a price on carbon would reduce coal-fired generation and increase use of renewable energy resources that could strain transmission systems.

"We are concerned with early retirements" of coal-fired generation facilities and the "dash to gas" as use of gas-fired generation increases in a carbon-constrained environment, said Mark Lauby, manager of reliability assessments for NERC.

His comments echoed a similar statement made earlier by NERC President and CEO Rick Sergel: "We are concerned that, when viewed from a continent-wide perspective, current climate initiatives do not adequately address key reliability objectives, particularly the need for a strong and robust transmission system.

"As we consider our energy future, it becomes increasingly clear that our success in reducing carbon emissions and realizing energy independence hinges on our ability to provide reliable, clean electricity where and when it is needed," Sergel said.

The NERC report comes as 23 states are moving on regional carbon trading plans, 27 states have renewable energy standards, and a new president was elected who supports a national carbon cap-and-trade plan along with powerful members of Congress.

After reviewing comments on the climate and reliability issue received last summer from approximately 50 utilities, generators and others, NERC said a key concern for many was the fuel-switching that would occur from coal-fired generation to natural gas-fired generation to avoid heavier carbon compliance costs. NERC said that in the past year, it has seen a 20,000-MW increase in planned natural gas-fired generation over the 2008-2016 period, making gas the default "fuel-of-choice" in a carbon-constrained world and the industry highly dependent on the fuel.

"Retirements of coal-fired plants over a short timeline could result in the loss of generation needed to support the integrity of the bulk power system and, thus, severely impact reliability across the continent, especially in those regions heavily dependent on the fuel," NERC's report said. "Looking ahead to a potential cap-and-trade environment, managing carbon credits and allowances to permit critical coal (and gas) facilities to run will be essential to maintaining reliability."

"Perhaps the most pervasive concern" about reliability NERC said it obtained from industry comments is the massive switch to gas-fired generation and the reliance on such a fuel in areas where storage or pipeline capacity may be limited, Lauby said. In Florida, about 50% of the generation mix is fueled by natural gas, he said.

"Increased demand for natural gas will put a severe strain on the gas supply infrastructure, which could lead to serious reliability problems," the municipal utility in Springfield, Illinois, told NERC. Similarly in the west, where gas storage capacity is limited, "an increased dependence on natural gas-fired generation

may create gas supply deficiencies," said Bradley Nickell, renewable integration director at the Western Electricity Coordinating Council, on the call.

NERC also noted in the report that the bulk transmission system is not currently equipped to deliver renewable energy, with renewable generation facilities often sited in remote areas, to populous load centers, making it all the more critical to resolve this issue as solar, wind and other green resources are brought online to reduce carbon footprints.

"The ability to reduce the carbon emissions of the electric sector hinges on having a robust transmission system," the report said. "Ensuring a suitable transmission system will require a two-pronged approach: building new infrastructure and changing current planning mechanisms to focus more heavily on interregional and continent-wide planning and operation."

As a way to mitigate the two issues, NERC said that demand-side resources need to be regarded as a key element in any resource plan to reduce the need for new generation and power lines. "Renewed focus on demand response and energy efficiency is one of the most compelling reliability benefits of climate change initiatives when developed as part of a broader resource portfolio," the report said.

NERC advocated for a national climate change policy as a way to provide clarity to utilities, generators and others in the power sector to steer investment in new transmission lines and power plants. Currently, the "patchwork" design of state action on renewable energy and climate change is proving problematic for many, it said.

The NERC report is the result of the organization's June call for industry comments and escalating concerns that the reliability of the power system may be threatened by carbon policies that could force coal-fired capacity offline earlier than planned.

Climate-change initiatives can result in improved reliability if implemented effectively, particularly if new high-voltage transmission is added to move power from renewable resources in remote regions to population centers, Sergel said during the conference call. Rather than having a state or regional focus to implement climate change initiatives, NERC believes more inter-regional and international system planning will be needed, he said. — *Tom Tiernan*

Fitch says power sector in good shape

Fitch Ratings' analysts on Monday said the power sector is still in good financial shape, despite the worldwide economic turmoil and should stay that way unless the macroeconomic problems persist through 2010.

"Today a much stronger electric sector is facing a much worse global crisis," said Managing Director Ellen Lapson, at the Edison Electric Institute Financial Conference in Phoenix.

"It's an exciting future, we just have to survive the present to get there," Managing Director Glen Grabelsky added.

"The electricity sector is viewed as a defensive sector. It has continued [capital] markets access, admittedly at a price."

The current "short-term stresses would have to persist through 2010 to pressure ratings," in which case power companies would need higher allowed returns on equity or cuts in capital spending to preserve the financial profile.

"So ratings actions are likely to be individual to companies' circumstances. "We don't see wholesale ratings actions. The profile will remain fairly steady...we are fairly confident ratings won't change materially over the near term," Grabelsky said.

Lapson noted that in 2002-03, when many power companies were downgraded, it was the power sector itself that was suspect. "Now the business is sound. The surrounding environment is not...the macroeconomic environment is probably the most challenging of our lifetimes."

"Fortunately we had those years in which the sector has rebuilt its financial strength," she said.

Grabelsky added that even among companies with the lowest ratings — marginally investment grade or below—the trajectory is higher and their financials are improving. —— *Paul Carlsen*

Industry may spend $2 trillion on grid by 2030

Utilities will need to invest between $1.5 trillion and $2 trillion by 2030 to maintain the current levels of reliability for customers, according to a study released Monday by The Brattle Group.

The study, "Transforming America's Power Industry: The Investment Challenge 2010-2030," was released in preliminary form in April, when it found that investment needs through 2030 would be $1.4 trillion.

Leading the list of investment priorities will be upgrades to distribution and transmission facilities, the study found. Spending on "smart grid" technologies, along with new power lines to integrate renewable electricity sources, will account for $880 billion of the $1.5 $2 trillion total, it said.

Of that, roughly $298 billion would be spent on transmission and $582 billion on distribution, the report said. And of the transmission spending, about $113.4 billion would be on 230-kV-or-less lines and $184.4 billion on lines of greater than 230 kV, it added.

That is not to say that spending on new generation will not be sizeable, the study said, adding that investment in natural gas, coal, nuclear and renewables generation will all be needed.

But the authors found that since the preliminary report was issued, the potential for a reduction in new generating capacity through energy efficiency grew from 17% to 38%.

This, they said, was the result of a faster than previously estimated implementation of efficiency and demand response programs.

Still, the most basic of the scenarios the consultants assessed — which does not account for new climate policies — would see $697 billion spent on 214,000 MW of new generation.

In breaking down those two totals, a region The Brattle Group tagged as the South would eat up $356.4 billion to construct 100,500 MW of generation, while the Midwest would need $149.8 billion to build 59,200 MW of capacity. It said the Northeast would end up spending $63.5 billion on 19,800 GW of capacity, according to its calculations.

The study said "the US electric utility industry faces the greatest challenge in its history. The demand for electric services

to meet the needs of our growing population and to power our increasingly digital and connected economy continues to rise."

"At the same time, high demand for commodities such as steel and cement is causing cost increases for building all electric infrastructure systems, including every type of new power plant, whether it's fueled by coal, nuclear power, natural gas, or renewable sources of energy," the study said.

Energy efficiency and demand response, they said, under a "realistically achievable" scenario that only includes the results of current environmental programs would, however, cut that 214,000 MW of new construction by 38% to 133,000 GW.

It would cost at least $85 billion to put in place efficiency programs capable of avoiding the need to build 81,000 MW of capacity. Building that capacity would have a price tag of $197 billion, the study said.

The remaining 133,000 MW of new generation would, the authors said, comprise 17,000 MW of gas-fired generation, 48,000 MW of coal-fired stations, 29,000 MW of nuclear capacity and 39,000 MW of renewable capacity, which would mostly be wind or biomass. —*Keiron Greenhalgh*

October temperatures were near average

No superlatives for the October weather in the contiguous US, says the National Oceanic and Atmospheric Administration's Climatic Data Center, as both temperature and precipitation were about at their long-term averages, based on records dating back to 1895.

The mean temperature for the month was 54.5 degrees Fahrenheit – only 0.3 degree below the 20th century mean. Precipitation for the month – at 2.1 inches – was 0.1 inch under the average for 1901-2000, the Ashville, North Carolina-based agency said in an announcement Friday.

Still, NOAA's Residential Energy Demand Temperature Index indicated that for the contiguous US, temperature-related energy demand was 4.3% above average for the month.

Warmth was concentrated in the West, as it has been for several months. The Southwest and most of the rest of the West were warmer than average for the month, and the longer August-through-October period was ninth-warmest for that three-month stretch on record for the region, according to NCDC.

On the other coast, the Southeast and Northeast were cooler than average during October, as was the area stretching across the southern Plains states. For the extended August-through-October period in the South, in fact, data show that the cooler-than-average conditions made it the seventh-coolest period on record for those three month.

Warmer meant drier in most cases for October. Much of the West, along with the western Gulf Coast states and Mid-Atlantic states, was drier than average during the month. In Nevada, for example, August-through-October was the third-driest for that three-month period on record for the state.

Drought conditions across the nation persisted in October, with the US Drought Monitor registering slight improvements in the northern Plains states and parts of the Southeast. Conditions worsened in parts of the Tennessee and Ohio valleys, southern Texas, the Pacific Northwest and Wisconsin. As of the end of the month, 22% of the contiguous US was in moderate-to-exceptional drought, a slight decrease compared with the measure in September. Extreme-to-exceptional drought conditions were the norm in western North Carolina and western South Carolina, northeast Georgia, eastern Tennessee and southern Texas.

From the Texas Panhandle north to the Dakotas and Minnesota, October brought above-average precipitation. In the area including Montana, Nebraska, the Dakotas and Wyoming, the month was the seventh-wettest on record for the region for that month, in records dating to 1895. Some of the precipitation was in the form of record snowfall, with as much as 33 inches of snow measured in several counties in Wyoming and Red Lodge, Montana, recording 42 inches of new snow – all from a storm that dumped snow on Montana, Wyoming and Idaho October 10-12.

October was among the top 10 wettest Octobers in Kansas, North Dakota and South Dakota. At 4.43 inches of precipitation for the month, Nebraska experienced its wettest October ever.

More of the US was in moderate to extreme wet conditions in October than in September, at 29% of the contiguous states, representing a jump of 3 percentage points. —*Amy Fickling*

Panda eyes more projects… from page 1

enced a declining reserve margin in recent years.

Carter said that Panda secured an air permit for the Temple project from the Texas Commission on Environmental Quality last month, and expects to secure an air permit for the Sherman project — and begin construction on both projects — by the summer of 2009. Each project will take about 24 months to build, he said, and will likely cost about $1,000/kW of installed capacity.

The Panda executive acknowledged that potential project lenders, equity participants and power buyers are currently reluctant to make immediate decisions, given the ongoing economic uncertainty and the credit crisis. He added, however, "We see that shaking out .... The market will be there."

Carter said that key factors supporting both the Temple and Sherman projects are their locations near the power-hungry Dallas-Fort Worth area in Texas and the fact that neither project depends on major transmission improvements. He noted that the nodal market planned for eventual implementation in the ERCOT market will benefit projects that are close to where demand is.

Panda's plan is to secure long-term power sales agreements for a significant portion of the Temple and Sherman projects' output, Carter said, adding that while his company is open to the possibility of taking on equity partners in the projects, Panda prefers to remain "in control," and will likely remain the projects' operator and primary owner once they come online.

Panda sees gas-fired capacity continuing to play a key role in most power markets for some time to come, said Carter. "We have plenty of natural gas in this country," he said. Gas also rais-

es minimal concerns about emissions, and gas-fired plants work well in tandem with the ups and downs of wind farm output, Carter said.

In addition to Texas, Panda is early stages of developing new gas-fired capacity in the Northeast and in the West, said Carter. "The Northeast is a constrained market, with few injection points to the grid. The key is finding good sites," he said, adding that Panda has "several" sites it is considering. But plant development in PJM, New York and NEPOOL takes longer than in ERCOT, Carter said, so it will likely be at least 2010 before Panda starts building a project or two there.

Meanwhile, the California market will need additional gas-fired capacity to help the state keep pace with rising demand and — just as important — to support the new wind and other renewable capacity that will be developed in the state. California already requires that 20% of its power come from renewable sources by 2010, and is considering a mandate for 33% renewable power by 2020.

Carter declined to provide specifics about any gas-fired projects that Panda is developing in the Northeast or West, but said that his company hopes to own and operate at least a few such projects there within the next five years.

He noted that his company also is looking at developing utility-scale solar projects. "We like solar because it provides power during peak periods," Carter said, adding that Panda's plan for now is "go into [solar] on our own" — that is, without a joint venture with a solar specialist — "and to use existing technologies" on any projects it decides to build.

Asked if Panda would consider responding to solicitations such as the one recently issued by Austin Energy to build 30 MW of solar capacity at a 300-acre site owned by the big Texas municipal utility, Carter answered in the affirmative. Panda, he added, "would like to have a solar project under construction by the end of next year."

As noted, Panda over the past several years has built — and divested itself of — a number of gas-fired plants, including two 2,200-MW IPPs in Arizona and Arkansas, but it now retains an ownership interest in only one plant: what Carter described as a "significant" but unspecified stake in the 230-MW, gas-fired combined-cycle facility in Brandywine, Maryland. — *Housley Carr*

Power Edge, PJM ready for trial… from page 1

Power Edge, an affiliate of the LLC plaintiffs in the case, defaulted on a large FTR portfolio in late 2007, and the $51.7 million in losses associated with the default were socialized among the PJM members. In an effort to recoup some of the losses, PJM seized the collateral posted by Power Edge's affiliates operating in the PJM market.

On November 3, the US District Court for the Eastern District of Pennsylvania allowed one of the counts against PJM — alleging conversion to PJM of a disputed $32 million — to continue, but dismissed the remaining five counts. Conversion refers to the legal concept of unlawful taking or use of someone else's property without the owner's consent.

On November 7, the plaintiffs amended their complaint, this time alleging that PJM seized monies totaling at least $35.7 million without the interest. In addition to the conversion allegations, the plaintiffs added a claim for breach of contract, saying PJM had no contractual authority to seize the disputed funds and shut Power Edge's affiliates out of the market.

"Both parties are processing documents and e-mails for discovery right now, so the litigation is well under way," Sandy Choi, general counsel for Tower Research Capital, said.

Prior to the lawsuit filed by the affiliates against PJM, the grid operator filed its own claim April 16 against the companies and Mark Gorton in a Delaware district court. According to Choi, Judge Norma Shapiro who is presiding over the case in the Eastern District of Pennsylvania suggested that the parties consolidate the two cases in her court and the plaintiffs have already asked for the consolidation.

While both parties proceed with the discovery process and preparations for trial, they will also have to undergo mediation, which will begin November 21, conducted by Washington attorney William Massey, a former commissioner at the Federal Energy Regulatory Commission. — *Milena Yordanova-Kline*

OPA names finalists… from page 1

panel that is evaluating the bids, the project must undergo municipal and regional land-use review and provincial environmental assessment.

Ontario, overall, is hungry for new supply and forecasts that it must rebuild, conserve or replace 25,000 MW over the next two decades. The province is in the process of revamping its power portfolio to include more "clean" electricity sources and to shut down all coal-fired generation by 2014.

As a result, the minister of energy has directed the OPA to issue several solicitations, in addition to the York request for proposals.

The authority in October put out a request for qualifications for an 850-MW gas-fired combined-cycle plant to serve greater southwestern Toronto, an area expected to see a power shortfall by 2015. Proposals are due November 28, and winners will be named December 31. The winning project must begin service by December 31, 2013.

The minister also is pursuing aggressive conservation efforts with the goal of reducing demand in southwestern Toronto 500 MW by 2014.

In addition, Ontario is seeking 500 MW of combined heat and power across the province as part of a goal to secure 1,000 MW of the resource. The plants can serve large energy users or district energy associations. Project proposals are due January 29, 2009; the OPA expects to select winners in March 2009. The OPA already awarded 414 MW in 2006 toward the 1,000 MW CHP goal.

And finally, the OPA closed on bids October 28 for 500 MW of grid-connected renewable energy and expects to announce winners in December. The RFP is the first of what is expected to be multiple green solicitations to add 2,000 MW of renewable energy to Ontario's supply.

The solicitations are available at http://www.powerauthority.on.ca/gp/Page.asp?PageID=1115&BL_WebsiteID=1. — *Lisa Wood*