

Targeted Demand Response Solution for NYC

Prepared for Price-Responsive Load
Working Group
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Background

- ◆ In summer 2006, the NYISO reviewed Con Edison's request for more targeted demand response activation capability in Zone J.
- ◆ The NYISO felt that targeted activations would be inappropriate:
 - *load is normally treated at a zonal level*
 - *permitting more targeted response may allow Con Ed to activate the program more frequently for local problems*
 - *additional effort would be required to modify the notification software and relevant NYISO procedures*

Why Should We Reconsider Targeted Response?

- ◆ For response levels seen during the summer of 2006, activating all resources in Zone J results in energy payments to participants of roughly \$100K/hour
 - *Over the summer these payments for local reliability activations reached \$3M*
- ◆ In the absence of a statewide or eastern reserve shortage, activating all of Zone J load will result in load reductions between 250-400 MW
 - *will have a depressing effect on RT LBMPs during the event*

EDRP/SCR resources during these events look more like supply resources than load

The Plan for Targeted DR

- ◆ The NYISO is currently reviewing the effort necessary to modify EDRP/SCR to differentiate among load pockets and the remainder of NYC
- ◆ Requires:
 - *Information on load pocket location of existing EDRP/SCR resources*
 - *Process to identify load pocket location for new EDRP/SCR resources*
 - *Modifying the RETX notification software to treat additional localities like separate zones for activation*
- ◆ No changes to scarcity pricing or cost allocation are proposed at this time (i.e., scarcity pricing will not be invoked during a targeted activation)
- ◆ Need tariff modifications to define targeted activations