

## **Stage 2 ISO Services Tariff**

### **Draft Proposed Modification Regarding Separation of EDRP and SCR Programs**

**BLACKLINED Document**

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**For Discussion at the July 8, 2000 PRLWG/ICAPWG Joint Meeting**

## **Attachment G**

### **EMERGENCY DEMAND RESPONSE PROGRAM**

#### **I. EFFECTIVE DATE**

The Emergency Demand Response Program shall become effective on May 1, 2001 and shall remain in effect until October 31, 2002. At the end of each Capability Period, the ISO will review the Emergency Demand Response Program's performance and will propose appropriate changes as necessary.

#### **II. QUALIFICATION REQUIREMENTS FOR CURTAILMENT SERVICES PROVIDERS**

Curtailment Services Providers must be Customers or, in the case of entities that would become Customers solely for the purpose of participating in the Emergency Demand Response Program, must become Limited Customers. The requirements for becoming a Limited Customer are set forth in the ISO Procedures.

Customers and Limited Customers seeking to become Curtailment Service Providers must: (i) comply with the registration requirements set forth in the ISO Procedures; and (ii) as discussed in ISO procedures, be capable of reducing at least 100 kW of NYCA Load in a single Load Zone within two hours of receiving notice of the ISO's activation of the Emergency Demand Response Program. The required Load reduction may be accomplished by Curtailing Load and/or by serving Load with a Local Generator. Curtailment Services Providers must also comply with the metering requirements set forth below in Section IX, and in the ISO Procedures.

#### **III. RELATIONSHIP OF THE EMERGENCY DEMAND RESPONSE PROGRAM TO OTHER DEMAND SIDE RESPONSE MEASURES**

The Emergency Demand Response Program is intended to complement other demand-side response programs developed by the ISO, the PSC and LSEs. Curtailment Service Providers are free to participate in other demand response programs, to the extent that those programs allow, except as noted in Section V below, provided, however that the NYISO will pay under only one program for each MWh of delivered load reduction. This restriction is not intended to limit payment for installed capacity otherwise available to Curtailment Service Providers.

**IV. PROHIBITION ON THE DOUBLE SUBSCRIPTION OF LOAD**

Curtailment Service Providers may not offer to reduce NYCA Load in the Emergency Demand Response Program that has already been subscribed by another Curtailment Service Provider.

**V. ISO ACTIVATION OF THE EMERGENCY DEMAND RESPONSE PROGRAM**

The ISO shall have discretion to activate the Emergency Demand Response Program in response to: (i) a Real-Time Locational or statewide Operating Reserve shortage or an ISO peak forecast of a locational or system-wide Operating Reserve shortage; or (ii) an ISO declared Major Emergency State. In the event that the ISO instructs Special Case Resources to reduce their consumption of Energy, the ISO ~~will~~may activate the Emergency Demand Response Program. The ISO may use its discretion to call on the Emergency Demand Response Program to relieve NYCA or Zonal Emergencies.

**VI. NOTIFICATION OF CURTAILMENT SERVICE PROVIDERS**

The ISO shall attempt, whenever possible, to provide Curtailment Service Providers with day-ahead notice that it may activate the Emergency Demand Response Program. Providing day-ahead notice of possible activation does not commit the ISO to activate the Emergency Demand Response Program or to make payments. The ISO shall provide Curtailment Service Providers with at least two hours' notice of its activation of the Emergency Demand Response Program. The notice shall specify the time at which the ISO requests that demand reductions begin and shall, whenever possible, specify when the need for demand reductions will end. The ISO may call Curtailment Services Providers to provide Load reduction as soon as possible in the event of a Real-Time Locational or statewide Operating Reserve shortage or emergency.

Curtailment Service Providers shall designate a contact person to receive the ISO's notification.

**VII. VOLUNTARINESS OF EMERGENCY DEMAND RESPONSE PROGRAM**

Participation in the Emergency Demand Response Program shall be voluntary. The ISO shall not penalize Curtailment Service Providers that decline to take steps to reduce demand when the Emergency Demand Response Program is activated. Participation in the Emergency Demand Response Program shall not expand or reduce a Local Generator's rights and obligations to buy or sell Energy into the wholesale Energy market.

**VIII. METERING**

**BLACKLINED Modifications to Stage 2 ISO Services Tariff Att. G, Dated July 3, 2002  
Prepared for the July 8, 2002 PRLWG/ICAPWG Meeting, Subject to Review**

Curtailment Service Providers shall provide sufficient hourly interval metering data, pursuant to ISO procedures, to allow verification of their demand reduction performance.

**IX. VERIFICATION**

Curtailment Service Providers shall verify their demand reduction performance by providing interval metering data to the ISO within 45 days of their participation in the Emergency Demand Response Program. If a Curtailment Service Provider fails to provide the data within the 45 day period the ISO shall have the right to refuse to pay for that Curtailment Service Provider's claimed demand reductions. All load reduction data are subject to audit by the NYISO and its market monitoring unit. If the ISO determines that it has made an erroneous payment to a Curtailment Service Provider it shall have the right to recover it either by reducing other payments to that Curtailment Service Provider or by any other lawful means. Disputes concerning such payments shall be resolved through the ISO's Dispute Resolution Procedures.

**X. PAYMENT**

The ISO shall pay Curtailment Service Providers that cause a verified reduction in demand in response to the activation of the Emergency Demand Response Program. If the ISO activates the Emergency Demand Response Program, it shall pay Curtailment Service Providers for four hours of demand reduction or for the period of time that the Emergency Demand Response Program is activated, whichever is greater.

If the ISO activates the Emergency Demand Response Program for more than four hours, each Curtailment Service Provider shall be paid the higher of \$500/MWh, or the zonal Real-Time LBMP per MWh, of demand reduced, starting with the hour specified by the ISO as the starting time of the activation, or, in the event that the ISO specified that the demand reduction begin as soon as possible, starting with the hour that the Curtailment Service Provider began its response.

If the ISO activates the Emergency Demand Reduction Program for four hours or less, each Curtailment Service Provider shall be paid as if the Emergency Demand Response Program had been activated for four hours. Each Curtailment Service Provider that reduces demand shall be paid the higher of \$500/MWh or the zonal Real-Time LBMP per MWh, of demand reduced, for the duration of the ISO activation of the Emergency Demand Response Program or two hours whichever is greater, starting with the hour specified by the ISO as the starting time of the activation, or, in the event that the ISO specified that the demand reduction begin as soon as possible, starting with the hour that the Curtailment Service Provider began its response. Each Curtailment Service Provider shall be paid the zonal Real-Time LBMP per MWh of demand reduced for the remainder of the four hour minimum payment period, provided that a verified demand reduction was effectuated by the time specified in the ISO's notice.

**XI. COST ALLOCATION**

In the event that the ISO activates the Emergency Demand Response Program in response to a statewide Emergency, a Real-Time statewide Operating Reserve Shortage or peak forecast of a statewide Operating Reserve shortage, payments made to Curtailment Service Providers shall be recovered from all Transmission Customers on a statewide basis. The ISO shall calculate, and the Transmission Customer shall pay, the monthly charge equal to the product of (A) payments made to Curtailment Service Providers and (B) the ratio of (i) the customer's billing units for the month to (ii) the sum of all billing units during that month. Billing units shall be based on the Actual Energy Withdrawals for all Transmission Service to supply Load in the NYCA, and hourly Energy schedules for all Wheel Throughs and Exports. To the extent that the ISO activates the Emergency Demand Response Program in response to an Emergency or a Real-Time Locational Operating Reserve shortage or a peak forecast of an Operating Reserve shortage in a particular zone or zones, including relief to meet a Local Reliability Rule within a Zone as requested by a Transmission Owner, the billing units for such charges will be based on the Actual Energy Withdrawals the affected zone(s) during the hours in which the Emergency Demand Response Program was activated.

LSEs shall also be required to pay the monthly charges calculated above for the Transmission Customers which the LSE serves as retail access customers.