# Day-Ahead Demand Reduction Program

## Incentive Credits, Demand Reduction Payments and Non-Performance Penalties

### **Definition of Terms**

 $PRL_{DA}$  = DADRP load scheduled $PRL_{RT}$  = Real-time DADRP load for settlement $PRL_{METER}$  = Actual DADRP load reduction obtained $LBMP_{DAZONE}$  = Day-ahead zonal LBMP $LBMP_{DABUS}$  = Day-ahead bus LBMP $LBMP_{RTZONE}$  = Time-weighted real-time zonal LBMP $LBMP_{RTBUS}$  = Time-weighted real-time bus LBMP

#### DADRP Interruptible Load Resources

For interruptible loads, credits will be applied for Payment, Uplift and Incentive; debits will be applied for Penalties and Load Balancing.

Determine credit based on accepted schedule and day-ahead LBMP: Demand Reduction Payment ?  $PRL_{DA} * LBMP_{DA_{RUS}}$ 

For hour(s) committed, determine load reduction bid guarantee (LRGB) revenue requirements based on accepted schedule and actual performance:

$$LRBG ? \frac{\stackrel{?}{hr}}{\underset{hr}{?}} \frac{PRL_{METER}}{PRL_{DA}} (StartupCost) ? \stackrel{?}{?} \stackrel{?}{?} \frac{PRL_{METER}}{MinGenMW} \stackrel{PRL_{DA}}{2} (StartupCost) ? \stackrel{?}{?} \stackrel{?}{?} \frac{PRL_{METER}}{MinGenMW} \stackrel{PRL_{DA}}{2} (StartupCost) ? \stackrel{?}{?} \stackrel{?}{?} \frac{PRL_{METER}}{MinGenMW} \stackrel{?}{?} \frac{?}{?} \frac{PRL_{METER}}{MinGenMW} \stackrel{?}{?} \frac{?}{?} \frac{PRL_{METER}}{MinGenMW} \stackrel{?}{?} \frac{?}{?} \frac{PRL_{METER}}{MinGenMW} \stackrel{?}{?} \frac{?}{?} \frac{PRL_{METER}}{N} \stackrel{?}{?} \frac{PRL_{METER}}{N} \stackrel{?}{?$$

Determine any uplift credits required based on LRBG and revenue:

Uplift ? ? LRBG ? ? 
$$PRL_{METER}|_{0}^{PRL_{DA}} * LBMP_{DA_{BUS}}$$
 ?

Determine penalty charge debits for failure to perform: Penalty ?  $PRL_{METER}_{0}$  ?  $PRL_{DA}$  ?  $PRL_{DA}$  !  $1.1 * \max PLBMP_{DA_{BUS}}$  ,  $LBMP_{RT_{BUS}}$  ?

Determine amount of overcollection from penalty to offset program costs: Overcollection ?  $PRL_{METER}^{PRI_{DA}}$  ?  $PRL_{DA}$  \*  $LBMP_{RT_{BUS}}$  - Penalty Determine incentive payment credit based on actual performance and day-ahead LBMP: Incentive ?  $PRL_{METER}\Big|_{0}^{PRL_{DA}} * LBMP_{DA_{RUS}}$ 

Determine Load Balance debit to offset credit received by LSE in real-time load settlement: Load Balance?  $PRL_{METER}\Big|_{0}^{PRL_{DA}} * LBMP_{RT_{ZONE}} * (?1.0)$ 

The LSE will settle their bid load against the estimated and metered load as currently occurs.

#### **DADRP Non-Diesel Self-Supply Generation Resources**

For self-supply generation resources, credits will be applied for Payment and Uplift; debits will be applied for Penalties and Load Balancing.

Determine credit based on accepted schedule and day-ahead LBMP: Demand Reduction Payment ?  $PRL_{DA} * LBMP_{DA_{BUS}}$ 

For hour(s) committed, determine load reduction bid guarantee revenue requirements based on accepted schedule and actual performance:

Determine any uplift credits required based on LRBG and revenue:

Uplift ? ? LRBG ? ? 
$$PRL_{METER}|_{0}^{PRL_{DA}} * LBMP_{DA_{BUS}}$$
 ?

Determine penalty charge debits for failure to perform: Penalty ?  $PRL_{METER}|_{0}^{PRL_{DA}}$  ?  $PRL_{DA}$  \*  $LBMP_{RT_{RUS}}$ 

Determine Load Balance debit to offset credit received by LSE in real-time load settlement: Load Balance?  $PRL_{METER_{0}}^{PRI_{2A}} * LBMP_{RT_{ZONE}} * (?1.0)$ 

The LSE will settle their bid load against the estimated and metered load as currently occurs.

#### 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 Load Curtailment Program Cost Allocation