

# Expand DADRP to Hour-Ahead in the New York Markets

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## ***Structural Issues- Initial Suggestions***

- HAM bids, of course, use the same forms as DAM and therefore the bid interface with the DRR provider remains the same as DADRP.
- If the DAM bid is unaccepted in DAM, this bid should be allowed to remain active with an option to withdraw for HAM.
- Providers should be able to withdraw DAM bids and make completely new HAM bids.
- Providers should have the option of bidding in all or a part of a resource into either DAM or HAM.
- Aggregation and size issues should be the same for HAM bids as DAM bids.
- Commitment parameters should be input the same for DAM and HAM.
- Curtailment initiation should be the same for DAM and HAM.
- If scheduled in the HAM, providers will be expected to curtail per hourly schedule. However, at the beginning of the program, no penalties should be assessed other than the provider must buy any shortage at real time prices and will sell any curtailments greater than scheduled at real time prices.
- Payment should be made per existing DADRP rules and should include distributed generation resources.
- Customer baseline should be calculated the same as for DADRP and should include a weather sensitive means of calculation.
- DRR accepted HAM bids can set real time prices.

## ***Support to Make This Change for 2002***

- The generators can and do make use of HAM, therefore, DRR should be able to as well.
- It is only a general anticipation that few entities will bid into this market. No one should pre-judge participation.
- If the market does not exist for DRR, it guarantees no participation.
- The later this option is in place the later entities will use it.
- We recommend continuation of a day-ahead and an hour-ahead (settled at real time) market for energy in which DRR can participate. This is a best practice for energy markets. If this is so, then these markets should incorporate DRR now rather than later, and serve as a model of an existing best practice that can more easily be incorporated into an RTO.
- Incorporation of DRR into the energy markets, both DAM and HAM, is not a demand response program but rather, a market design issue. Since the markets exist, all players should be able to compete in them including DRR.

- Bid-in DRR provides the ISO with more certainty, foreknowledge and even dispatch-ability of the capability and activation of DRR. Operating reliability and flexibility is improved.