

LIPA Statement No. 1 - ICAP

Long Island Power Authority

Statement of Values for Losses, ICAP and Local ICAP for the Long Island Choice Program

Applicable to all licensed Energy Service Companies (ESCOs) and Direct Retail Customers (DRCs) under Service Classification No. 14 as set forth in the Tariff for Electric Service

Losses

DRCs and ESCOs are responsible for delivering to LIPA sufficient energy and capacity to meet their customers load and to compensate LIPA for electrical losses that occur as part of the delivery process. The loss factors will vary depending upon the voltage level of the customer delivery. The energy loss factors must be multiplied by the energy as measured at the customers' meter to yield the total energy to be delivered by the ESCO or DRC to the border of the LIPA system. The energy loss factors shall also be applied to ancillary services procured on behalf of customers. The demand loss factors will be applied to the peak demand measured at the customer meter or the load profile calculated at the customer meter.

<u>Delivery Voltage Level</u>	<u>Energy</u>	<u>Demand</u>
Transmission (greater than 115kV)	1.1327%	1.0101%
Subtransmission (between 34.5 kV and 115 kV)	2.6799%	2.7855%
Primary (between 2.4 kV and 13.2 kV)	4.3515%	5.7194%
Secondary (less or equal to 480 kV)	7.3998%	9.2180%

Installed Capacity Reserve Requirement (ICAP)

Each ESCO will be required to provide an Installed Capacity Reserve Requirement (ICAP) equal to the customer coincident peak load plus demand losses plus an 18% reserve margin applied to the customer coincident peak load plus losses. The customer coincident peak load is the customer load during the hour of LIPA's annual peak.

Local Installed Capacity Reserve Requirement (Local ICAP)

A portion of the ICAP requirement must be provided by resources that qualify as local capacity. The Local Installed Capacity Reserve Requirement (Local ICAP) is equal to 82.3% of the ICAP requirement defined above.

Effective: