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## Wholesale Electricity Market Rule Change Proposal Submission Form

### RC\_2011\_08 Curtailable Load Dispatch Clarification

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#### Submitted by

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#### Submission

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#### 1. Please provide your views on the proposal, including any objections or suggested revisions.

EnerNOC appreciates this opportunity to provide our views in regards to this Rule Change Proposal, and hopes our submission is valuable to the IMO as it considers System Management's request to modify the Market Rules to better allow for the utilisation of Curtailable Loads in Network Control Service (NCS) Contracts. System Management's proposed changes to clauses 4.12.4, 4.12.8, 4.26.2D and 7.6.10 of the Wholesale Electricity Market Rules (Market Rules) are well-reasoned and worthy of the support of all Market Participants.

As System Management explains in its Rule Change Proposal, in their current form, the Market Rules limit the dispatch of Curtailable Loads, and consequently the effectiveness of the use DSM as an alternative to network investments. In 7.6.10, for example, the Rules appear to only consider the dispatch of Curtailable Loads for the purposes of conforming to obligations stemming from the Reserve Capacity Mechanism (RCM), and as such, seem to unintentionally limit the use of such resources for Network Control Services.

EnerNOC believes firmly in the importance and benefit of allowing Market Participants to provide capacity to the WEM both through NCS contracts and Reserve Capacity Obligations. As such, it is essential that the Rules clearly allow System Management to utilise Curtailable Loads for NCS, per the NCS contract parameters agreed to by the Curtailable Load Owner and the Network Service Provider. While EnerNOC appreciates that the Rules were written in a way to protect Curtailable Loads from

Dispatch Instructions that go beyond the availability details specified in 4.10.1(f), as System Management has shown, because these restrictions are not tied to a specific type of dispatch they unintentionally result in the reduced ability for System Management to utilise NCS. System Management's proposed change of modifying 4.12.4 and 4.12.8 so that the Reserve Capacity Obligation Quantity (RCOQ) for a Facility links the terms specified under clause 4.10.1(f) to the dispatch of a Facility under clause 7.6.6(e) is a reasonable approach to preserve the aforementioned protections as well as allow for the use of Curtailable Loads in NCS. The same holds true for the proposed modifications to 7.6.10.

As a provider of network support in Australia, the United Kingdom, and the United States, EnerNOC is a proponent of rules that clearly preserve the ability for DSM to take on additional market obligations such as a NCS and which provide clarity as to how enrolment in multiple programmes or markets interact with one another. One such tenet is that the availability parameters of a secondary programme, such as NCS, should be incremental to other obligations, like those which stem from the RCM. Without modifying the Rules as System Management has proposed, the risk exists that Curtailable Loads could receive additional payments for a service which should come with incremental responsibility, but which cannot actually be utilised as intended, resulting in overpayment.

Similarly, EnerNOC has long advocated in other markets the belief that preventing double payment for a single load reduction should be a cornerstone of multiple participation. For example, if a single Facility is enrolled in two separate programmes/markets both of which receive energy payments for delivered load reductions, should those two programmes be dispatched concurrently, the Facility should only receive a single energy payment so as to safeguard against excessive or duplicative payments. A useful example can be found in the US state of New York, where DSM can simultaneously participate in a system-wide capacity programme (Special Case Resources, or SCR) through the New York Independent System Operator and a localised distribution-level network support programmes (DLRP) through Consolidated Edison. In many ways, this is analogous to a Facility providing capacity to the WEM from obligations it took on via the Reserve Capacity Mechanism, as well as providing network support through a NCS contract. In the event both the SCR and DLRP programmes are called simultaneously, the delivered reduction is compensated under a single energy payment, and not the sum of both programme payments. While concurrent dispatches may not be as likely in WA because the same entity is responsible for dispatches both across the SWIS and for NCS contracts, to the extent such a situation does present itself in WA, it seems reasonable to EnerNOC that the Facility should only receive energy payments under the NCS arrangement, per the dispatch priorities outlined in Clause 7.6.1A.

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## **2. Please provide an assessment whether the change will better facilitate the achievement of the Market Objectives.**

EnerNOC agrees with System Management that the proposed amendment would better allow curtailable loads to provide a more economic alternative to network investment.

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- 3. Please indicate if the proposed change will have any implications for your organisation (for example changes to your IT or business systems) and any costs involved in implementing these changes.**

EnerNOC does not believe there would be any significant costs involved with implementing the change proposed.

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- 4. Please indicate the time required for your organisation to implement the change, should it be accepted as proposed.**

EnerNOC does not believe it would require any time to implement the change, should it be accepted as proposed.