

COMMENTS OF ENERGY CURTAILMENT SPECIALISTS, INC. CONCERNING THE EXPIRATION OF THE NEW YORK CITY INDUSTRIAL AND COMMERCIAL INCENTIVE PROGRAM

I. INTRODUCTION

Energy Curtailment Specialists, Inc. (ECS) is one of the nation's largest and leading providers of full service demand response and energy management services for commercial, industrial, and institutional customers. In the State of New York, ECS has several hundred megawatts of demand response resources under contract. In addition, ECS administers programs in New England, PJM, California, Missouri, Kansas and Ontario, Canada. ECS' portfolio of customers include a wide range of resources including the largest industrial loads, schools and universities, healthcare providers, property management firms and others.

ECS respectfully submits these comments in response to NYISO's call for feedback regarding the expiration of the property tax exemption heretofore afforded new generating facilities under New York City's Industrial and Commercial Incentive Program ("ICIP").

Joint comments of the Independent Power Producers of New York, Inc. (IPPNY) and ConsumerPowerline, Inc. were recently submitted to NYISO on this issue. Rather than re-hash all of the points brought up in those comments, ECS respectfully adopts and agrees with the contents of that filing. In particular, from its perspective as a large demand response provider in NYISO's Installed Capacity/Special Case Resource Market, ECS suggests that NYISO's Board of Directors need to take immediate action (at its August board meeting) and determine that the change in law effectuating the expiration of the exemption has caused exigent circumstances and that, in turn, these exigent circumstances require an immediate revision of the New York City Demand Curves for the remainder of the 2008-2009 Capability Year as well as the 2009-2010 and 2010-2011 Capability Years. As noted in the referenced joint comments, "*SCR providers could easily elect to leave or forego further entry into the market if the administratively*

determined market clearing price under the Demand Curve is not consistent with actual market-based cost.” As the Affidavit of Mark Younger attests, the loss of the ICIP Exemption equates to a 38.8% change in the Demand Curve.

ECS respectfully requests that NYISO’s Board of Directors determine the existence of exigent circumstances sufficient to warrant a revision of the NYC Demand Curve and further that seeking prompt FERC approval under FPA Section 205 of the revised NYC Demand Curves that result from the elimination of the ICIP Exemption is warranted. Thank you for the opportunity to submit these comments.

Respectfully Submitted,

Glen E. Smith
President & Chief Executive Officer
Energy Curtailment Specialists, Inc.

Date

Stephen P. Lynch
Principal & Co-Founder
Energy Curtailment Specialists, Inc.

Date