



What is the Installed Capacity Special Case Resources (ICAP/SCR) Program?

The ICAP/SCR program is sponsored by the New York Independent System Operator (NYISO) to provide the opportunity for demand response resources to help meet state supply requirements for a specified contract period. Program participants receive recurring payments for agreeing to reduce electricity consumption during system emergencies, regardless of whether they are ever called to respond. If the load is called, participants receive additional guaranteed payments for the energy conserved during the event and benefit from lower energy costs.

What is the New York Independent System Operator (NYISO)?

NYISO is a not-for-profit corporation that administers the state's wholesale energy markets and operates the state's high voltage transmission system. NYISO is responsible for ensuring that the electric grid is stable and that supply is able to meet demand at all times throughout New York State.

How do I participate?

EnerNOC manages program participation from end to end. EnerNOC works with your organization to identify available loads, enable the use of your backup generator (if any), and determine the appropriate curtailment strategy that meets your specific business needs. Next, EnerNOC measures and verifies your curtailable load and ensures that operational conditions are satisfactory during curtailment events. Then EnerNOC enrolls the capacity in the ICAP/SCR program. The amount of enrolled capacity can be adjusted on a monthly basis as loads change and as participants gain experience in the program.

What types of loads are curtailable?

Any non-essential load is curtailable. Specific examples include lighting, HVAC, escalators/elevators, pumps, and some types of manufacturing equipment (e.g. rectifiers, shredders). Backup generator use is also encouraged, and EnerNOC handles all generator permitting and management.

How is curtailment managed?

The curtailment process will depend on the energy management infrastructure in your facilities. EnerNOC can integrate with existing energy management systems or install our own technology to curtail load automatically and remotely from our Network Operations Center. Alternatively, EnerNOC can notify specified personnel via email, fax, pager, or telephone to support manual curtailment.

What happens if an event is called?

The day before an event, you will receive notice that your capacity has been "reserved," and a firm notice will follow at least two hours before the actual event. EnerNOC's 24/7/365 Network Operations Center remains in close contact with your facility prior to, during, and immediately after the event and is available to answer any questions that you may have.

How often will an event be called? How long do they last?

There is no limit to how often events may be called or how long an event may last, but performance is mandatory only for four hours per event. From 2001 through 2003, demand response was activated for approximately 21 hours each year. No events were called in 2004, and one four-hour event was called in 2005. In 2006, NYISO called five events. If no events are called during the summer or winter capability period, each end-user must perform a one-hour test to demonstrate the capability to reduce the committed electrical capacity.

Is there any cost to participate?

Program participation costs can vary depending on the implementation strategy. However, most often there is NO cost to participate. When a customer wants a customized solution to meet specific goals, there is typically an investment required that averages a simple payback time of less than six months. Additionally, if an investment is required, EnerNOC can finance this investment or earn back the investment from the first few months of program payments. If funding is available through NYSERDA or another source, EnerNOC works to secure and maximize project reimbursements on behalf of our customers.

What is the New York State Energy Research and Development Authority (NYSERDA)?

NYSERDA is a public benefit corporation that funds research into energy supply and efficiency throughout the state. NYSERDA's New York Energy \$martSM program, funded by the Systems Benefit Charge (SBC) on the electricity transmitted and distributed by New York's investor-owned utilities, assists electric consumers with education and financial incentives as the regulated electricity market moves to more open competition.

What are the economic benefits of participation?

The ICAP/SCR program provides cash flow every month, regardless of whether your load is ever required. Capacity payments depend on the electrical demand your business can reduce and how EnerNOC will work with you to execute the response (automatic/remote versus manual/local). You will receive additional energy payments during actual events. Both payment streams will be defined prior to enrollment, and you will receive a quarterly check for your participation.

What are the other benefits of participating?

- **Increased Grid Reliability**
Participating in the ICAP/SCR program will help ensure that your business keeps operating and the lights stay on in your community.
- **Enhanced Building System Reliability and Business Continuity**
Access to EnerNOC expertise and information such as advanced notice of potential blackouts will help your business establish better energy contingency plans, protect mission critical systems from power quality and availability issues, and provide a greater level of power reliability for your technology and infrastructure systems.
- **Enhanced Community Goodwill**
Power shortages are highly visible events that command the attention of New York residents and the New York State government. Businesses supporting grid reliability will enhance their reputations as good corporate citizens.
- **Build Expertise in Real-Time Energy Markets**
New technologies, market deregulation, and environmental concerns are driving a transition to real-time energy markets in which electricity end-users react instantaneously to information on price, power reliability, and the environment. The ICAP/SCR program provides your organization with a cash-flow positive, no-risk program to build expertise in operations and energy management in the dynamic energy markets that are now evolving.
- **Comprehensive Energy Management Information**
EnerNOC provides a web-based portal with easy-to-use information on energy consumption by site and in aggregate. Through the portal, EnerNOC collaborates with our customers to identify additional savings opportunities and increase equipment reliability.
- **Environmental Benefits**
Reducing demand reduces air pollution, and EPA studies show that demand response programs can reduce air emissions, even when diesel-fueled backup generators are included in the system capacity.

Are there consequences for non-performance?

No. EnerNOC manages all risks associated with enrollment and nominated curtailment levels. No penalties are imposed on you. EnerNOC assumes all risk of your non-performance and bears the cost if penalties are incurred.

About EnerNOC

Founded in 2001, EnerNOC, Inc. is a leading developer and provider of clean and intelligent energy solutions to commercial, institutional, and industrial markets.

EnerNOC serves multiple industries: food processing, light industrial, commercial real estate, telecommunications, hospitality, government, education, healthcare, and more. Our numerous blue-chip customers include Pathmark, Morgan Stanley, IBM, Cargill, New York Mercantile Exchange, and VSNL Communications. EnerNOC's management team combines over 150 years of entrepreneurial and corporate experience with expertise in demand response, distributed generation, energy management, engineering, embedded systems, and information technology.

EnerNOC is a NYISO Responsible Interface Party (RIP) and certified Curtailment Service Provider (CSP).



For more information please contact:

EnerNOC, Inc.
24 W. 40th Street
16th Floor
New York, NY 10018

office: (212) 624.0000
fax: (212) 624.0001
email: info@enernoc.com

www.enernoc.com