

**MOTION IN SUPPORT OF KEYSpan-RAVENSWOOD, LLC
NOTICE OF APPEAL TO THE MANAGEMENT COMMITTEE
FROM THE BUSINESS ISSUES COMMITTEE'S DECISION AT ITS
AUGUST 9, 2006 MEETING**

I. SUMMARY STATEMENT

EnerNOC, Inc. ("EnerNOC") supports the Notice of Appeal filed by KeySpan-Ravenswood, LLC ("Ravenswood") in connection with Motion #2a-Motion to Table Motion #2. EnerNOC is in agreement with Ravenswood that the Business Issues Committee ("BIC") did not adequately consider all of the facts and issues associated with changes to the NYISO In-City capacity market when it denied Motion #2a. EnerNOC requests that the Management Committee ("MC") overturn the BIC denial of Motion #2a and remand any purported issues related to the In-City capacity market to the ICAP Working Group for a detailed analysis that is commensurate with the potential reliability impacts of the suggested changes.

II. ARGUMENT – THE IN-CITY CAPACITY MITIGATION MEASURES PROPOSED IN MOTION #2 FAIL TO FULLY CONSIDER RELIABILITY IMPACTS

To EnerNOC's knowledge, there has been no detailed analysis of the reliability impacts of the capacity market and monitoring measures approved by the BIC on August 9th. It is ironic and inexplicable then that these measures would be approved one week after New York State experienced a sustained and severe heat wave that resulted in back-to-back records in power demand. In its August 2nd press release on the heat wave, NYISO President and CEO Mark S. Lynch

called attention to NYISO's successful reliability initiatives by saying, "We are passing the test. Our markets are working, our demand reduction programs have helped reliability..." Detailed analysis is needed to demonstrate that the approved measures do not put reliability at risk; this is particularly so given the evidence to the contrary. First, as Ravenswood indicates, suppliers may retire uneconomic units even if offered reliability must run agreements.¹ Second, Special Case Resources experience varying degrees of business disruption during demand response events and so require economic compensation in exchange for the commitment to perform. If capacity prices drop significantly, lower levels of participation will result.

The potential negative impact of the approved measures on Special Case Resources comes at an inopportune time for New York City as Special Case Resources are being called upon to play a more significant role in maintaining reliability. NYISO's Comprehensive Reliability Plan (CRP) calls for 265 MW of new Special Case Resources in New York City by 2010. Market participants thus implicitly assume that 265 MW of new Special Case Resources can be added in New York City over the next four years even at reduced capacity prices. As one of the leading demand response providers in New York State, EnerNOC asserts that the approved measures will likely cause a net reduction in Special Case Resources in New York City over this time period if capacity prices are significantly reduced, which will further decrease reserve margins that must be maintained to meet reliability criteria.

¹ Notice of Appeal of KeySpan-Ravenswood, LLC to the Management Committee from the Business Issues Committee's Decision at its August 9, 2006 Meeting. August 23, 2006.

III. CONCLUSION

EnerNOC supports Keyspan's Notice of Appeal and respectfully requests that the Management Committee reverse the decision made by the Business Issues Committee to deny Motion #2a-Motion to table Motion #2. EnerNOC requests that the Management Committee direct the ICAP Working Group to convene additional meetings and conduct detailed analyses to ensure that due process is followed and any measures adopted to address purported issues with the In-City capacity market also maintain and enhance reliability of the State's electric power system.

Date: August 31, 2006

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "David B. Brewster".

David B. Brewster

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