

## **Option 1 – Energy Reductions Only**

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### **Terms and Conditions**

The Authority’s *Energy Reductions Only* Option (“Energy Only”) is governed in part by the New York Independent System Operator (“NYISO”) Emergency Demand Response Program Manual (“EDRP Manual”) and the Consolidated Edison Company of New York, Inc. (“Con Ed”) Rider U, each as may be revised from time to time, as well as by any other applicable NYISO or Con Ed requirements. In addition, the following terms and conditions apply to any Customer facility (“Facility”) enrolled with the Authority in the *Energy Only* Option.

#### **1. Registration**

Implementation of the *Energy Only* Option with respect to the Facility shall be subject to completion of the registration procedure administered by the NYISO and, where applicable, the Distribution Load Relief Program (“DLRP”) registration procedures as set forth by Con Ed. In addition, the Facility shall be able to provide a temporary electrical load reduction that is at least 10% or more of the total load measured by an interval meter installed in accordance with the NYISO EDRP requirements.

#### **2. Customer-Owned Generation**

The Customer shall operate any Customer-owned on-site generation in accordance with all local, state and federal laws and regulations, including the New York State Department of Environmental Conservation regulations, and the Customer’s local utility company’s guidelines for operation thereof.

#### **3. Customer Participation and Notification of *Energy Only* Events**

By completing the Demand Response Appendix (“Appendix”), the Customer shall provide the contact information for the three designees at each participating Facility to be notified by the Authority when an *Energy Only* event is called. The Authority will make a reasonable effort to notify the Customer’s designees within one hour of the Authority’s receipt of notification by the NYISO and/or Con Ed of an *Energy Only* event. Although *Energy Only* events can be activated at any time (24/7), there is no obligation on behalf of the Customer to participate in any *Energy Only* events. The Authority requests that the Customer notify NYPA when the Customer is expecting to participate in an *Energy Only* event once program participation is activated.

#### **4. Verification and Payment**

For each participating Facility that is not metered directly by the Authority, the Customer shall provide the appropriate interval metering data to the Authority within 30 days of the *Energy Only* event in a format acceptable to the NYISO. Failure to so provide such data may result in the Customer not receiving payment for its participation in the event. The Authority will verify the

load reduction in accordance with the NYISO and/or Con Ed approved method (as applicable). Upon receipt of the payment, the Authority will include the credit on the Customer's monthly electric bill (if direct-billed by NYPA) or issue a check, as selected by the Customer in the Appendix. For any *Energy Only* events, the NYISO and/or Con Ed have sole discretion and final determination of the Customer's actual load reduction and related payment. The Authority will retain an administrative fee equal to 10% of the energy settlement payment from the NYISO and/or Con Edison. **In no event shall the Authority be liable for any payments to the Customer in excess of the payment received by the Authority from the NYISO and/or Con Ed.**

**5. Cancellation**

Either party may terminate this Agreement at any time, provided that the terminating party provides at least 14 days prior written notice to the other party, and provided that Customer will receive any payment earned but not paid up to the time of termination.

**6. Compatibility**

The *Energy Only* Option is designed to be compatible with other program Options, such as the Authority's *Peak Reduction* Option offered to customers within New York City. The events called under the *Energy Only* Option are separate and distinct from the *Peak Reduction* events. Customers participating in the *Energy Only* Option cannot participate in Capacity & Energy during the same period. Please refer to the program Options for additional compatibility requirements. To the extent that there are additive payments for a Facility participating in both the *Energy Only* and *Peak Reduction* Options, the Customer will be paid under the terms of both Options.