



Building The Energy Markets of Tomorrow . . . Today

Extending NYISO's EDRP and DADRP Demand Response Programs

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July 13, 2005



EDRP

- Needed to ensure system reliability
- In place since 2001
- Activated by Operations in response to forecast or actual Operating Reserve Shortages
- Peak load was reduced by as much as 800 MW during reserve shortages using EDRP and SCR
- Assisted in 2003 Blackout Restoration efforts
- More than 2,300 commercial and industrial customers have participated in EDRP/SCR
- Approximately \$15 million in MWh reduction incentives (\$500/MWh floor) paid out 2001-2005
- Program is analyzed continuously with reports submitted to FERC in December and June. Needed changes can/will be made at any time
- **Proposal: Eliminate October 31, 2005 sunset date**

DADRP

- Needed to ensure efficient markets
 - In place since 2001
 - Resources treated as Generators by SCUC software, selected based on submitted bid parameters, can set Market Clearing Price
 - Selected bidders are paid LBMP. In addition, an incentive/subsidy payment is made to customers' LSE
 - 18 Participants currently registered with total participating load of ~475 MW
 - Typically less than 20 MW actively bid, less than ~5 MW is scheduled in any hour
 - Payments to participants have totaled less than \$1 million over the life of the program
 - NYISO costs to administer the program are ~\$50,000 per year
 - In 2001, DADRP benefits exceeded costs by a factor of 10 to 1 due to displacement of expensive peaking units
 - \$75/MWh bid floor protects against "free riders", and can be adjusted as necessary
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