Energy Curtailment Specialists, Inc.

New York's Demand Response Market Enhancements

Price Responsive Load Working Group Meeting January 31, 2007

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New York's Demand Response 2006 Market Changes

Change Peak Hours 12:00 pm to 8:00 pm

Portfolio Deficiencies Calculation deficiencies under portfolio eliminate customer by customer deficiencies

Assign Class Average for New Resources Rules and Implementation under review

Change EFORd to Seasonal Performance Factor EFORd calculated by Season eliminate 12 month rolling average

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Phase II ICAP Automation

Create Sub-working group
NYISO and RIP collaborative effort
Sub-working group reports to PRL

RIPS Participation

Ensures end user satisfaction
Provides NYISO with functionality benefits

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Phase II ICAP Automation

Phase II System Upgrades

• Upload/Download Functionality:

- Seasonal registration
- New/Updated registrations
- Performance Data
- Web Application
 - Add/Delete customer via application
 - View Performance data via application
 - Customer level & RIP level

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Phase II ICAP Automation

- Benefits
 - Registration
 - Easier seasonal renewal
 - New customers
 - Elimination of spreadsheet reporting

Easier Reporting

- Timely event data reporting
- Less manual intervention

Data Integrity

Elimination of potential errors

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Resource Testing

Multiple Tests

- Allow/Activate more than one test during capability period when no events are called
- Allow for retesting within 30 days

Basis

- Customer has greater opportunity to perform in capability period
- Events predicable, tests unexpected
- Generators free to test under best conditions within four month period

Benefits

- Resource does not live or die by one test, if no event
- Customer allowed to make better business decision with knowledge of additional test Energy Curtailment Specialists, Inc.

Targeted Demand Response New York City

Barriers to Approach

- Increased calls for some customers
- Increased risk of resource performance
- Customers may leave program/market
- RIPs avoid locations with increased call history
- Clear understand of event triggers

Benefits

- Avoid calling customers that aren't needed
- Targeted relief for Con Ed system

***Barriers appear to outweigh the benefits

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Targeted Demand Response New York City

Proposal

Out of Market Solution
Additional compensation mechanism
Develop program with Con Ed
Clearer understanding of event triggers

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Implement Portfolio Performance Factor

?Allow RIPs to Manage Portfolio ?RIPs contract with NYISO

?RIP/NYISO contract for # of MW?10 MW sold/10 MW delivered portfolio should be 100%

?RIPs Manage their risk

?Allows RIP to manage demand portfolio?Greater incentive to provide additional MW

?RIPs maintain customer relationship

?RIP calls customer to assist RIP in meeting their obligation to grid

?Some customers can provide more kW to assist RIP

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Implement Portfolio Performance Factor

Portfolio Performance Factors

- Calculate locational performance factors for each RIP based on aggregate performance
- Aligns value provided to grid and RIP performance factor
 - Ensures that 10 MW sold/10 MW delivered
 - RIP receives 100% performance factor

Portfolio Based Performance Usage

- New Resources (current rule)
- Determining Deficiencies (current rule)
- Locational Performance Factors for RIP (proposed rule)

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Portfolio Based Performance

• Supported by:

- Ace Energy, Inc.
- Energy Analytics, Inc.
- Energy Curtailment Specialists, Inc.
- Energy Enterprises, Inc.
- EnerNOC, Inc.
- Innoventive Power LLC
- Webenergy.net, Inc. d/b/a ConsumerPowerline

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Questions?

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