



July 7, 2008

Mr. Paul DeCotis, Chairman  
New York State Energy Planning Board  
Energy Plan Comments  
NYSERDA  
17 Columbia Circle  
Albany, New York 12203-6399

*Re: Draft Scope of 2009 New York State Energy Plan*

Dear Mr. DeCotis,

EnerNOC, Inc. is a leading demand response resources and energy management services provider in the United States and Canada. As of December 31, 2007, EnerNOC had more than 1,112 MW of demand response resources under management across approximately 2,189 sites across the continent. We actively participate in a range of reliability-based demand response programs, price response programs, and ancillary services markets both in centralized markets in New York and elsewhere. We also provide demand response and energy management products and services directly to utilities and utility customers in bilateral markets elsewhere in the United States and Canada.

EnerNOC respectfully submits these comments on the *Draft Scope of the 2009 New York State Energy Plan*, issued for public comment and dated May 30, 2008. We fully support the Executive Order on State Energy Planning and believe the *Draft Scope* is a well-considered starting point. We have only three suggestions for the State Energy Planning Board (Board) that we believe would strengthen the State Energy Plan (SEP.)

First, the scope should make explicit that which we believe to be implicit but understated; that peak load reduction and demand response are critical concerns and issues that the SEP needs to address. While the Scope is replete with references to energy efficiency and conservation, only once is the term "demand management" used.

Planning a conservation infrastructure based solely on reducing the number of kilowatt-hours used by investing solely in efficiency measures that "operate" all the time, would be as illogical as planning a generation infrastructure based solely on the use of baseload power plants. An efficient power system needs both baseload and peaking plants. In this context, an economically efficient demand-side management infrastructure requires both "baseload" energy efficiency measures and "peaking" demand response resources.

We recommend that the Scope be amended to globally replace the term "energy efficiency" with the more inclusive "demand-side management" and that additional verbiage be inserted that makes it clear that the SEP will consider demand response measures and energy efficiency on a comparable basis.



Second, we support the recommendation of ACE-NY that a separate Technical Assessment on demand response be included. Power plants may operate based on energy needs, but they are usually built based on capacity requirements. Once built, these plants have a tendency to run. By reducing peak load, demand response can play a critical role in deferring the construction of new power plants, or facilitating the retirement of existing dirty and/or inefficient units. Similarly, demand response, properly valued, can also defer the need for significant transmission and distribution upgrades, or allow such upgrades to be made in a more efficient manner.

Finally, we urge the Board to consider carefully in the Environmental Impact and Regulation of Energy Systems Issue Brief the role that customer sited generation can play as a last line of defense in protecting the viability of electric grid in critical shortage conditions. We are well aware that much ambivalence exists regarding the continued participation of so-called “dirty diesels” in NYISO demand response programs. Nevertheless, few would argue that a large-scale blackout was preferable to tolerating the emissions from these resources, even on peak summer ozone days.

New York can ill-afford the loss of several hundred MW of dependable quick-start generation whose sole purpose, aside from providing power to end-users in the event of a blackout, is to prevent a blackout. Faced with a mandate to reduce emissions, DEC is apparently *incapable* of properly balancing the potential for increased emissions against the vast public consequences of a large-scale blackout. Certainly the current Draft Part 222 Distributed Generation regulations fail to do so. It is up to this Board to perform the balancing function and provide appropriate guidance to the Governor, DEC and other agencies.

Thank you for the opportunity to comment on this important public policy endeavor. We look forward to working with the Board as you move forward with the planning process.

Respectfully Submitted,



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