



Overview of NYISO Demand Response Programs

Prepared for:

Federal Energy Regulatory Commission

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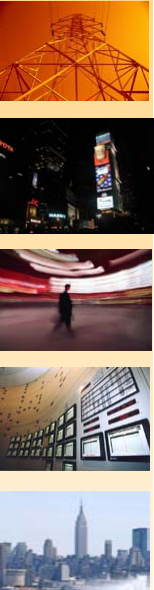
Programs for Reliability

✓ Emergency Demand Response Program (EDRP)

- *Open to Load Serving Entities (LSEs), Aggregators and Curtailment Program End-Use Customers*
- *Paid for energy reduction: real-time (LBMP) or \$500/MWh, whichever is greater - 4-hour minimum call*
- *Verified via hourly interval metering*

✓ ICAP Special Case Resource (SCR) Program

- *Loads/Distributed Generation \geq 100 kW capable of demand interruption*
- *Can supply ICAP through bilateral contracts or ISO-administered auctions*
- *LSE advised in day-ahead market - 2 hour in-day notification*



Economic Program

✓ Day-Ahead Demand Response Program

- *Load bids interruption in Day-Ahead Market - if chosen, can set LBMP*
- *Multi-hour strips allowed*
- *LSEs submitting accepted bids get:*
 - ✧ incentive credit (fixed load bid reduced by amount of curtailment provided)
 - ✧ paid greater of LBMP or bid for actual interruption
 - ✧ penalized for buy-through at 110% of Day-Ahead or Real-Time LBMP, whichever is greater

2002 Program Performance

- ✓ EDRP: 1480 MW registered as of September 2002
- ✓ 4 events called in 2002:
 - *April 17, 18 – high temp, significant transmission maintenance outages and line deratings – called in Southeast NY w/no notice ~ 50 MW response*
 - *July 30, August 14 – statewide reserve deficiencies - estimated 900-1000 MW response*
- ✓ DADRP: 350 MW registered; 2002 offered and accepted MWh below 2001; currently under evaluation

Future Program Changes

✓ EDRP/SCR:

- *Allow SCR resources to submit minimum strike price offers, giving the NYISO a mechanism to selectively choose how much demand response is needed.*
- *SCR strike prices would be allowed to set RT LBMP under the hybrid pricing rules – feasibility under review.*
- *If needed, EDRP resources would be called after SCR – EDRP would also set LBMP at \$500.*

✓ DADRP:

- *Allow third-party providers to bid demand reduction*

✓ Real-time demand response:

- *Included in both energy and reserves markets as part of NYISO Real-Time Scheduling project (Q1-2004)*