

# Fractional MW Bidding for the DADRP and DSASP

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**Business Issues Committee**

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# Background

- ◆ The NYISO has historically required that each transaction in its Energy market be offered and scheduled at a minimum size of one (1) megawatt.
- ◆ The NYISO initially required that any bids above this minimum size be offered and scheduled in “whole” megawatts.

# Background

- ◆ The NYISO proposed in December 2010, and the Commission accepted, clarifications to the bidding and scheduling requirements set forth in Section 4.1.4 of the Services Tariff to permit a resource to offer a transaction above one megawatt in tenths of a megawatt, with limited exceptions.
- ◆ Specifically, Section 4.1.4 provides that: “Each Transaction above one (1) megawatt may be scheduled in tenths of a megawatt provided however, Bilateral Transactions and External Transactions in the LBMP Market must be bid and scheduled in increments of one (1) megawatt.”

# Issue

- ◆ The NYISO has recently determined that when it implemented these revised offer and scheduling requirements, it inadvertently failed to make conforming changes to the related requirements set forth in Section 4.2.1.9 of the Services Tariff.
- ◆ Section 4.2.1.9 describes the requirements by which a Demand Side Resource participating in the Day-Ahead Demand Response Program (DADRP) or the Demand Side Ancillary Services Program (DSASP) bids Demand Reduction in the NYISO's Day-Ahead Market.
- ◆ Currently, Section 4.2.1.9 continues to indicate that a Demand Side Resource must submit a bid for Demand Reduction in “whole” megawatts, notwithstanding the tariff revisions accepted by the Commission in Section 4.1.4, that indicates a resource is allowed to make bids, above one megawatt, in tenths of a megawatt.

# Proposed Tariff Revision

- ◆ The NYISO proposes to revise Section 4.2.1.9 of the Services Tariff in the following manner to remove the “whole” megawatt bidding requirement to clarify that Demand Side Resources participating in the DADRP or DSASP may bid Demand Reduction in the NYISO’s Day-Ahead Market, above one megawatt, in tenths of a megawatt pursuant to Section 4.1.4:
  - ◆ Demand Reduction Providers and DSASP Providers offering Energy from Demand Side Resources shall submit: ~~(i) Bids in whole megawatts and~~ (ii) identifying the amount of ~~d~~Demand Reduction, in MWs in accordance with Section 4.1.4~~megawatts~~, that is available for commitment in the Day-Ahead Market (for every hour of the dispatch day) and (iii) identifying the prices at which the Demand Reduction Provider or DSASP Provider will voluntarily enter into dispatch commitments to reduce demand; provided, however, the price at which the Demand Reduction Provider or DSASP Provider will voluntarily enter into dispatch commitments to reduce demand shall be no lower than \$75/MW hour.

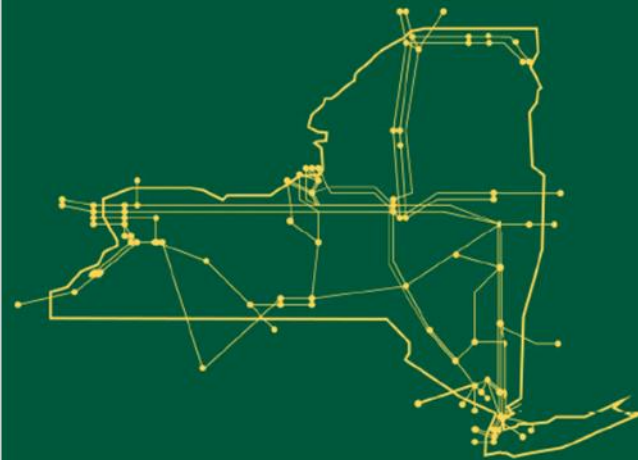
# Proposed Tariff Revision

- ◆ The proposed tariff revisions align the offer requirements in Section 4.2.1.9 for Demand Side Resources participating in the DADRP or DSASP with the general offer and scheduling requirements in Section 4.1.4, which have been accepted by the Commission.

# Next Steps

- ◆ Management Committee (3/26/2014)
- ◆ Board of Directors (April)

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