Comverge Inc / Enerwise Global Technologies Inc.
215 Park Ave South, Ste 2008
New York, NY 10003

October 20, 2011

Dear AMO & ICAPWG Constituents:

Comverge/Enerwise Global Technologies Inc. would like an opportunity to comment on the proposed ACL Baseline Study presented at the October 17, 2011 Installed Capacity Working Group meeting by Ms. Pratt. We have submitted comments/questions on the study's logistics, and wanted to provide separate feedback on the challenges the ACL, in particular the winter ACL, has presented from a RIP's ground-level perspective.

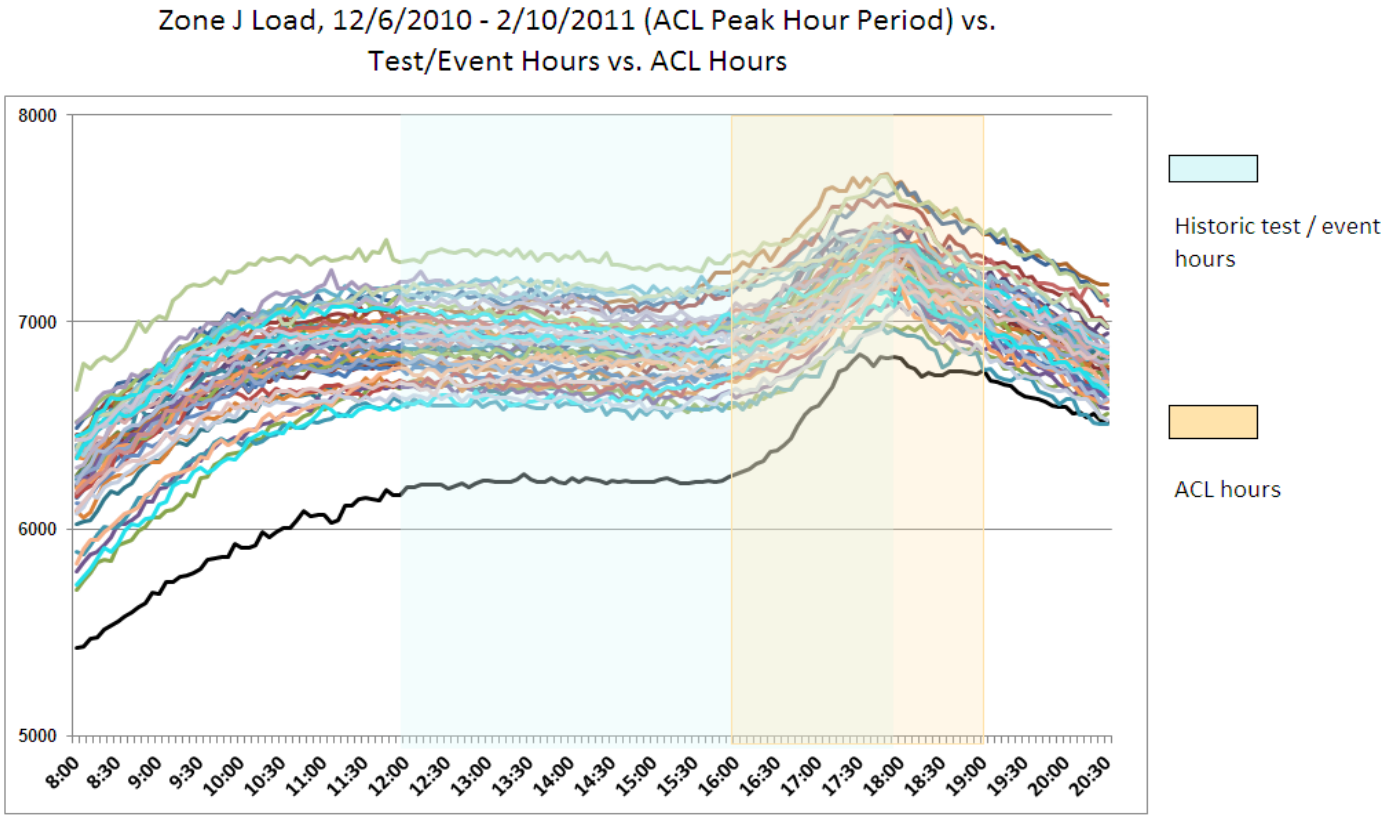
Comverge/Enerwise requests these be incorporated into the study's scope. In particular, we are concerned about two items:

1) The clustering of (winter) ACL hours after regular business hours, as well as outside the range of hours where (winter) tests and events are called
2) The impact of ACL on winter enrollable loads for industrial clients.
3) The desirability of participation in the SCR program for clients that do provide real load drop, a culmination of points 1 and 2.

Clustering of Winter ACL hours after regular business hours:

As with any baseline methodology, ACL can never truly measure the *exact* drop achieved during a test or event. However, the winter ACL provides an unfair disadvantage to industrial customers – a market segment that is traditionally the most willing to perform full shutdowns, due to the ACL hours' disconnect from regular business hours.

Winter ACL Hours	
Hour Beginning	**# of ACL Hours**
16:00	1
17:00	19
18:00	20



(MWs X time, only business days included)

Of the 38 winter tests and events (see "NYISO - Called Events & Tests" sheet) since the program's initiation, only the 2 events of April 2002 ran past 5:00 pm. Hour beginning 13:00 is the most frequent start time for tests & events, with 15 incidences. As a result, SCR performance during test and event hours is being measured against peaks that occurred at other times of the day. Further, residential loads that drive after-hour peaks are not the same utility customers providing the bulk of emergency load drop during the crucial summer event periods.

The winter ACL is providing a loophole for non-performers to earn capacity payments for load drop they are not providing, at the detriment of industrial facilities fully shutting down for the NYISO.

ACL & Enrollable Loads for Industrial Clients:

As the following energy usage trends illustrate, industrial clients capable of complete shutdowns or switching full facility load to generation during events, tend to run at peak capacity during regular business hours, and then sharply drop off after 5:00 p.m. These resources' ability to receive high performance factors has been made burdensome by the winter ACL hours.

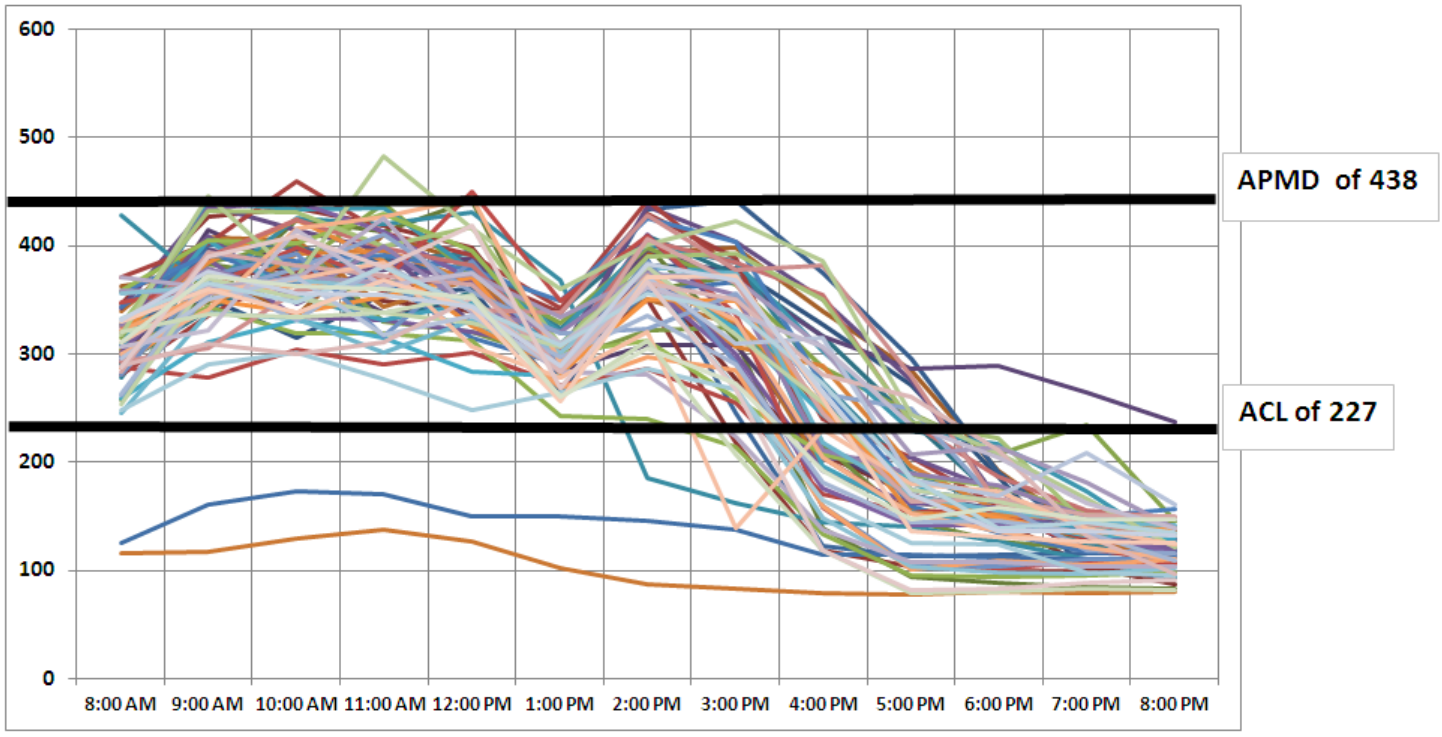
Following are a few examples of how industrial SCRs' load drop according to the NYISO-calculated baseline tends to be only a portion of the CBL drop.

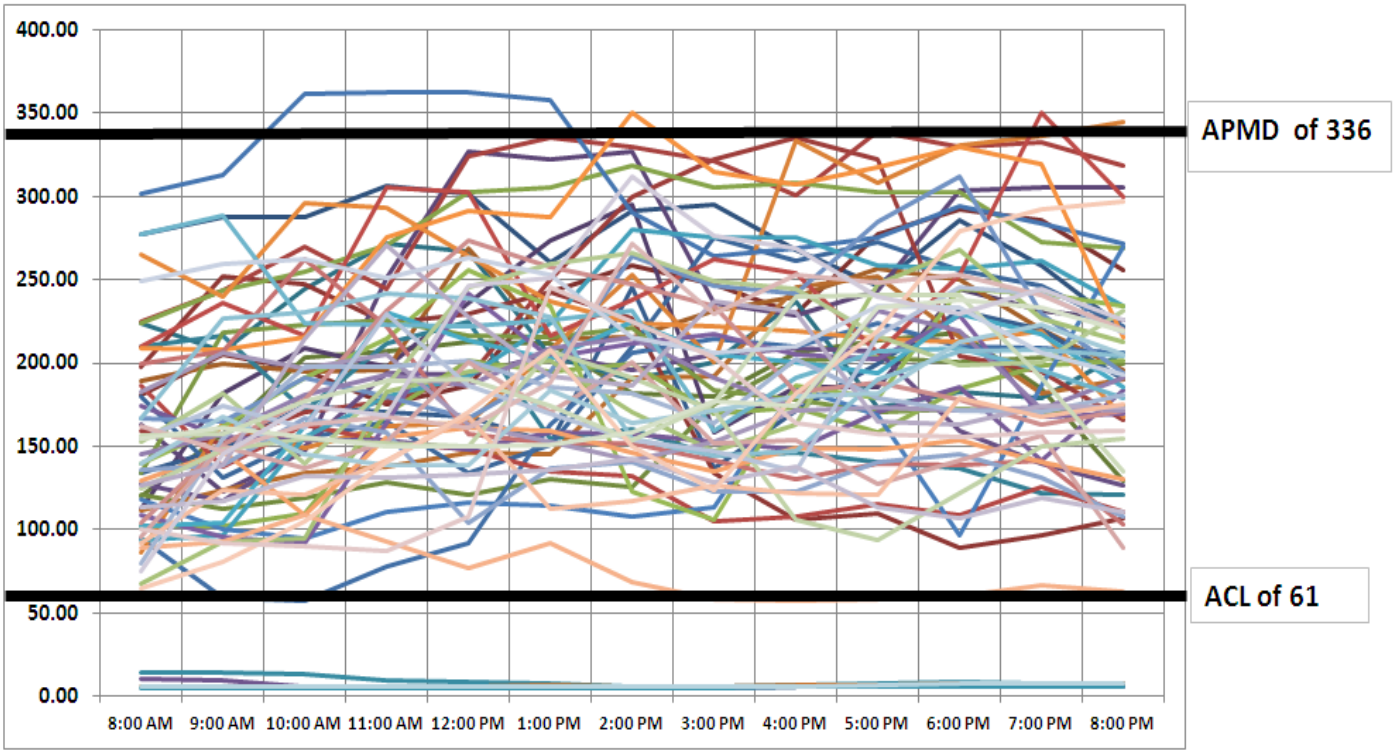
Load drop for randomly selected industrial Special Case Resources, according to various baseline methodologies:

Measurement	Resource 1	Resource 2	Resource 3	Resource 4
APMD	360	750	438	336
ACL	165	694	227	61
CBL Baseline for 2/15 Test	283	712	378	213
2 hours prior to test	264	716	278	170
Load during test	32	357	138	147
LD against APMD	328	393	300	189
LD against CBL	251	355	240	66
LD against ACL	133	337	89	-86

Randomly-selected industrial Special Case Resources' daily usage trends during non-shoulder winter months, as compared to their respective APMDs and ACLs:

Lines represent usage by day for all business days, Dec 2010 – March 2011. (KWs X time)

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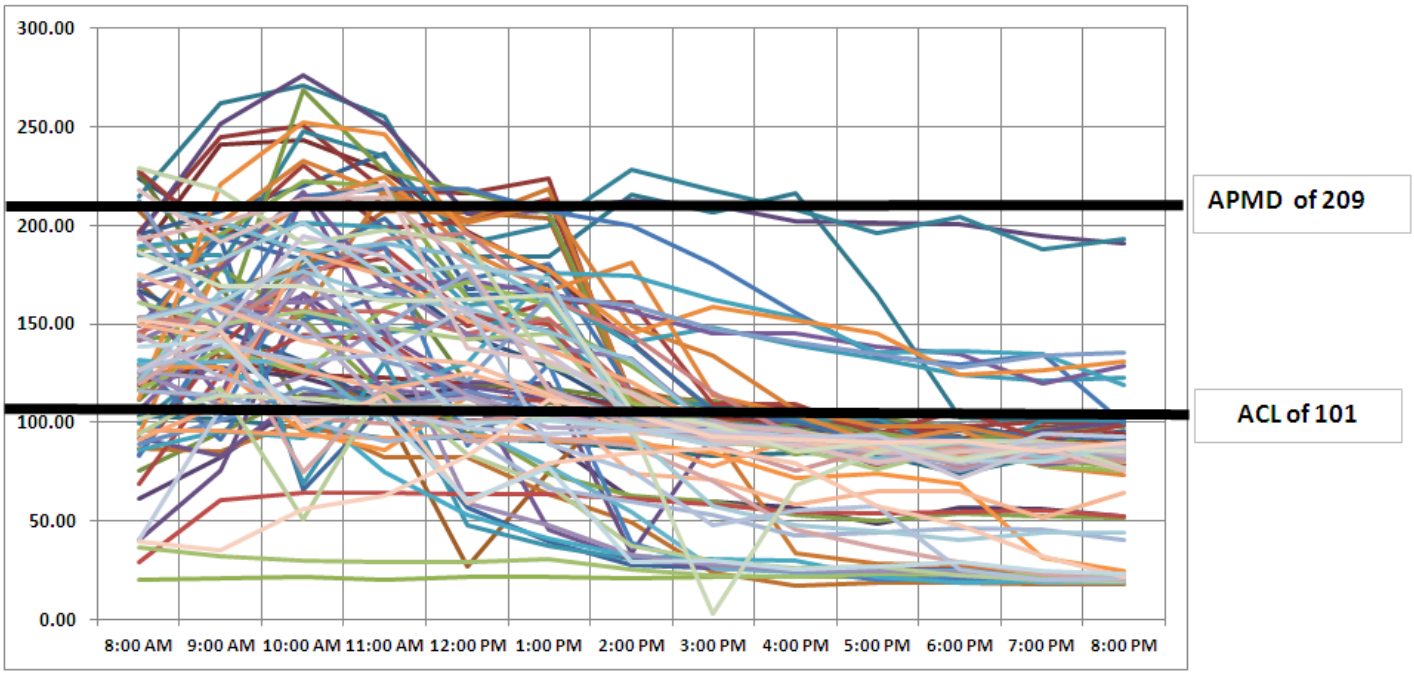
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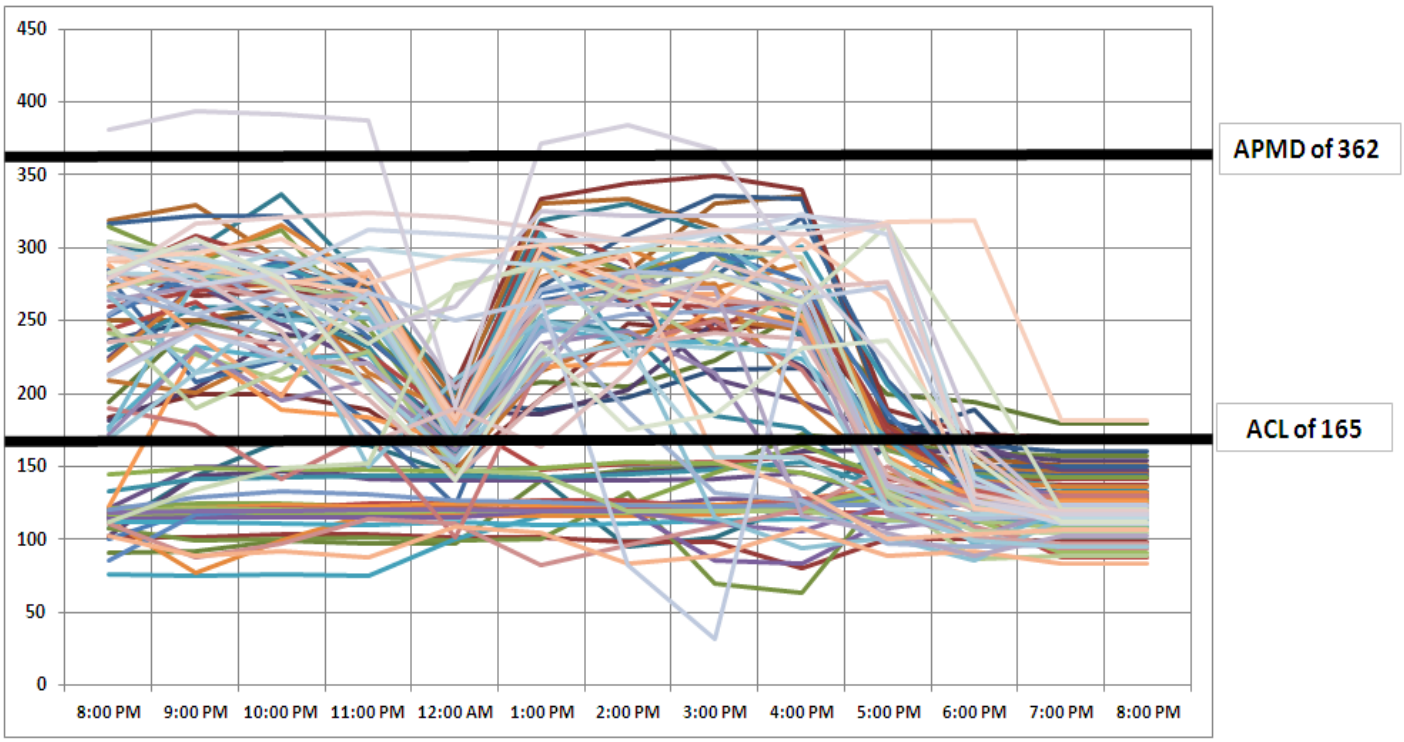

One way for the winter ACL to accurately reflect load drop would be to implement a pseudo-ACL-weighted-hour methodology, whereby the NYISO would choose the 40 peak hours across defined bands of clock hours, 12:00 noon to 3:00 pm, and 3:00 pm – 7:00 pm, for example. Language can be added to the ACL methodology stating that a set percentage of ACL hours (of course, they would not then be true "coincident" hours) must be chosen from time band A. This is admittedly an unwieldy approach, but a change to the winter ACL hours is necessary if the NYISO intends to maintain its most reliable customer base.

The current winter ACL hours provide a gaming mechanism where a resource can enroll in the program at the difference between its 6:00pm peak and the hours where a test is most likely to be called. We urge the NYISO to make whatever changes are necessary to the ACL calculation so that all market segments' load drops are accurately reflected, especially industrial customers. Next to healthcare facilities running on generation, industrial sites are the most willing and able to shed large amounts of load to protect the integrity of the grid during summer emergency event hours.

To begin a wide-scope analysis of these issues, we will accept an acceleration of the study period if the NYISO agrees to a semi-annual, not monthly, data-upload requirement.

Respectfully Submitted,

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