



Source: RGGI, Inc. Compliance Reports & Auction Results

As permit costs rose from \$2/ton to almost \$6/ton electricity production was cut in half. We forecast permit costs will rise to \$10/ton by 2017 reducing power production further. The marginal cost to sell an additional MWh of power from Indian River is currently 19% higher than its competitors. Our analysis suggests NRG will probably make a small profit in 2015 that may disappear as production volume continues to fall.