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PRLWG

Some More CBL Thoughts





Current Straw Proposal for 2002

- Continue to use NY CBL (Customer Base Load) methodology for non-weather sensitive customers
- For weather-sensitive loads modify the NY CBL via the ISO-NE adjustment
 - ❖ “The CB will be adjusted (down or up) to reflect actual usage for the two hours preceding the interruption. For example, if the Customer’s baseline load is 330 kWh for 10 AM, the time at which an interruption is due to start, but the Customer’s actual usage from 8 AM to 10 AM is 20 kWh below the CB, the baseline will be adjusted down to reflect the actual load.”





Issues Concerning ISO-NE Adjustment

- Subject to gaming. Customers may adjust load the day of the bid
- Subject to inadvertent double incentive. Customers that pre-chill only on days when called will boost their CBL and gain even more reimbursement
- XENERGY analysis has found the ISO-NE is much more practicable for smaller end-users with only load reduction to implement
 - ❖ A naïve bidding approach, bidding what you actually reduce, leads to vast under-credit for weather-sensitive loads on the hot / high priced days with the current NYISO CBL.
 - ❖ With the ISO-NE approach, and no gaming, the CSP will end up with credited reduced load, much closer to actual reduced load, than they will with current NYISO CBL
 - This means w/ the ISO-NE adjustment there is a better gauge of actual reduction, so customers do not have to try to predict what they will be credited. Conversely, to be prudent it is almost mandatory to try and predict the credited reduction with the current NYISO CBL approach. The resources needed and the on-going costs of predicting the credited reduction are substantial.





Other Implications

- It would be even better in some curtailment cases (e.g. lighting) if a customer that is just curtailing load as compared to kicking in behind the fence generation, could be sub-metered.
 - ❖ While sub-metering lighting would probably work, sub-metering HVAC probably wouldn't.
- If we get weather-sensitive loads onto the ISO-NE adjustment, should we still have the top five of ten days for the regular CBL? Or should it just be the average of the last five
- Those with behind the fence generation only for load curtailment should be strongly encouraged to be metered on the generation only, not on the whole site revenue meter, given the handicaps of the CBL

