



NYISO Demand Response Programs

Frequently Asked Questions (FAQs) for Prospective Resources

12-16-2020

1. What is demand response and how does it work?

- ❖ Consumers of electricity, such as commercial retailers, office buildings, apartment buildings, and manufacturing plants, depend on the reliable delivery of power to keep their lights on and businesses running. Events that affect the electric grid, such as extreme weather, power outages, and fluctuations in electricity prices, also affect consumers’ ability to operate and their bottom-line. The NYISO has developed demand response programs to help address these issues. Program participants that can reduce their electricity consumption (“load”), and that meet the appropriate qualifications, may be eligible to be paid for reducing their load for discrete periods of time. By reducing consumption, program participants provide benefits to the whole electrical system and are compensated for it

2. What types of demand response programs does the NYISO offer?

- ❖ Two **reliability-based demand response programs** are in place to pay you for load reduction when the electric grid is stressed, such as when demand for electricity is above the normal levels (**peak periods**), or there are unplanned events like extreme heat, inclement weather, or transmission outages,. The reliability-based demand response programs are the **Installed Capacity - Special Case Resource (ICAP-SCR)** program and the **Emergency Demand Response Program (EDRP)**.
- ❖ The NYISO's **economic-based demand response programs** give you the opportunity to offer load reduction into New York's electricity markets at any time, regardless of a reliability need. The economic-based Demand Response programs are the **Day Ahead Demand Response Program (DADRP)** and the **Demand-Side Ancillary Services Program (DSASP)**

Program Name	Payment Types	Metering	Performance Requirements
ICAP-SCR (Reliability-based)	Monthly Capacity Payment & Performance Payment	Hourly Interval Meter	Mandatory for NYISO Reliability Event
EDRP (Reliability-based)	Performance Payment	Hourly Interval Meter	Voluntary for NYISO Reliability Event
DADRP (Economic-based)	Performance Payment	Hourly Interval Meter	Mandatory if scheduled
DSASP (Economic-based)	Ancillary Service Market Payment	Telemetry; Real-Time Metering; Instantaneous Load Meter	Mandatory if scheduled

3. What's in it for me?

- ❖ When you participate in a **reliability-based demand response program** and reduce load according to a NYISO reliability event activation, or when you participate in the **DADRP** and have your reduction offer accepted and scheduled, and you reduce load accordingly, you receive **performance payments** based upon the amount of reduction you make during that period.
- ❖ As a **DSASP** participant you are eligible to receive payments from the ancillary services market when your reserves and/or regulation offers are accepted.
- ❖ Program rules unique to the **ICAP-SCR** program enable you to receive monthly payments (**capacity payments**) to be "on call" by the NYISO. If the NYISO calls a reliability event, as an ICAP-SCR participant, you are obligated to provide load reduction. You are also obligated to demonstrate load reduction for at least one hour every six months either in an event or in a test scheduled by the NYISO.

4. Which demand response program is right for me?

- ❖ When deciding which NYISO Demand Response program(s) you are best suited for, consider the following five questions. The answers may help you in making your decision.

How can I reduce my load? (Load Reductions)

- ❖ There are two ways to achieve load reduction:
 - Your load reduction from the electric grid can be accomplished by reducing consumption within your facility. Examples of how you may accomplish reducing your consumption include: scheduling facility processes to occur before or after the declared event period; pre-cooling facilities prior to the declared event period then raising the temperature of the air conditioning during the event period; or by turning off appliances such as lights, refrigeration equipment, and water heaters.
 - Load reduction can also be accomplished through the use of **behind-the-meter Local Generators**. Local Generators transfer some or all of a facility's load from the grid to the generator, reducing energy supplied by the electric grid. Local Generators do not provide electricity to the grid.

How much can I reduce? (How much load am I able to curtail?)

- ❖ In order to participate in the ICAP-SCR and EDRP programs, you must be able to reduce your load by at least 100 kW, unless you participate as part of an aggregation of participants, in which case the aggregation must meet the minimum 100 kW requirement.

- ❖ In order to participate in the DADRP and DSASP programs, you must be able to reduce your load by at least 1 MW, unless you participate as part of an aggregation of participants, in which case the aggregation must meet the minimum 1MW requirement.

How will I know when to reduce and for how long? (Notifications and Performance Obligations)

- ❖ For the **EDRP** and **ICAP-SCR** program, the NYISO typically sends notifications both a day before the event, and on the day of the event (typically two-hours prior to the load reduction period). As an **ICAP-SCR** participant, performance is mandatory when both the day-ahead and two-hour notifications occur, at which time you are obligated to reduce load for a minimum of four hours during the event. The same series of notifications applies to the **EDRP** program; however, performing load reduction during any event is voluntary.
- ❖ In the **DADRP** program, if you offer to reduce load and the offer is accepted and scheduled in the Day-Ahead Market, then you are obligated to perform the load reduction as scheduled.
- ❖ In the **DSASP** program, participation is scheduled in the Energy Market by the NYISO and you are obligated to respond to real-time instructions to change load per NYISO directives. Real-time instructions for DSASP participants occur through continuous real-time communication with the NYISO.

What type of metering do I need? (Metering)

- ❖ To participate in the **EDRP**, **ICAP-SCR** program, or the **DADRP program**, load reduction performance is measured using **hourly interval electric meters** that meet NYISO's requirements for accuracy.
- ❖ Unique to the **DSASP** program, you will be instructed to adjust your load in real-time. Metering to accomplish this is necessarily more advanced than hourly billing meters. **Real-time telemetry**, a combination of instantaneous two-way communication and metering, allows for rapid communication between you and the NYISO to accurately measure load reduction. Participation in DSASP requires this metering in addition to hourly interval meters.

Can I participate in more than one demand response program?

- ❖ You may enroll simultaneously in one of the reliability-based demand response programs and one of the economic-based demand response programs.

5. When does NYISO call reliability-based events?

- ❖ Reliability events are often called during extreme weather such as heat waves and polar vortexes, and during other types of electric system emergencies such as transmission or generator outages. For more information and historical events visit:

[Historic EDRP and SCR Activation Information](#)

6. How do I sign up?

- ❖ You can enroll in the NYISO demand response programs either directly with the NYISO or through a third party aggregator that participates in the NYISO markets. The NYISO maintains a list of third party aggregators which can be found at:

[List of Demand Response Providers](#)

7. Who should I contact at the NYISO for more information?

- ❖ For further information on NYISO Demand Response, contact Stakeholder Services at (518)-356-6060 or visit us on the web:

[NYISO Stakeholder Services](#)

- ❖ Visit the Demand Response webpage at:

[NYISO Demand Response Page](#)

- ❖ View the Demand Response training presentation by navigating to the link below and selecting “Market Overview MT-101” from the list of available course materials:

[NYISO Market Orientation Course - Demand Response](#)

- ❖ View the Demand Response In-Depth course material by navigating to the link below and selecting “Demand-Response-In-Depth-MT-309” from the list of available course materials:

[NYISO Market Training Course Materials](#)