

# **Demand Side Ancillary Services Program**

## **Ancillary Services Manual Overview**

Presentation to  
Price Responsive Load Working Group

March 31, 2008

# Manual Review Process

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- ◆ March 31: Review manual modifications with the PRLWG
- ◆ April 14: Post manual for MP review
- ◆ April 29: Review manual modifications with SOAS
- ◆ May 21: BIC
- ◆ May 22: OC

# Overview of Modifications

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- ◆ *A few minor clarifying corrections*
- ◆ *Modified the term Generator to Supplier or Resource to recognize Demand Side Providers of specific services*
- ◆ *Define settlement rules unique to Demand Side Resources*
- ◆ *Expanded Attachment C to include regulation performance and persistent under-generation processes*
- ◆ *Added Attachment E – Reserve & Regulation Audit forms*
- ◆ *The significant modifications are specific to Regulation and Reserves sections to:*
  - Define qualification criteria
  - Define performance criteria
  - Define prequalification testing procedures
  - Define performance audit procedures
  - Define market disqualification procedures

# Regulation

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- ◆ Regulation Qualified Resource must:
  - *Have proper control equipment, metering and communications equipment installed*
  - *Must be able to continuously provide service in both the up and down direction*
  - *Complete registration process and provide all data required as defined in the registration packet*
  - *Provide for all collateral required*
  - *Pass the prequalification performance test*

# Regulation

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- ◆ *Prequalification Performance Test*
  - Communicate test intent with Customer Relations
  - Bid as price taker and bid maximum regulation capacity MW limit
    - *Greater of (Operating capacity) or  $(5 * RRR)$*
  - Be accepted to provide regulation service in the day ahead market for a minimum of 100 hours over a calendar month
  - Attain a minimum time weighted Regulation Performance Index  $\geq .85$  for the test period
- ◆ *If a participant fails a prequalification test they must provide an explanation to MMP before a retest will be approved*
- ◆ *All Tariff requirements are in place during the test period*
  - Credit requirements & settlement provisions

DRAFT – For Discussion Only

# Regulation

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- ◆ Regulation Performance Audit
  - *Audits are random & at the discretion of NYISO Operations*
  - *Minimum standard requires a monthly time weighted Regulation Performance Index  $\geq .85$*
  - *Regulation PI  $< .85$  may be forwarded to MMP for further review*
  - *MMP will consult with the MP to determine cause of poor performance and may require that adequate performance be demonstrated in order for MP to remain a qualified regulation provider*
  - *MMP has the discretion to remove the participant from the regulation market for continued poor performance*

# Reserves

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- ◆ Reserve Qualified Resource must:
  - *Have proper control equipment, metering and communications equipment installed*
  - *Must be able to provide demand reduction or provide energy in any period that the participant is scheduled to provide reserve service*
  - *Complete registration process and provide all data required as defined in the registration packet*
  - *Provide for all collateral required*
  - *Pass the prequalification performance test*

# Reserves

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- ◆ *Prequalification Performance Test*
  - Communicate test intent with Customer Relations
  - Participant will be instructed to bid reserve service
  - Operations will perform a random audit of the resource for ramp, 10 minute reserve and operating capacity
  - Participant must pass the audit
- ◆ *If a participant fails a prequalification test they must provide explanation to MMP before a retest will be approved*
- ◆ *All Tariff requirements are in place during the test period*
  - Credit requirements & settlement provisions

# Reserves

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- ◆ Reserve Audits
  - *Proposed changes are to transfer the information currently contained in Technical Bulletin 142 into the Ancillary Services Manual*
  - *All participants are subject to random audits*

# Reserves

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- ◆ Reserve Performance Index
  - *Updates include a description of the Reserve Performance Index which is a measure of the quality of energy response*
  - *The Reserve PI is only used in the DAMAP settlement for Demand Side Resources*

# Questions ?

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