

Demand Response Programs

*“No **i** in Team”*

ISO-NE Demand Resources Summit

May 2, 2007



United Illuminating Company Profile

- Regional investor-owned distribution utility serving 320,000 customers in Fairfield and New Haven Counties
- Reliability – First Quartile both nationally and regionally
- Power Quality – First Quartile
- Service area 335 square miles
- Population 726,000 – 21% of CT's population



UI Demand Response Programs - background

- UI actively began the promotion of tariff based customer demand response beginning in 1986
 - Programs were marketed to large C&I customers.
 - Monthly customer payments of approximately \$20/yr.
- Connecticut electric restructuring (1998) required the divestiture of UI generating assets in 2000.
- After that time, UI, as a transmission and distribution company, no longer promoted DR since it was primarily considered a generation supply strategy.

UI Demand Response Programs - today

ISO SWCT Gap RFP (2004 – 2009)

- UI one of seven successful bidders, of which, only three or four remain active
- Demonstrated Capacity of over 30 MW

Public Act 05-01 “An Act Concerning Energy Independence” (2005 – Present)

- Address the rising costs experienced by Connecticut’s electric customers and allows UI to procure DR assets
- Since 1/1/2006, UI has signed contracts for over 30 MW of new assets

ISO-NE Forward Capacity Market

- UI works with current customers to facilitate enrollment in ISO FCM
- Currently has an additional 30 MW of DR assets enrolled or under contract throughout New England for the Transition Period

UI's Philosophy as an Enrolling Participant

- Market and sell customers on the benefits of Demand Response Programs
 - Carefully explain the costs and risks and set reasonable expectations
 - Customer Outreach concerned with expanding information on DRPs and increase customer participation
- Accurately assess potential committed capacity
- Coordinate the installation of all necessary metering and communication equipment and software
- Assist customers with generator permitting and testing

UI's Philosophy as an Enrolling Participant

- Provide administrative support
- Pre-Event Customer Meetings
- IBCS test event
 - “Do not curtail loads or start emergency generators”
- Event Management
 - UI's DRP team remains in close contact with customers to answer questions, and provide feedback on their performance to ensure the maximum benefits are achieved.
 - Wal-Mart example.

Managing DR Assets

- Manage the resources as a team
- Each team member (including the customer) has a unique roll
 - Acquisition, training, metering, IBCS management, event coordination, performance, settlement
- Realize the importance of “after-sale” services and their effect on customer retention and performance

Benefits of Practicing the Drill

- Work with customers to eliminate uncertainty during an event
- Eliminate surprises, clarify the roles and responsibilities of all team members
- Customers need to know what to do and are trained to respond

UI's DRP Results

Participant Satisfaction

- The Center for Research and Public Policy conducted a satisfaction survey of UI's DRP participants
- Fielded survey in December 2006
- Completed 94 surveys of DRP customers
- Survey Highlights
 - 86.2% learned of the DRP through UI Account Managers
 - 79.8% report receiving the right amount of communication from UI on the DRPs
 - 94.7 % were very or somewhat likely to sign-up for UI's LRP in the upcoming year

Over 90% of respondents had an overall positive experience participating with UI in the DRP

<i>Program Characteristic</i>	<i>Positive w/DK's</i>	<i>Positive w/o DK's</i>
Your willingness to recommend UI's Load Response Program to others	95.7%	96.8
The UI representative's proficiency in fulfilling your needs	93.6	95.7
Your overall experience with UI	90.3	91.4
The ability of UI's Load Response Program to provide the necessary features to meet the needs of your business	88.3	93.3
UI's promptness in responding to your request for program participation	87.3	94.3
The level to which UI's Load Response Program met your expectations	85.1	88.9
The value UI's Load Response Program provides to your business	80.8	87.4
<i>Average</i>	<i>88.7</i>	<i>92.5</i>

UI's DR Program Results

Performance

UI's LRP asset performance is consistently higher when compared to other Enrolling Participants

- July 27, 2005
 - All SWCT DR Performance was 83.1%
 - UI's SWCT DR Performance was 99.7%
- August 2, 2006
 - All ISO-NE DR Performance was approximately 95.3%
 - UI's DR Performance was 110.7%
 - Wal-Mart's Performance was 158%

Questions

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