



# Summary of FERC Order 719 Demand Response Compliance Filing

**Dave Lawrence**  
*Manager, Auxiliary Market Products*  
**New York Independent System Operator**

**Price Responsive Load Working Group Meeting**  
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# Compliance Filing

- ◆ FERC Order 719 Compliance Order (November 20, 2009)
  - *Due February 18, 2010*
  - *Filing Extension to February 25, 2010 granted*
- ◆ Demonstrate the reasonableness of its proposed requirement for demand response resources to use the same telemetry and communications equipment as that used by generators, and to explain why other alternatives are not appropriate (Paragraph 33).
- ◆ Modify the tariff to allow technically capable demand response resources to participate in the real-time energy market to provide energy imbalance service (Paragraph 34).
  - *NYISO to provide a plan of action identifying the necessary changes and anticipated completion dates with the compliance report.*

# Reasonableness of Telemetry and Communication Requirements

- ◆ Telemetry and communication requirements for DSASP were approved by the Commission in its May 2008 Order.
  - *Telemetry and communication requirements are rooted in reliability requirements*
    - NPCC: a resource must satisfy a “relevant Area’s” metering, testing and dispatch instruction requirements.
    - Advanced metering capabilities required for Operating Reserves are beyond what is required for retail revenue metering.
- ◆ No practical alternative available that satisfies the market design and reliability rules
  - *Commission previously agreed that NYISO should accommodate demand response into its market “without violating the fundamental design principles of the RTS”*
  - *Ability to receive real-time instructions and to be operationally visible in real-time*

# Appropriateness of Alternative Telemetry

- ◆ NYISO acknowledges the concerns of stakeholders about the high costs under current rules
- ◆ NYISO has no objection to exploring possible lower-cost alternatives provided that functionality is consistent with what is currently required for other suppliers.
  - *Telemetry and communications that provide:*
    - Secure and reliable receipt of real-time instructions
    - Operational visibility to the NYISO in real-time
- ◆ Any alternative would have to be structured to ensure compliance with provisions of NYISO's agreements, tariffs and manuals that require metering data to flow to the NYISO from the Transmission Owners using the Transmission Owner's communications equipment.
  - *ISO/RTO Agreement, Section 2.5*
  - *Ancillary Services Manual, Section 1.5*

# Accommodating Demand Response in the Real-Time Energy Market

- ◆ Proposed plan of action for integrating Demand Response into the Real-Time Energy Market has an impact on other demand response initiatives that were in development prior to the November 20, 2009 Order.
  - *ARC Bidding in the NYISO Ancillary Services Markets*
  - *Stakeholder Workshop/Technical Conference for Demand-Side Ancillary Services Program (DSASP)*
  - *Evaluation of Baselines for Special Case Resources (SCRs)*
  - *Aggregation Rules for SCRs*
  - *Continued development of the Demand Response Information System (DRIS)*

# Market Participant Feedback on Priority of Demand Response Initiatives

- ◆ NYISO requested input from stakeholders regarding the impact that compliance efforts would have on initiatives underway
- ◆ Transmission Owners, industrial customers and demand response providers submitted feedback
  - *Requesting focus on SCR projects and the Workshop/Technical Conference on DSASP*
    - There are beneficial market impacts from improving the SCR baseline and aggregation rules
    - NYISO has begun planning the DSASP Technical conference for May 12, 2010

# Proposed Plan of Action

- ◆ Q3 & Q4 2010
  - *Develop a preliminary market design concept with stakeholders*
  - *Include functional design effort in 2011 budgeting process*
- ◆ Q1 & Q2 2011
  - *Incorporate stakeholder input*
  - *Prepare and submit tariff revisions*
- ◆ Q3 & Q4 2011
  - *Incorporate Commission response to design concept*
  - *Include development project in 2012 budgeting process*
  - *Begin requirements and software design effort*
- ◆ Q1 2012
  - *Begin work on software implementation and testing*
- ◆ Late 2012
  - *Preliminary target implementation date*



The New York Independent System Operator (NYISO) is a not-for-profit corporation that began operations in 1999. The NYISO operates New York's bulk electricity grid, administers the state's wholesale electricity markets, and provides comprehensive reliability planning for the state's bulk electricity system.

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