

Jean Jewell

From: mgillette@enernoc.com
Sent: Friday, July 20, 2012 7:59 AM
To: Jean Jewell; Beverly Barker; Gene Fadness
Subject: PUC Comment Form

IPC-E-12-15

A Comment from Melanie Gillette/EnerNOC Inc. follows:

Case Number: IPC-E-12-15
Name: Melanie Gillette/EnerNOC Inc.
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Name of Utility Company: Idaho Power Company
Acknowledge: acknowledge

Please describe your comment briefly:

EnerNOC, Inc. appreciates the opportunity to respond to the June 25, 2012 comments offered by the Staff of the Idaho Public Utilities Commission on Idaho Power Company's March 15, 2012 Application on 2011 Demand-Side Management Expenditures (Case No. IPC-E-12-15). Under contract for Idaho Power, EnerNOC works with Idaho Power to administer the FlexPeak Management Program. EnerNOC's comments are limited to Staff's recommendation that Idaho Power Company detail the amount of incentives paid to FlexPeak participants in future DSM annual reports.

Staff's recommendation that Idaho Power publicly disclose confidential terms of EnerNOC's relationships with program participants has the potential to significantly impact EnerNOC's ability to negotiate with participants and threatens to substantially damage the aggregator business model that supports the effectiveness of the FlexPeak program.

Under EnerNOC's business model, incentives paid to end-use customers are based on the specific contract terms negotiated between EnerNOC and each participating customer. The terms may vary by customer, depending on factors such as total capacity commitment, installation/equipment costs, contract terms and dispatch parameters. Another important factor is the expected performance reliability of the customer. EnerNOC does not charge customers penalties for non-performance, but instead manages performance risk through portfolio management. For a variety of reasons mostly related to the way customers use energy in the ordinary course of business, an individual customer's performance capability can vary depending upon when the event is called, its duration, and other factors. Accordingly, EnerNOC may vary its payment terms depending upon the expected performance capability of the customer across a range of dispatch scenarios. This portfolio management strategy is a highly sensitive trade secret, and is not even shared with Idaho Power.

The customer payments generally consist of a capacity (availability) component and an energy component (based on actual kWh reductions during events). The customer incentives are not disclosed in the contract between EnerNOC and Idaho Power. If this confidential information is publicly disclosed, current and potential EnerNOC competitors and potential program participants would be able to gain important insights into EnerNOC's unique pricing, business, and technical strategies causing substantial harm to the competitive position of EnerNOC and, consequently, adversely affecting the FlexPeak Program. EnerNOC respectfully

requests that the Commission not require EnerNOC to publicly disclose confidential customer incentives.

EnerNOC is pleased to be able to assist Idaho Power in offering its commercial and industrial customers a demand response program that continues to increase its participation, cost effectiveness and energy savings each year. As Staff indicates, the FlexPeak program had fourteen events in 2011 and has been effectively utilized to reduce load on record-setting peak days, so the program is being used to its full potential.

In addition to incentive payments, FlexPeak participants receive valuable services that help contribute to the success of the program. EnerNOC installs communication and control equipment at each customer's site, provides its proprietary energy management software platform to all participating customers at no cost and provides personalized participant coaching during events to help customers maximize their performance. Participants also have access to real-time and historical information on their facility energy use, which helps organizations find and eliminate energy inefficiency. These non-monetary benefits significantly increase the value of program participation to customers.

EnerNOC respectfully requests that the Commission not require EnerNOC to publicly disclose confidential customer incentives but instead continue to evaluate the FlexPeak program based on its cost-effective performance.

Thank you for your consideration.

Melanie Gillette
Director of Regulatory Affairs,
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The form submitted on <http://www.puc.idaho.gov/forms/ipuc1/ipuc.html>
IP address is 99.17.0.30
