



September 28,2000

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Dave:

During the September 8, 2000 Price Response Load ("PRL") Working Group Meeting, the NYISO Staff requested comments from parties regarding demand responsiveness programs for New York State. Indeck Energy Services, Inc., which owns and operates six (6) generating facilities totaling 450 megawatts in the New York State, submits these comments in support of the preliminary comments of Southern Energy New York and the efforts and direction of the PRL Working Group and its participants.

In its June 30, 2000 filing with the Federal Energy Regulatory Commission ("FERC") seeking immediate authority to implement bid caps, the NYISO Board notified FERC that it had directed its staff to work on demand side market mechanisms in time for Summer 2001. The defined scope of work includes the formulation of policies, drafting of tariff revisions, obtaining the required NYISO committee approvals and final implementation of market mechanisms and software enhancements by June 1, 2001. Given the June 1, 2000 deadline it is critical that the PRL Working Group acts quickly and effectively.

Indeck urges the PRL Working Group to focus first on the development of curtailable load programs that are similar to those currently in place in PJM and the Consolidated Edison Company of New York service territory. The mechanisms in place for these two established programs shall provide an optimal starting point for an expanded demand response program in the NY Control Area with a completion deadline of June 1, 2000. This strategy of expanding on a demand response mechanism that is currently in place will likely show a notable amount of price responsiveness by Summer 2001 and will eliminate demand response as an excuse for bid caps. Upon completion of the NY Control Area program prior to the Summer, 2001 deadline, and to the extent that time and resources permit, additional programs can be accommodated.

Regards,

Mike Ferguson

cc  
Mike Janczak  
Gerald DeNotto  
Tom Campone