

NYISO Proposed Strawman for Day-Ahead Price-Responsive Load

➤ **Goals:**

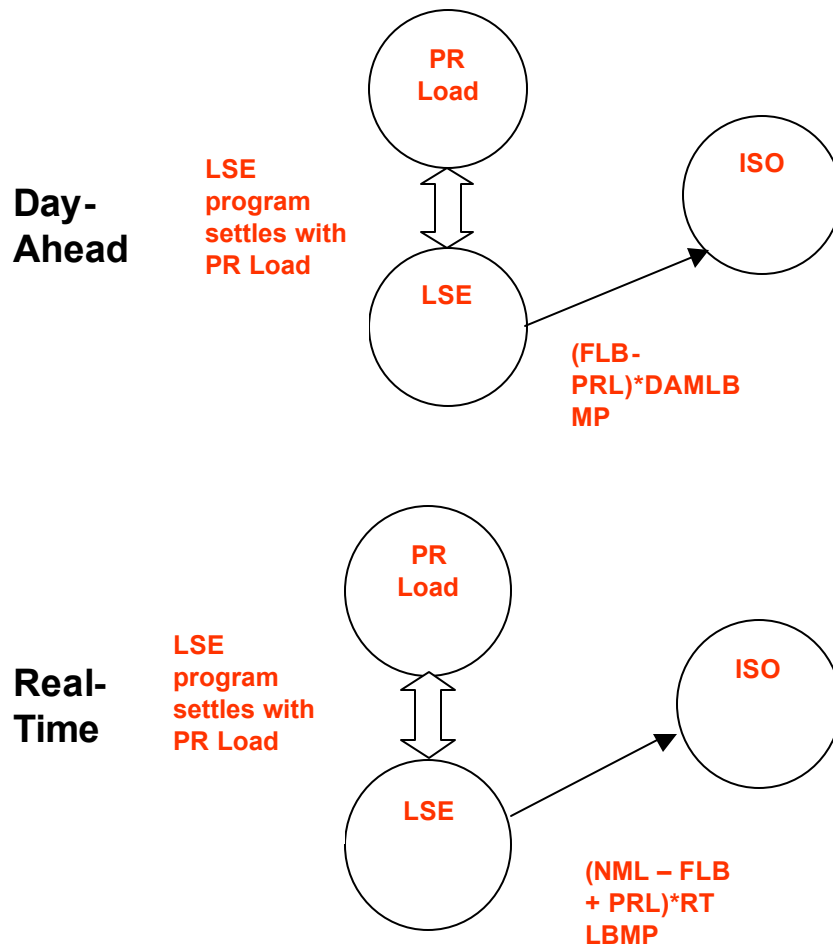
- *Develop framework that allows TO programs to function*
- *Provide mechanism for direct customers to participate*
- *Recognize the need for curtailment incentives*
- *Make program available for summer 2001*

Program Alternatives

- Program A - LSE credited for interrupted load in DAM (Neenan 2)
- Program B - for direct ISO participants - load paid through LSE/TP payments (Neenan 3)
- Program C - incentives paid through ICAP payments

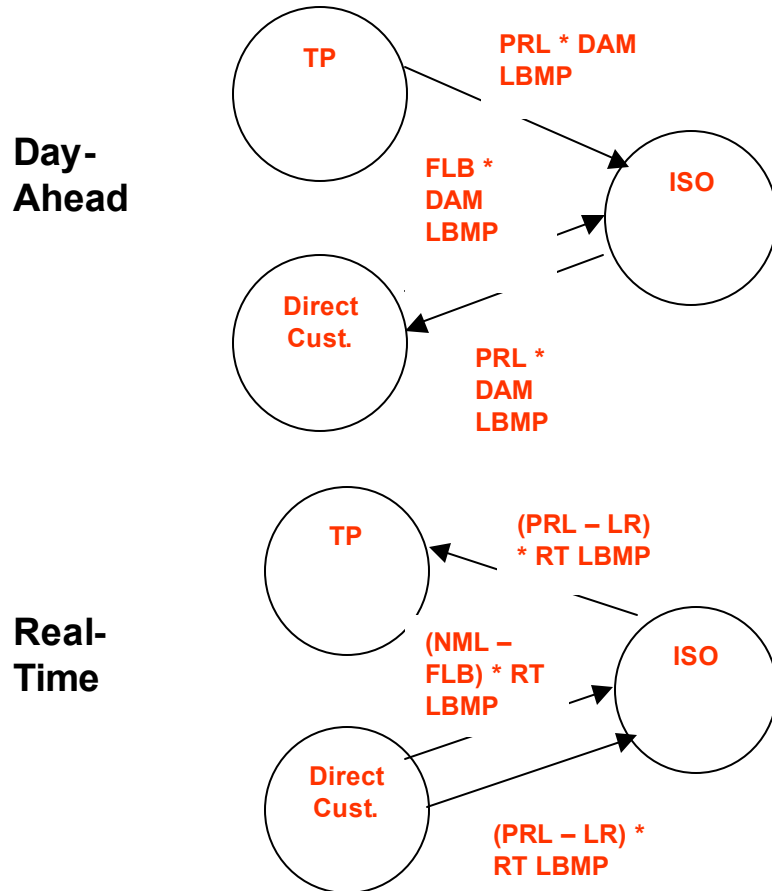
NYISO recommends A+B or A+C

Flow of Funds for Program A



- Can use zonal price-capped load bidding *and*
- credit accepted interruptible bids to LSE in DAM
- model interruptible load as generators
- LSEs subject to verification audit

Flow of Funds for Program B (Direct Customer)

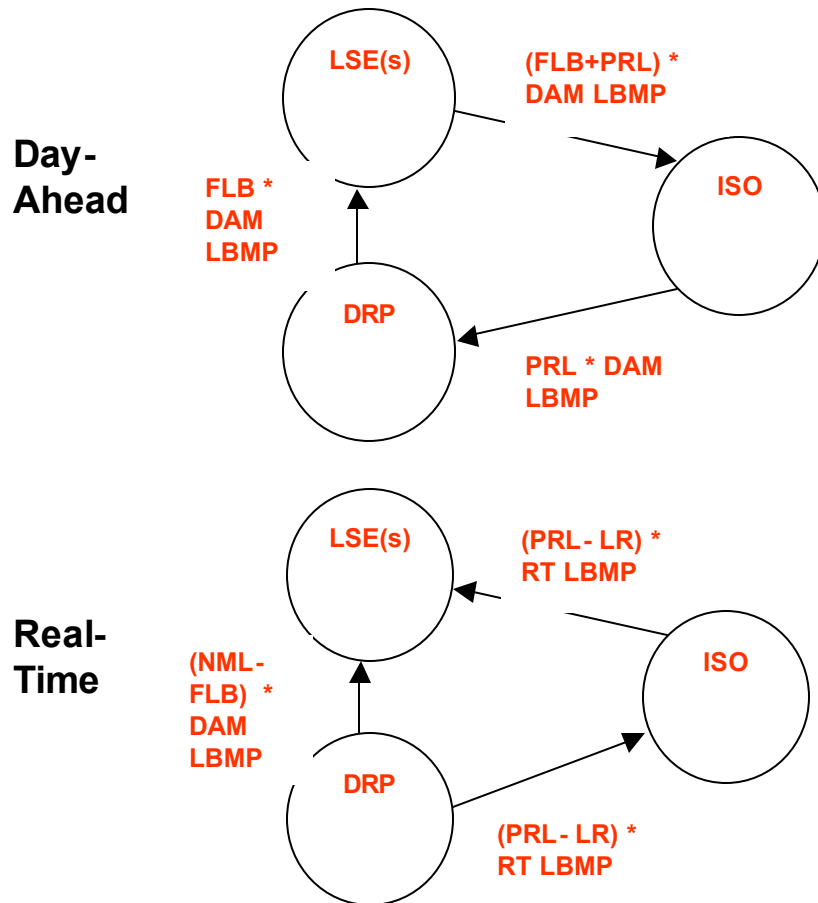


➤ Direct Customer paid through NYISO from funds collected from transmission provider

➤ Real-time buy-throughs penalized to insure revenue neutrality

➤ could split payment to reflect lost revenue to TP

Flow of Funds for Program B (Demand Response Participant)



➤ Identical to Direct Customer except DRP buys energy from LSE, sells interruption capability to ISO

Payment Scenarios

Case	FLB	PRL	CBL	NML	LR	DAM Payment (K\$)	RT Payment (K\$)	Total Payment (K\$)
1	20	10	26	18	8	5	0	5
2	20	10	30	18	12	5	(1)	4
3	20	10	30	22	8	5	2	7
4	20	10	34	22	12	5	1	6
5	20	10	30	30	0	5	10	15
6	30	0	30	30	0	15	0	15

$$LR = CBL - NML$$

$$RT \text{ purchase} = NML - FLB$$

Program C - Interruptible Load Qualifies for ICAP

- ✚ **Either through LSE programs or as Direct Customers/DRPs, interruptible loads would qualify for ICAP payments.**
- ✚ **Interruptible loads would be required to bid in every day.**
- ✚ **No additional interruption payments.**

Participation Requirements

LSE

- No changes to current requirements

Direct Customer

- Register as a Day-Ahead Demand Response resource (information only)
- Require Direct Customers to purchase and install metering & telemetry to collect CBL load data, verify performance.
- Minimum 1 MW demand.

Participation Requirements (cont'd)

Demand Response Participant

- Same as Direct Customer, plus:
- Full financial assurance procedures required
- Restricted to bidding only interruptible load portion (firm load must be purchased through LSE)
- A minimum participation period requirement of 12 months to prevent excessive switching to and from LSE-sponsored programs.
- Minimum 1 MW demand.