February 24, 2014

By Electronic Delivery
<secretary@dps.state.ny.us>

Hon. Kathleen Burgess
Secretary to the Commission
New York State Public Service Commission
Agency Building 3, Empire State Plaza
Albany, NY 12223-1350

Re: Case No. 09-E-0115 Comment of Energy Spectrum, Inc.

Dear Secretary Burgess:

On December 18, 2013 Consolidated Edison ("The Company") proposed revisions to its Demand Response Programs, specifically Riders P, S, U, V and W. Energy Spectrum supports many of the changes proposed. Energy Spectrum confines its remarks in this comment to the subject of "Aggregators" for Riders S and U.

Energy Spectrum recognizes that the Commission and the Company are receiving strong encouragement from State and Company leadership to rapidly mobilize performers, such as Aggregators, deploy resources and obtain demand response ("DR").

As an active participant in the Company DR programs, Energy Spectrum considers that this is all to the good. We note that the December filings sharpen the definition of Aggregator in both Riders S and U to define greater responsibility for the Aggregator to represent the Customers whose loads they aggregate and to be responsible for the actions of the Customers they represent. For example, in the case of Rider S the Aggregator "is responsible for the actions of the Customers it represents, including performance and, as applicable, performance adjustments, penalties, and repayments to the Company."

We are concerned that the proposed revisions do not require the Company to qualify or vet "Aggregators" for either the mandatory Rider S (CSRP) or the Rider U (DLRP). Aggregators participating in NYISO SCR ICAP programs must provide financial security, receive training on complex data and communication systems, and are regularly tested for performance. Penalties apply ranging from reductions in allowable capacity to complete exclusion from the market.ESCOs participating in New York’s supply markets must register with the Commission and adhere to the Uniform Business Practices. These measures provide assurances to the public that all customer Aggregators, whether ESCOs or DR providers, meet their obligations both to individual consumers and to the entire system.

The apparent Con Edison omission to qualify Aggregators, combined with reduced penalties for non-performance\(^1\) appears to undermine the more extensive requirements on Aggregators proposed. These

\(^1\) Filing Cover letter, December 18, 2013, p 2. Appendix B – page 3 of 5, for Rider S at proposed Tariff Leaf No. 255, Revision 4 and for rider U at Leaf No. 278, Revision 4. The reference in Appendix B indicates that this
are significant concerns to Energy Spectrum that has actively provided reliable, consumer friendly DR service to customers participating in Con Edison and NYISO DR Programs for a period of years.

The Commission continues to be concerned about non-consumer friendly situations and acted on February 20, 2014 to "strengthen measures to curtail inappropriate energy marketing activities." Similar concerns should apply here.²

Customers need assurance that Aggregators are able to meet performance and payment obligations now and in the future. For both reliability reasons and consumer protection reasons, the Commission must be concerned that Aggregators are able to meet their obligations. For a number of years, the Company has relied on the NYISO Demand Response Service Providers list as the approved Aggregator list for Riders S and U. Energy Spectrum urges the NYS PSC to impose NYISO RIP registration as the standard for the mandatory Rider S and U programs.

Sincerely,

David Neiburg
President
Energy Spectrum, Inc.

² 12-M-0476, Decision at Session by the Commission