

# Day-Ahead Demand Reduction Program

## Definitions

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### **Bid**

Offer to purchase and/or sell Energy, Demand Reductions, Transmission Congestion Contracts and/or Ancillary Services at a specified price that is duly submitted to the ISO pursuant to ISO Procedures.

### **Bid Price**

The price at which the Supplier offering the Bid is prepared to provide the product or service, or the buyer offering the Bid is willing to pay to receive such product or service.

### **Bid Production Cost**

Total cost of the Generators required to meet Load and reliability Constraints based upon Bids corresponding to the usual measures of Generator production cost (e.g., running cost and Minimum Generation and Start-Up Bid).

### **Bidder**

An entity that bids to purchase Installed Capacity in an Installed Capacity auction.

### **Curtailed Customer Aggregator**

A Curtailment Services Provider that produces real-time verified reductions in NYCA load of at least 100 kW through contracts with retail end-users. The procedure for qualifying as a Curtailment Customer Aggregator is set forth in ISO procedures.

### **Curtailed Initiation Cost**

The fixed payment, separate from a variable Demand Reduction Bid, required by a qualified Demand Reduction Provider in order to cover the cost of reducing demand.

### **Curtailed Services Provider**

A qualified entity that can produce real-time, verified reductions in NYCA Load of at least 100 kW in a single Load Zone, pursuant to the Emergency Demand Response Program and related ISO procedures. The procedure for qualifying as a Curtailment Services Provider is set forth in Section III below and in ISO Procedures.

### **Customer**

An entity which has complied with the requirements contained in the ISO Services Tariff, including having signed a Service Agreement, and is qualified to utilize the Market Services and the Control Area Services provided by the ISO under the ISO Services Tariff; provided, however, that a party taking services under the Tariff pursuant to an unsigned Service Agreement filed with the Commission by the ISO shall be deemed a Customer.

### **Day-Ahead**

Nominally, the twenty-four (24) hour period directly preceding the Dispatch Day, except when this period may be extended by the ISO to accommodate weekends and holidays.

### **Demand Reduction**

A quantity of reduced electricity demand from a Demand Side Resource that is bid, produced, purchased and sold over a period of time and measured or calculated in Megawatt hours.

### **Demand Reduction Incentive Payment**

A payment to Demand Reduction Providers that are scheduled to make Day-Ahead Demand Reductions that are not supplied by a Local Generator. The payment shall be equal to the product

of: (a) the Day-Ahead hourly LBMP at the applicable Demand Reduction bus; and (b) the lesser of the actual hourly Demand Reduction or the Day-Ahead scheduled hourly Demand Reduction in MW. Demand Reduction Incentive Payments shall not be made after October 31, 2003.

**Demand Reduction Provider**

An entity, qualified pursuant to ISO Procedures, that bids Demand Side Resources of at least 1 MW. Prior to January 1, 2002, only Load Serving Entities may qualify as Demand Reduction Providers. On and after January 1, 2002, Curtailment Services Providers may also qualify as Demand Reduction Providers.

**Demand Side Resources**

Resources located in the NYCA that are capable of reducing demand in a responsive, measurable and verifiable manner within time limits, and that are qualified to participate in competitive Energy markets pursuant to this Tariff and the ISO Procedures. Demand Side Resources may reduce demand either by curtailing NYCA Load or by activating Local Generators, provided, however, for purposes of bidding into the Day -Ahead Market, Demand Side Resources shall not include reduced demand activated by Local Generators that use diesel fuel.

**Local Generator**

A resource operated by or on behalf of a Load that is either: (i) not synchronized to a local distribution system; or (ii) synchronized to a local distribution system solely in order to support a Load that is equal to or in excess of the resource's Capacity. Local Generators supply Energy only to the Load they are being operated to serve and do not supply Energy to the distribution system.

**Supplier**

A Party that is supplying the Capacity, Demand Reduction, Energy and/or associated Ancillary Services to be made available under the ISO OATT or the ISO Services Tariff, including Generators and Demand Side Resources that satisfy all applicable ISO requirements.

**Additional Documentation**

Documentation on the Day-Ahead Demand Response Program can be found in the following technical bulletins:

- TB0 – DADRP Definitions
- TB1 - Program Overview
- TB2 - Registration Procedures
- TB3 - Bidding Instructions
- TB4 - Calculating Customer Baseline Load
- TB5 - Reporting and Verifying Customer Baseline Load and Meter Data
- TB6 - Incentive Credits, Demand Reduction Payments and Non-Performance Penalties
- TB7 - Performance and Payment Examples
- TB8 - Day-Ahead Demand Reduction Program Cost Allocation