

Elements of a Firm Fixed Price Contract in CT

Fixed Energy Price (Commodity): The Fixed Energy Price shall be the load following per kWh price for the Account(s) set forth in this RFP; provided, that variance between the actual usage and expected usage remains within the specified "Bandwidth" described in this RFP.

Capacity Market: The cost of Installed Capacity (ICAP) based upon the ICAP tags provided by the utility. In addition, the costs of unforced capacity (UCAP) requirements shall be included. The cost of installed and unforced capacity shall be defined by the ISO-NE.

Locational Forward Reserves: The LFR market ensures that intermediate units are located in constrained regions by providing incentive payments in the four pricing zones: Southwest CT (SWCT), Rest of Connecticut (CT), Northeast Massachusetts (NEMA) and Rest of System (ROS). ROS includes New Hampshire, Maine, Western Central Massachusetts Southeast Massachusetts, Rhode Island and Vermont. The LFR costs are determined by auctions conducted by ISO-NE. The LFR costs are defined by ISO-NE.

Reliability Must Run: Charges associated with resources identified by the ISO-NE as necessary for the provision of Operating Reserve requirements and adherence to North American Electric Reliability Council (NERC), Northeast Power Coordinating Council (NPCC), and ISO reliability criteria over and above those resources required to meet first contingency reliability criteria within a Reliability Region. The costs are defined by ISO-NE.

Ancillary Charges: Ancillary fees are charges for services including, but not limited to: Scheduling, System Control and Dispatch Service; Reactive Supply and Voltage Control from Generation; Regulation and Frequency Response Service; Energy Imbalance Service; Operating Reserve – Ten-Minute Spinning Reserve Service; Operating Reserve – Ten-Minute Non-Spinning Reserve Service; Operating Reserve - Thirty-Minute Operating Reserve Service; System Restoration and Planning Service; Special Constraint Resource Service. For the charges, definitions, fee analyses, and up-to-date information refer to the Open Access Transmission Tariff published by ISO-NE. The ancillary charges shall be as defined by ISO-NE.

Congestion Charges: A congestion cost is a fee levied by ISO-NE for the dispatch of local resources with higher operating costs during times of high congestion. These costs are measured as a price difference between two geographical locations in the market, expressed as locational marginal differential between the customer's load zone and the New England Power Pool "Hub. The costs shall be defined by ISO-NE.

ISO Administrative Fees: Charges levied by the independent system operator for the operation and maintenance of the system.

Line Losses: Fees or charges related to all distribution, transmission, and transformer losses associated with service from the point of supply to the customer's meter. Suppliers are to provide sufficient quantities of electricity capacity, power, and ancillary services to mitigate line losses.

Renewal Portfolio Standard: Regulations and requirements determined on a state-by-state basis related to the required purchase of electricity from a renewable power source. For details and compliance requirements refer to the RPS definition provided by the state to which the electricity will be supplied.

Supplier Costs : Costs incurred by the supplier to serve this customers such as the Supplier's trading and risk management program, customer account management activities, billing and reporting requirements, all receipt taxes assessed to the supplier, supplier's overhead and profit.

World Energy's Fee : The World Energy fee as listed in this RFP.

Sales Tax: Is not included in a firm fixed price contract.