

Central Hudson Hourly Pricing Provision

August 16 – 18, 2011



What is the Hourly Pricing Provision?



What is the Hourly Pricing Provision (HPP)?

- Real-time pricing of commodity for full service customers (those customers purchasing their electricity requirements from Central Hudson)
- Charges for electricity requirements purchased from Central Hudson are based on the hourly market price of electricity. All other delivery charges stay the same



Hourly Pricing Provision Expansion

- All customers whose demand in any two of the preceding 12 months exceeded 300 kW will be subject to HPP provisions
- The Company will evaluate the demand of customers semi-annually to determine whether additional customers will become subject to / removed from the HPP provisions



Hourly Pricing Provision Expansion

- Access to Energy Manager software, which provides the customer with hourly consumption data, will be provided free of charge during the period from final meter/phone line installation through September 2012
- Beginning October 2012, the monthly fee required for the Energy Manager software will be billed through an incremental monthly charge



Metering & Telecommunication Requirements

- Dedicated telecommunications to the meter
- Option of dedicated telephone line or cellular-enabled meter (dependent on signal strength)
- Monthly telephone charges are customer's responsibility
- Interval meter, installed by Central Hudson
- All customers, regardless of supplier, are subject to metering and telecommunication requirements



Understanding the Hourly Pricing Provision (HPP)



Understanding Hourly Pricing

- Hourly Pricing is based on the Day-Ahead Market through the NYISO



What is the NYISO?

- New York Independent System Operator
- Organization responsible for the reliable coordination and operation of the NY bulk power system as well as the facilitator of the NY wholesale market

Source: New York Independent System Operator



What is market pricing?

- Generally, forecast load is scheduled to be purchased through the Day-Ahead Market
- To the extent that actual usage differs from forecast usage, the load is “balanced” through purchases or sales in the Real-Time Market



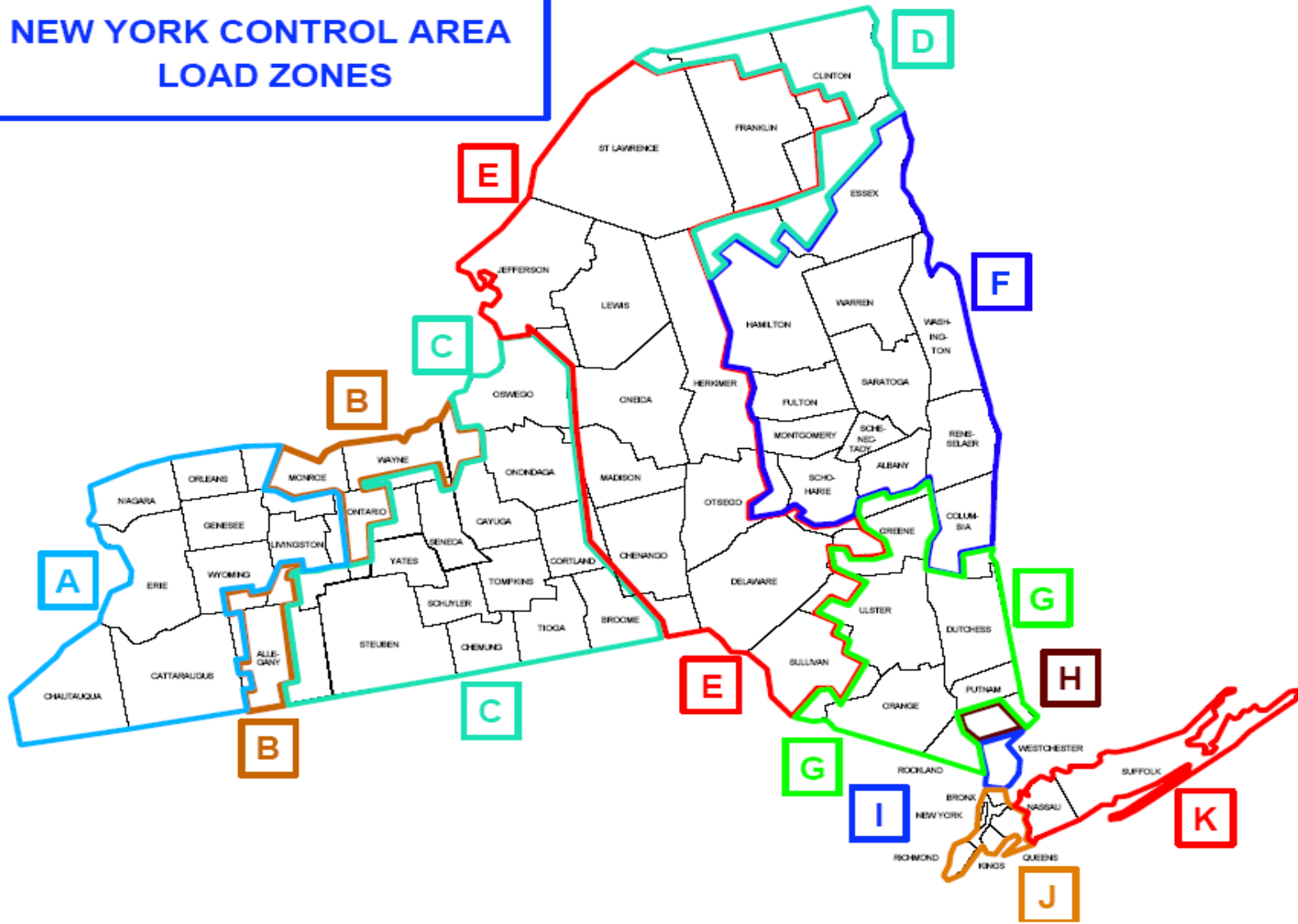
What is market pricing?

- **Are market prices uniform statewide?**
 - No. There are 11 “zones” in the New York Control Area with marginal prices that vary from one another to account for transmission constraints and losses between locations.

The majority of Central Hudson customers are located in Zone G (Hudson Valley), with a small number located in Zone E (Mohawk Valley).



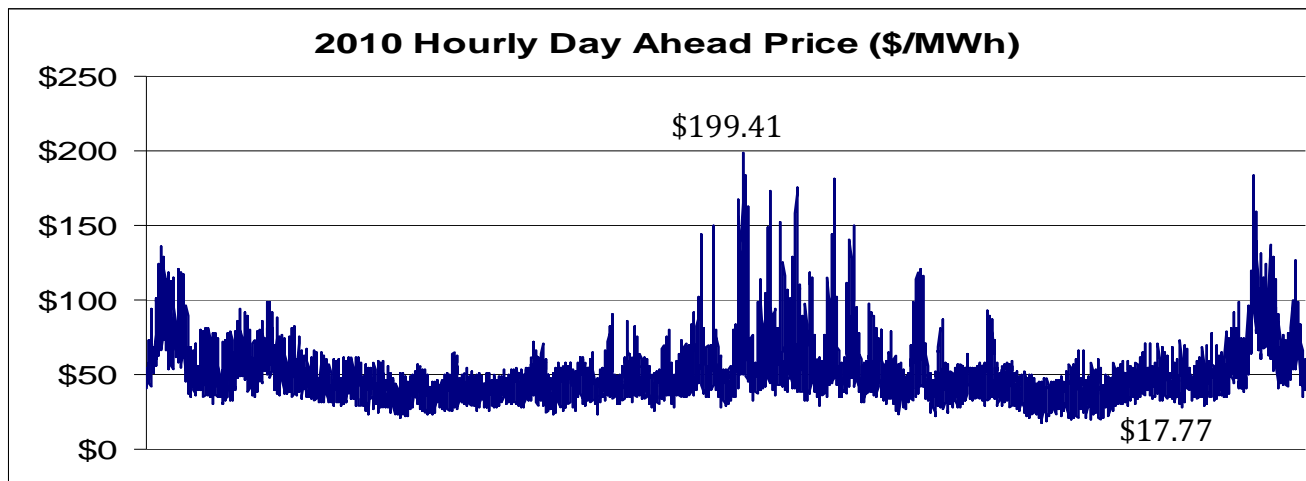
**NEW YORK CONTROL AREA
LOAD ZONES**



Source: New York Independent System Operator

What is market pricing?

- **Do market prices fluctuate?**
 - Yes. Because prices in both the Day-Ahead and Real-Time Markets are influenced by supply and demand, there can be a great deal of volatility.



What is market pricing?

- **What market prices will be used?**
 - Hourly Day-Ahead Locational Based Market Price (“DAM prices”) as set forth by the New York Independent System Operator (“NYISO”) for Zone G – Hudson Valley.
 - The DAM prices are accessible through the NYISO web site: www.nyiso.com
 - DAM prices are also available through Energy Manager



What other charges are applicable?

- Existing delivery charges of appropriate service classification including
 - the monthly customer charge
 - base demand delivery charge
 - reactive demand charge
 - energy delivery charge
- *incremental monthly charge (beginning October 1, 2012)



What other charges are applicable?

- **HPP Charge** – a per kWh charge which includes:
 - **Energy balancing** (purchases and sales in the real time market)
 - **Ancillary services** (services necessary to support the power system)
 - Allowances for working capital and bad debt, as authorized by the PSC



What other charges are applicable?

- **HPP UCAP**

- Includes charges for **capacity** (availability of generators required to serve peak load)
- Calculated as NYISO Spot Auction price * UCAP Ratio set monthly by the NYISO * customer's demand (kW) during previous NYCA peak



HPP UCAP

- NYISO Spot Auction Price
 - The price generators are paid for capacity each month
- UCAP Ratio set monthly by the NYISO
 - % of capacity available in NY in excess of what is needed, as determined by the NYISO

https://icap.nyiso.com/ucap/public/auc_view_spot_detail.do



HPP UCAP – NYCA Peak kW

- 2010 Summer NYCA peak at July 6, 2010
5pm
- Beginning May 2012 HPP UCAP will be
based on 2011 summer NYCA peak



Are there any other pricing alternatives for electricity supply?

- Retail Access: Customers should contact other retail suppliers to inquire about service offerings such as fixed price, capped price, etc.



Additional Information

- Central Hudson Market Match Website:
<https://inet.cenhud.com/CustomerServicePortal/MarketMatch/MarketMatch.aspx>
- HPP Bulletins:
<http://www.cenhud.com/business/commercial.html>



Your Account

Log In to Pay a Bill, Check Account Status, Report an Outage and more.

User ID

Password

- ▶ FAQs for Logging In
- ▶ Forgot User ID?
- ▶ Forgot Password?

[New User? Click to Register](#)



Stay Connected



StormCentral



Visit the links below for the latest information on outages & system alerts.

- ▶ Report an Outage/Status
- ▶ View the Outage Map
- ▶ Outage Map FAQs
- ▶ Storm Preparedness
- ▶ Safety Tips If You

- #### Your Home (En Espanol)
- » Pay Your Bill
 - » View Your Account
 - » Payment Assistance & Special Help
 - » Payment Options
 - » Want Us to Call You?
 - » Your Rights and Responsibilities
 - » Products and Services
 - » Trees and Your Electric Service
 - » Energy Conservation
 - » Home Energy Efficiency Program

- #### Your Business
- » Pay Your Bill
 - » View Your Account
 - » Payment Options
 - » Commercial & Industrial Customers
 - » Want Us to Call You?
 - » Your Rights and Responsibilities
 - » Products and Services
 - » Energy Conservation
 - » Business Energy Efficiency Program

- #### Safety and Environment
- » Call Before You Dig
 - » Electrical Safety
 - » Natural Gas Safety
 - » Carbon Monoxide
 - » CFL Light Bulbs
 - » Contractor Safety
 - » Environmental Responsibility
 - » Distributed Generation
 - » Our Environmental Sustainability Report
 - » Is Underground Electric Service Viable?

- #### Energy Choice
- » How It Works
 - » How to Choose
 - » Gas & Electric Supply Charges
 - » Energy Suppliers
 - » Green Energy
 - » Energy Switch
 - » Market Match
 - » For Energy Suppliers

- #### Working With Central Hudson
- » Contractor Safety
 - » Call Before You Dig
 - » Submit New Service Request
 - » Specifications for Gas
 - » Specifications for Electric
 - » Trade Allies
 - » Purchasing
 - » Utility Poles

- #### Kids Corner
- » Energy Hog
 - » Electrical & Natural Gas Safety World
 - » Energy Ant
 - » For Students and Kids
 - » Energy Quest
 - » EERE Kids
 - » About.com

Questions?

