
Summary of New England's Real-Time Load Response Program

October 31, 2001

The Current New England Program

- The current Load Response Program was filed in March of 2001 and included two distinct classes:
 - Class 1 – An emergency interruptible load program where loads guarantee a Contract MW amount and are paid the ECP and TMOR payments
 - Class 2 – A price responsive program where customers are paid the ECP when they respond to an ISO notice voluntarily
 - Customers are equipped with the RETX Internet Communications System enabling them to be notified/respond near real-time, to monitor real-time prices, and to see their curtailment performance relative to the baseline

Price Response Program (Class 2)

- ISO initiates trigger when forecast ECP \geq \$100 and defines time period (“window”) of class 2 availability
- Consumer chooses when to reduce load (within window) based on forecast/actual ECPs
- Enrolling participant receives compensation based on ECP for the hours in which reduction occurs
- Consumer is compensated based on contract with enrolling participant
- Reduced demand expected to restrain market prices

Emergency Response Program (Class 1)

- Must be willing and capable of interrupting within 30 minutes of receiving ISO initiated instruction.
- Called following a contingency loss or after accounting for voltage reduction as 10 minute reserve.
- Interruptions will normally not exceed 2 hours.
- Paid ECP during curtailment event

Proposed 2002 Pricing Enhancements

- Make Class 1 (Emergency Response) providers eligible to receive ICAP credit
- Set a minimum price and payment duration to increase price certainty (and revenue impact certainty)
- Possible location-based pricing in congested load pockets

New England Price Certainty Proposal

- Minimum Price
 - Class 1
 - Pay greater of ECP or \$100/MWh for MWh curtailed in response to ISO request
 - Class 2
 - Pay ECP for all voluntary curtailments between 0800 – 2300 as per procedures today
 - Pay greater of ECP or \$100/MWh for MWh curtailed when requested by ISO
- Minimum payment duration
 - Customers guaranteed payment for at least 2 hours of curtailment per notification even if ISO notice is for shorter duration
 - Example
 - ISO issues curtailment notice from 1600 to 1700
 - Customer curtails load for 2 hours starting at 1630
 - Customer eligible for payment for 2 hours of curtailment
 - Customer only receives payment for actual load curtailed
- Eliminate TMOR payments since these are less understandable to LRP Customers and it will simplify settlements

Status of Load Response Program

- Class 1, demand response (reliability)
 - 18 sites for 6.8 mw
- Class 2, price response (economic)
 - 106 sites for 58.8 mw
- Participants continue to sign up customers