FREQUENTLY ASKED QUESTIONS

Take Control of Your Capacity Charges and Save Thousands

ISO-NE electricity customers collectively pay billions of dollars in capacity charges each year. Did your business pay more than its fair share? Those that can strategically lower their demand during the annual system peak can drastically reduce their capacity charges, saving thousands of dollars each year. Enel X delivers the tools and guidance today's organizations need to predict system peaks so they can minimize capacity charge costs with minimal impact on operations.

What is a capacity charge?

ISO-NE, the local grid operator, must ensure that adequate capacity is available to meet the system peak demand. ISO-NE passes the costs associated with building and maintaining generation capacity off to local utilities and retail suppliers. Those costs are then passed on to you as either "capacity charges," "ICAP charges," or "UCAP charges." What's more, capacity charges are not always itemized; if they are embedded in your bill they can become particularly difficult to manage.

How are capacity charges calculated?

Capacity charges are not based on the amount of energy you use during a given month. Instead, capacity charges are determined by the amount of electricity you use during the one hour each year when overall demand on the electric grid is at its highest. The system peak hour often occurs during the hottest weekday of the summer between June and September.

ISO-NE announces the system peak hour each February. Your utility or independent supplier then passes on the associated charges beginning in June of the following delivery year.

How do capacity charges impact my organization?

You stand to significantly reduce your capacity charges for a full 12 months if you accurately anticipate system peaks and reduce your load when the grid needs it most. Organizations that reduce their demand by 1MW during the system peak hours can save $35,000 to $50,000 per year over the 2023/2024 delivery year.

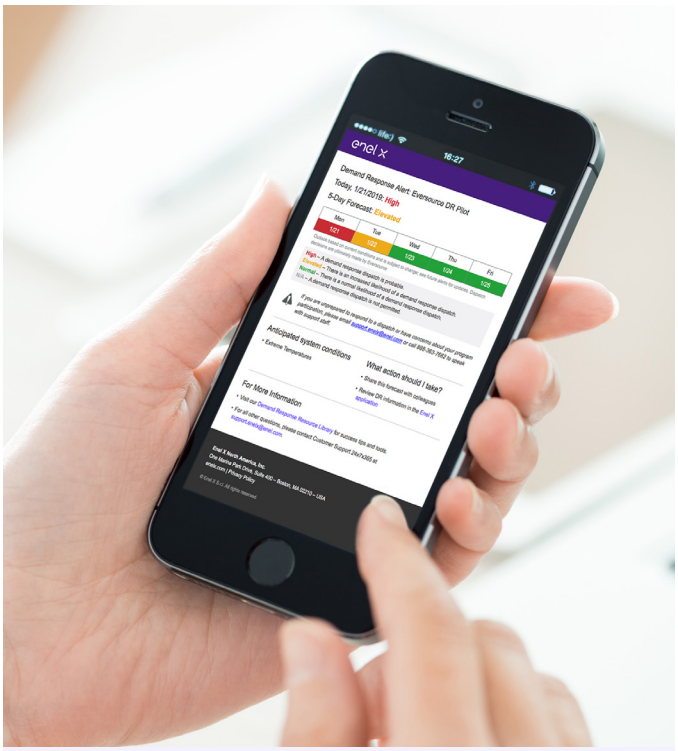
What types of energy reductions can I make?

Enel X has extensive experience creating energy reduction strategies that work within the operational limits of a wide variety of facilities, including cold storage, manufacturers, food processors, universities, malls, office building and more.

Common reduction examples include:

- Reduce non-essential lighting
- Modify manufacturing processes
- Adjust HVAC equipment
- Dial back pumps
- Change settings in industrial freezers

Ask about our experience working with customers like you.



Why Enel X System Peak Predictor?

- **Save on your electricity bill**
  Enel X's System Peak Predictor helps you reduce costly capacity charges on your bill.
- **Maximize your demand response plan**
  Use your existing Enel X demand response plan to leverage additional energy savings.

How does Enel X's System Peak Predictor work?

Our market analysts assess the probability of a system peak every day. If the probability is high, we notify you. The more you can reduce energy usage during peak periods, the lower your ICAP charges will be the following year.

1. **Monitor:** Combining our proprietary predictive analytics (based on the more than 1 billion points of energy data we collect each month) with externally-sourced weather and market data, we continually monitor the market to assess the likelihood of a system peak.
2. **Notify:** During high seasons, we email you by 10:00 a.m. daily, advising you on the probability of a system peak occurring that day. Your color-coded notification will also include an outlook to help you and your staff plan for the week ahead.
3. **Respond:** On high-probability days, existing Enel X demand response customers simply implement their energy reduction plans when notified. If you're not an Enel X customer—no problem. Our team of experts will design an energy reduction plan that works for your site. On low probability days, no action is necessary.

How often will I be called upon to reduce consumption?

Historically, Enel X issues high-probability "red day" alerts between 6 – 9 days during the summer, Monday through Friday, between the hours of 3:00 p.m. and 7:00 p.m. EST. We know your first priority is running your business, so we strive to minimize interruptions to your normal operations while ensuring the most likely system peak periods are anticipated. Each alert will designate a curtailment period, typically no longer than 4 hours in duration.

How do I get started?

We start by performing a tariff analysis to assess your eligibility and determine your potential capacity cost avoidance for the next year. Customers with passed through capacity contracts are the best equipped to benefit from Enel X's System Peak Predictor, but even some fixed-price shoppers can benefit by managing their peak demands.