

Case Study:

Proper Forecasting Reduces Capacity and Transmission Fees

OPPORTUNITY

ISO capacity and transmission charges for individual facilities are determined at the time the ISO hits the highest system peak for the year. Companies able to forecast when the system peak will occur can curtail load, reducing their allocation of ISO capacity and transmission charges. Fellon-McCord recently assisted an international supplier of cement and aggregate to reduce its energy costs by forecasting system peak and assisting them in reducing their allocation of ISO capacity and transmission charges.

SOLUTION

Fellon-McCord's energy desk reviewed the plant's annual energy usage. In conjunction with this review, we modeled the ISO's system demand to determine the likely period in which annual peak capacity and transmission charges would be established. We met with plant management to identify the plant's ability to curtail energy usage and to determine how much advance notice the facility would require to shut-down equipment.



During the 120-day time period where we anticipated the ISO would set its peak, Fellon-McCord provided our client with daily rolling seven-day load forecasts. We then identified a daily three-hour window on the nine most-likely days that the ISO would achieve peak demand. As we monitored the ISO's system usage and determined it was nearing peak, we provided a one-hour notice to plant personnel so they could shut down equipment.

RESULT

By following Fellon-McCord's recommendation to curtail operations during the anticipated peak periods, the company achieved a reduction of 98 percent of its capacity and transmission obligation. This resulted in annual savings of \$437,000, or 33 percent of its annual energy costs.

CONCLUSION

Fellon-McCord's energy desk is a daily participant in the wholesale power market. Our ongoing monitoring of the ISO's system demands enabled us to create a customized solution that reduced electricity costs for our client.

Fellon-McCord is a global energy and sustainability management firm headquartered in Louisville, Kentucky. To learn more, please visit our website at www.fellonmccord.com.