Proposal for Implementing DADRP
Design Criteria

- **Expand customer access DADRP given limited bus availability**
- **Limit bidding rules to existing NYISO capabilities**
- **Employ settlements procedures consistent with existing NYSIO capabilities**

Proposal for Implementing DADRP
Approach

✍ **Develop standardized products**

✍ **Create superzones for bidding**

✍ **Create super zone scheduling coordinators**

Create Standardized Products

Define products that maximize the benefits to customers from DADRP bidding, subject to SCUC bidding restrictions and ISO settlement provisions.

Approach

- Standardize the definition of a strip
- Standardize strike prices for strips
- Standardize curtailment product cost guarantee

Create Standardized Products

	Strip Strike Price		
	$100	**$250**	**$400**
4 Hours	A	B	C
8 Hours	D	E	F

Strip Window

New York Zone – Strike Price Frequency

NYC Zone: Frequency of DAM LBMP
(June 2000 - Sept. 2000)

Legend:
- lbmp_100
- lbmp_150
- lbmp_200
- lbmp_300
- lbmp_450
- lbmp_600
- lbmp_750
- lbmp_1000

New York Zone - LBMPs

NYC Zone: Potential Revenue based on DAM LBMPs
(June 2000 - Sept. 2000)

Legend:
- lbmp_100
- lbmp_150
- lbmp_200
- lbmp_300
- lbmp_450
- lbmp_600
- lbmp_750
- lbmp_1000

Capital Zone Frequencies

Capital Zone: Frequency of DAM LBMP
(June 2000 - Sept. 2000)

Legend:
- lbmp_100
- lbmp_150
- lbmp_200
- lbmp_300
- lbmp_450
- lbmp_600
- lbmp_750
- lbmp_1000

Capital Zone - LBMPs

Capital Zone: Potential Revenue based on DAM LBMPs
(June 2000 - Sept. 2000)

Legend:
- lbmp_100
- lbmp_150
- lbmp_200
- lbmp_300
- lbmp_450
- lbmp_600
- lbmp_750
- lbmp_1000

LI Zone - Frequencies

Long Island Zone: Frequency of DAM LBMP
(June 2000 - Sept. 2000)

Legend:
- lbmp_100
- lbmp_150
- lbmp_200
- lbmp_300
- lbmp_450
- lbmp_600
- lbmp_750
- lbmp_1000

LI Zone - LBMPs

Long Island Zone: Potential Revenue based on DAM LBMPs
(June 2000 - Sept. 2000)

Legend:
- lbmp_100
- lbmp_150
- lbmp_200
- lbmp_300
- lbmp_450
- lbmp_600
- lbmp_750
- lbmp_1000

Choosing a Window and length for Strips

Zone	Best 4 Hour	Best 8 Hour	8 Hour p.m. only	Total Potential Yield
L.I.	53%	83%	81%	$24,352
NY City	56%	85%	79%	$22.867
Capital	49%	79%	71%	$21,779
West	56%	93%	83%	$ 3,349

LBMPs for June – September 2000

Choosing a Window

Zone	Best 4-hour window
L.I.	noon – 4:00
NY City	1:00 – 5:00
Capital	1:00 – 5:00
West	2:00 – 6:00

LBMPs for June – September 2000

Curtailment Production Cost Guarantee

- ✍ **Bids can include curtailment production cost guarantee**

- ✍ **Super zone SCs responsible for creating aggregate guarantee and settling NYISO payments with aggregated bidders**

Block Bidding

o **Block bids could be submitted by SC**

o **NYISO would dispatch using existing procedures**

o **Super zone SCs would be responsible for settling with individual bidders**

Reduce the number of distinct bidding entities

Objective

Create a geopolitical characterization of the NYCA that allows for aggregation of DADRP bids without compromising the inherent transmission constraints that influence DAM prices

Recommendation

Combine existing zones to create three superzones

Bidding Super Zones

Zones A-E
Upstate

Zones F-I

Hudson
Valley

Zone K

Long Island

New York City
Zone I
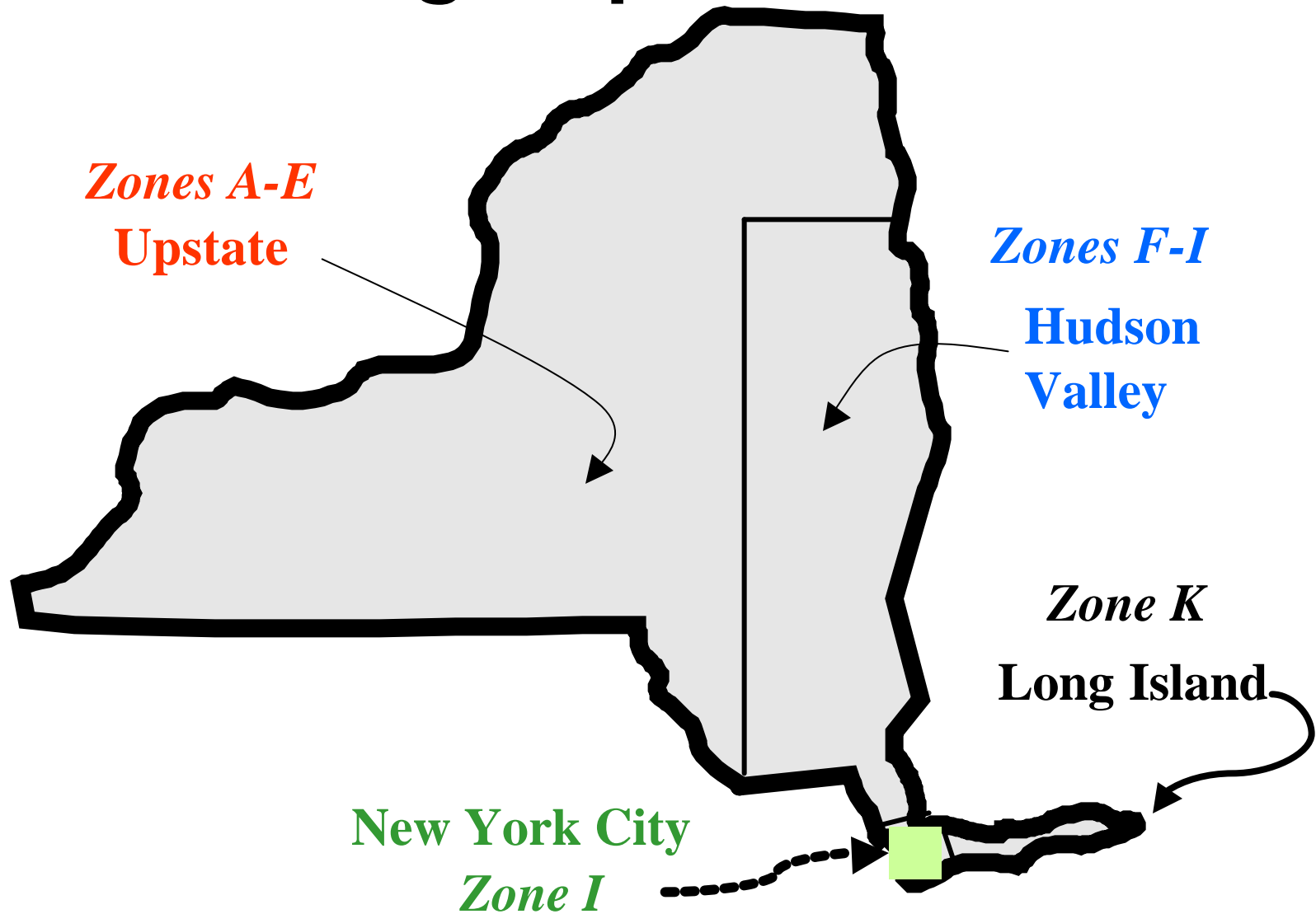
Allocating Busses

Super Zone	Product Busses	Floating Busses	Total Busses
L.I.	6	6	12
NY City	6	6	12
Hudson	6	2	8
Upstate	6	2	8
TOTAL	24	16	40

NYISO would allocate remaining busses to Super Zones.
Super Zones can turn back unneeded busses for reallocation.

Create Superzone Curtailment Bid Scheduling Entity

Objective

Centralize bidding and DADRP settlement functions to accommodate individual customer strip aggregation of bids.

Recommendation

LSE's in each superzone should create an entity responsible for coordination of daily bid aggregation and submission and routine settlements

Roles and Responsibilities

- Charter contract for Super Zone SC
- Establish rules and procedures
- Set charges and fees
- Monitor activities
- One LSE acts as designated bidder

Roles and Responsibilities

SZ LSE's Individually

- **File and implement tariffs**
- **Market programs**
- **Subscribe customer through NYISO**
- **Register participants with SC**
- **Make distributions to participants, collect penalties**

Roles and Responsibilities

SZ Scheduling Coordinator

- Collects bids, performs aggregations
- Submits bids through DLSE, communicates results
- Collects metered compliance data
- Calculates CBLs and determines compliance
- Submits settlement reports to LSE
- Collects program evaluation data for LSE