

New York State - Energy Efficiency Portfolio Standard
Working Group 2 – Program Summaries

Program Name: Installed Capacity Program (ICAP)

Working Group Contact: Lou Cedrone

Administering Entity: NYISO

Targeted Sector: Customers who can reduce load by at least 100 kW.

Funding years	Funding Source	Total Budget (Millions)	Cumulative Funds Spent (Millions)	Current Annual Expenditures (Year Millions)	Energy Savings		Demand Savings		Total Resource Cost (TRC) Results*
					Cumulative (MWh)	Current Annual (MWh)	Cumulative System Coincident Load Reduction (MW)	Current System Coincident Load Reduction (MW)	
n/a	Cost Recovered	N/A**	N/A**	N/A**	N/A**	N/A**	500	500	n/a

* Or similar measure performance (e.g. TMET). Include description of cost test(s), identify if the analysis is retrospective or prospective and include any reference or links to on-line documents on evaluation as appropriate.

** n/a – not applicable. This program is called by Con Edison in response to a local emergency on a network by network basis.

Program Description (include links to on-line documents as appropriate):

The Installed Capacity Program (ICAP) will be activated as a response to power shortages or other emergencies as declared by the New York Independent System Operator (NYISO). Con Edison will contact program participants with a request to curtail their power use. If a customer completely fails to curtail load, a penalty is assessed.

Customers will be paid a capacity payment for summer and winter registration based on the UCAP capacity prices in addition to an energy payment if an ICAP event is called by the NYISO.

For more information, please refer to the link below.

<http://www.coned.com/sales/business/icap.asp>

Relationship to Staff Preliminary Proposal:

ICAP is active across New York State. Con Edison administers this program with the NYISO and with a Staff approved Tariff and Rider P.

Current status (include statement on where this program is in its life cycle/MT timeline, current trends, projections, whether the program is over/under/fully subscribed, customers served)

Con Edison is marketing and increasing participation in ICAP. As of September 2007 we have 500 MW enrolled in the program.

Barriers, challenges, gaps:

Customer education, building infrastructure for curtailment

Promoting the program includes overcoming challenges as increasing customer awareness about how reducing electricity consumption will lead to a reduction in energy costs and a reduction to their energy bills. To accomplish this, the businesses may be required to upgrade their facilities and incur capital costs, which would need to be included in their financial models.

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Con Edison is conducting its own peak load reduction study for ways to increase participation and overcome barriers.

Ramp-up potential, limitations, where help is needed to fulfill potential:

Customers who have registered for the mandatory portion of DLRP are also eligible for this program.

Co-benefits (e.g. environmental, health & safety, economic development):

ICAP is a key tool in a utilities' load management plan. Furthermore, while demand response is a temporary measure, ultimately it can be an initial step toward permanent demand reduction.

Other issues/considerations:

The DEC and DEP are planning to promulgate new emissions standards for DG, which may make it more difficult for DG to enroll in demand response programs.