



GenPay

Demand Response – Special Case Resource Program (SCR)

1. What is Demand Response/SCR?

- a. In New York State the power grid at times becomes overloaded due to the high demand of power from the consumer, particularly during the summer months when there are extremely hot days.
- b. During those high demand days, companies who are in the **SCR Program** may be called to run their generator(s) to alleviate their load off of the power grid, which reduces the stress to the entire power grid. In return the **NYISO SCR program** makes capacity payments to generator owners for back-up generators.
- c. In short, participants are paid for providing a 'stand-by' power source throughout the year and are also paid 'energy' payments if they are called upon by the NYISO to reduce their power demand, which is called an **"event"**.

2. How often do I have to run?

- a. If you are in the program there is a mandatory test where you are required to run twice per year (Winter and Summer), which verifies how much load you are reducing from the grid.
- b. **SCR "Events"** are infrequent. Since 2001, SCR events occurred only 20 times for a total of 129 hours, including 22 hours during system restoration after the 2003 Northeast blackout. If you exclude that event, the overall average duration of a demand response event is six hours.

3. What are the requirements to participate?

- a. You must have a minimum of 100KW reduction
- b. Mandatory response during an event
- c. Mandatory testing twice a year
- d. Approved metering device, which records electricity usage for each fifteen minute increment during a billing period, must be installed

4. What is the program worth to me?

- a. Each participant is compensated based on what the agreed upon connected load to your generator is, which is calculated by the NYISO.
- b. Payments **in Zone J, which is the five NYC boroughs** can range from \$500/month to over \$5,000/month
- c. 100KW of connected load equals \$500/month or \$6,000 annually
- d. 1000KW of connected load equals \$5,000/month or \$60,000 annually
- e. Payments in Long Island, Westchester and Rockland Counties are paid at approximately 50-60% of zone J's rate
- f. If you are called to run for an event you will also be paid approximately \$.50/KWH produced during the event for fuel costs
- g. All payments are paid monthly

5. What happens if I don't run when called for an "event"?

- a. In the case of non-performance during an event the NYISO usually de-rates the unit (reduces capacity credited in the future) and will deduct from that month's and the next month's capacity payments a penalty of 1.5x the capacity payment for that month and the equivalent of 1.5x the spot market kwh price that would have been paid during the four hours of the event
- b. You don't have to pay any out of pocket fines or penalties if you do not run. The only negative would be a reduction in monthly payments until the non-performance chargeback total has been satisfied

6. Why sign up with GenPay?

- a. We are the only generator service provider offering this program
- b. We will install the required metering device at no cost to you
- c. If you are called to run for an event we can come and do an inspection on your generator(s) to make sure they are ready to run at no cost to you
- d. We can provide a technician to standby and monitor your generator while it runs for an event to make sure there are no problems (Additional charge applies)

7. This last question will need to be answered by you!

"Why wouldn't I sign up for this program"?

1.800.247.7215