Comments of Energy Curtailment Specialists, Inc.


If appearances are required, this document serves as a motion to intervene and obtain status as an interested and active party.

I. Communications

All communications, correspondence, and documents related to this proceeding should be directed to the following individuals:

B. Marie Pieniazek
Chief Operating Officer
Energy Curtailment Specialists, Inc.
4455 Genesee Street, Bldg. #6
Buffalo, New York 14225
(716) 565-1327
mariep@ecsgrid.com

Matt Renninger
Regulatory Affairs Associate
Energy Curtailment Specialists, Inc.
4455 Genesee Street, Bldg. #6
Buffalo, New York 14225
(716) 565-1327
mrenninger@ecsgrid.com

II. Introduction

ECS is one of the nation’s largest privately held full service demand response and energy management companies, and a leading Demand Response Provider for commercial, industrial,
and institutional customers. With a large number of Con Edison customers under contract to participate in Con Edison’s various demand response programs, ECS clearly has a significant stake in the outcome of this proceeding.

ECS would like to thank the Commission for their continued support to enhance and further develop ConEd’s demand response programs. Throughout the implementation of these programs it has been apparent how the participation of demand response aggregators has directly facilitated the increase and maintenance of enrolled MWs. ECS has commented consistently throughout the development of these programs and appreciates the attention our comments have received from both the Commission and ConEd. Thanks to the accommodation of aggregator recommendations and suggestions, ConEd’s demand response programs are more efficiently run and while we believe there remains to be significant issues with the program rules, the program is at least more attractive now to potential customers than under prior program parameters.

ConEd has proposed tariff language modifications that will facilitate customer understanding of the various demand response programs and offer greater incentives for new customers. ConEd is proposing changes that would eliminate counterproductive activations and reduce customer fatigue as well as narrow call times under its Distributed Load Relief Program (“DLRP” or “Rider U”), ensuring events would not be called beyond 11 pm or before 6 am, and allowing more demand response resources to participate.

ConEd has also proposed changes which would eliminate Rider U and Commercial System Relief Program (“CSRP” or “Rider S”) requirements that a resource enrolling in the program submit NYISO generator identification information, reducing the burden of information reporting from participants in the Rider U and Rider S programs.
Additionally, ConEd is proposing to eliminate the prohibition of energy payments for resources that perform in Rider U and S events that take place concurrently with NYISO calls.

ECS supports all of these changes and views each as an improvement that will result in greater understanding for participants and will assist continued growth in the ConEd programs going forward. ECS respectfully submits the following additional comments regarding ConEd’s demand response program operations:

Specifically, ECS would like to express support for (1) Commission direction that ConEd impose a two tiered payment system in Rider U based on the hours a customer is available to perform, and (2) Commission direction that ConEd not detach baseline calculation language and equations for the Rider U and Rider S from the NYISO Emergency Demand Response Program (“EDRP”) Manual until they have developed specific tariff language and presented that language to the Commission, ConEd’s customers, and their stakeholders for advisement and approval.

III. The Commission Should Approve ConEd’s Proposed Tariff Changes Eliminating Prohibition For Payment For Events That Run Concurrent With NYISO Events

ConEd’s proposed tariff revision that will allow energy payments in Riders U and S for events that occur concurrently with NYISO events is not only appropriate, but necessary. As explained in their petition for approval, NYISO demand response events occur for different economic motivations than the Rider U and S programs, and therefore a customer who has participated in both concurrently should not be barred from collecting energy payments they have earned. With a substantial amount of customers enrolled in these ConEd programs as well
as those the NYISO offers, ECS can attest that this change will enable greater participation in events that occur at the same time as NYISO events and has eliminated an unnecessary barrier to enrollment in Riders U and S. For these reasons, we urge the Commission to approve this proposed change in order to ensure just compensation for valid and significant demand reduction as well as providing a greater incentive both for current customers to renew their participation and for new customers to be incentivized into joining these programs.

ConEd has consistently required submission of generator identification numbers for customers enrolled in NYISO programs. Still more burdensome than that has been the requirement that aggregators allow ConEd the ability to monitor the market activity of those same customers. ECS understands the importance of obtaining customer information and the complexity of ConEd’s programs has necessitated that certain information is procured from the customer in order to show they fit the applicable requirements and are capable of reducing load when needed. However, the rationale outlined in the tariff for these specific reporting requirements is to verify participation times and prevent double-payment during events held concurrently with those of the NYISO. We agree with ConEd that these requirements are now obsolete in light of the elimination on payment restrictions for these concurrent events, and therefore request the Commission approve the removal of these reporting requirements from the tariff.

IV. ConEd Should Establish A Two-Tiered Call Hour Structure In Order To Ensure Maximum Participation In The Distributed Load Relief Program

On December 14, 2012, ConEd submitted an evaluation of their demand response programs, including Rider U. While the number of customers participating increased in 2012, the
number of total MW available decreased. Performance in the 2012 Rider U test was factored at 69 percent, an insignificant increase from the previous year. To explain this stagnation, ConEd cites the extensive call window and customer fatigue from NYISO events as major contributors, and ECS agrees with this assessment. As the evaluation explains, participants in Rider U pledge conservatively because they can be called at anytime on weekends and evenings, times when many participants are operating far below their peak or not at all. While we believe ConEd’s proposed tariff changes limiting call hours to between 6 am and 11 pm is a significant first step to encouraging growth in the Rider U program and reducing the burden on participants, we believe this would be supplemented by the implementation of a two-tiered call system which allows customers to determine the most suitable availability for performance.

On May 11, 2009, ECS brought forward a program proposal in this docket which would implement a two tiered payment scheme. Today’s recommendation of such a framework is similar. In our proposal, customers would be able to choose either one or two hourly windows to enroll in and free to choose between a Firm Service Level Baseline and a Customer Base Line (CBL). The first tier, the “On-Peak” option, would be comprised of customers whose availability runs between 6 am and 5 pm. This option is perfect for commercial office buildings, 1 shift manufacturers and schools, for example, who simply do not have any baselines beyond the 5 pm window and are thus precluded from the program at this point. The second tier or “Off-Peak” option would be comprised of participants who can be available between 5 pm and 11 pm. In order to encourage enrollment in the second tier, we recommend a higher performance payment for those resources which perform on calls during these later hours. This would ensure all participants a program which pairs resources with the period of time best suited for them to perform and, in turn, provide more reliable performance to Con Edison. Customers who operate
24-7 would be able to enroll in both tiers to represent their availability at all hours, while those that operate during normal business hours would be able to enroll in the first tier without concern for events or tests that may occur in the late evening and cause an automatic failed performance.

As an aggregator with many resources enrolled in the ConEd programs, ECS is uniquely equipped to recognize the limitations in those programs and recommend actions that can be taken to ease or eliminate those restrictions. In the case of late event call times, we are encouraged that ConEd has recognized the burden these place on customers and the larger role that plays in discouraging growth throughout the program. ECS supports ConEd’s proposed changes to the tariff ensuring no calls can be initiated between the hours of 11 pm and 6 am and requests the Commission approve these changes. We also believe now is the time to implement a two tiered program which, along with the reduced call hours will facilitate program growth and ensure maximum kW enrollment from all participants. Therefore we respectfully request the Commission direct ConEd to implement a two tier program along with their restricted call times to best ensure the future growth of the Rider U program.

V. ConEd Should Not Be Allowed To Detach Baseline Calculations From NYISO Rules Until Introducing Specific Tariff Language Of Its Own For Approval

ECS objects to ConEd’s proposal to eliminate NYISO baseline calculation language-including equations- from the Rider U and S tariffs, at least until ConEd has developed and proposed specific baseline language and presented to the Commission, ConEd’s customers and stakeholders for full review.
ECS is in agreement with ConEd in acknowledging that the CBL baseline and the rules that the NYISO has imposed around it do not always reflect a resource’s performance. We also understand that ConEd desires to have autonomy over their own baseline rules, something that they are unable to do by using NYISO guidelines. We agree with the reasoning laid out in ConEd’s petition for approval; the NYISO EDRP Manual was not designed to support ConEd’s programs focusing on distribution relief and ECS does not oppose ConEd abandoning the EDRP manual as the baseline reference source in favor their own baseline rules. However, ECS believes this should only happen after discussion and advisement from stakeholders and program participants, as well as inclusion of those rules in the tariff subject to Commission approval.

Furthermore, while ECS is confident in ConEd’s assurances that no substantive changes would be made to the operation of the CBL baseline, we believe allowing them to depart from the current NYISO rules without first presenting alternative language would set a worrisome precedent for the future. By accepting the right of a utility to fundamentally alter its obligations on assurances alone instead of supplemental language, other entities may eagerly line up to change their own policies without having to bear the burden of actually writing down what they are changing.

We are appreciative of ConEd’s pledge that they will eventually display their operating procedure to the public on their website in order to guide customers through the calculations. However, we believe a statement on a website is insufficient for such an important detail and needs to be outlined with the Rider U and S tariffs. The CBL baseline calculation is not only important for ECS when reviewing customer performance but is an important service we provide to customers, as the CBL has a direct impact on our ability to provide timely customer performance and payments. Furthermore, it may be difficult to enroll new customers in these
ConEd programs, believing it unwise to participate in a program without clear tariff language detailing how they will be measured.

ECS therefore requests that the Commission direct ConEd to outline, and place the new proposed CBL method, which will be utilized to measure performance and payments, into both the Rider U and S tariffs. By placing the language into the tariffs it will give clear details of exactly what the calculations are and should mirror what ConEd intends to display on their website. In addition, ConEd should review their new proposed CBL method with stakeholder input (aggregators and customers) that participate in ConEd’s demand response programs. As the Commission and ConEd are well aware, participant input has been extremely helpful in assuring steady growth in both the Rider U and S programs. Based on this encouraging track record, we ask the Commission to direct ConEd to add the CBL baseline calculation language- including equations- into the Rider U and S tariff language.

IV. Conclusion

ECS supports the improvements proposed by ConEd for their demand response programs and applauds their priority of making their programs easier to understand for customers in order to facilitate participation. We believe narrowing call times in Rider U, narrowing unnecessary generator performance requirements, and allowing customers to earn energy payments for their load reductions in the both Rider U and Rider S are significant steps to improve ConEd’s demand response programs.

However, for reasons stated above, we urge the Commission to direct ConEd to implement a two tier payment structure with on-peak and off-peak windows as well as outline their proposed CBL calculations and methods within the tariff language, fully describing their
baseline calculations and procedure in the event the Commission should allow ConEd to eliminate the use of the NYISO’s EDRP CBL method. Therefore, in conclusion, ECS respectfully submits that Commission staff should:

1) Approve the tariff changes proposed by ConEd with respect to their various demand response programs;

2) Direct ConEd to add language to their tariff outlining a framework which establishes a two tiered call structure in Rider U, including:
   a. call windows of on-peak (6 am – 5 pm) and off-peak (5 pm – 11 pm) hours,
   b. customer freedom to enroll their kW in one or both windows and,
   c. a higher payment for availability during off-peak hours; and

3) Direct ConEd to add tariff language describing their intended CBL method and how it will be calculated, and barring ConEd from detaching its methodology from the NYISO EDRP until they do so.

ECS thanks the Commission staff for the opportunity to provide our comments.

Respectfully Submitted,

/s/ B. Marie Pieniazek
B. Marie Pieniazek
March 4, 2013
Chief Operating Officer
Energy Curtailment Specialists, Inc.
(716) 565-1327