

## Proposed Changes to the Ancillary Services Manual to Support the Demand Side Ancillary Services Program

### Business Issues Committee And Operating Committee

May 2008



## **Overview of Modifications**

- Minor Ministerial changes
  - Modified the term Generator to Supplier or Resource to recognize Demand Side Providers of specific services
  - Section 5.3, Removed Monthly Meter Reading Adjustments
    - Reader is directed to the Billing & Accounting Manual for this information
- Section 4 Regulation and
- Section 6 Reserves
  - Define settlement rules unique to Demand Side Resources Define qualification criteria
  - Define performance criteria
  - Define prequalification testing procedures
  - Define performance audit procedures
  - Define market disqualification procedures
- Expanded Attachment C to include regulation performance and persistent under-generation processes
- Added Attachment E Reserve & Regulation Audit forms
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#### **Regulation & Reserve Qualification Criteria**

- Qualified Resource must:
  - Have proper control equipment, metering and communications equipment installed
  - Must be able to continuously follow dispatch instructions while scheduled for the 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
    - Resources currently providing the service do not have to perform the prequalification test



# Regulation

- Prequalification Performance Test
  - Communicate test intent with Customer Relations
  - Bid as price taker (\$0) 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
    > = .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



# Regulation

#### Regulation Performance Audit

- Audits are random & at the discretion of NYISO Operations
- Minimum standard requires a monthly time weighted Regulation Performance Index >= .85
- Regulation PI < .85 may be forwarded to MMP for further review
- MMP will with 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



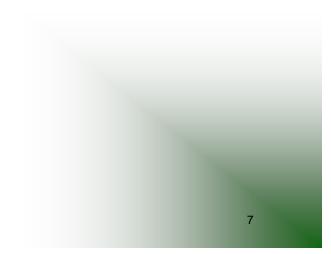
### Reserves

- Prequalification Performance Test
  - Communicate test intent with Customer Relations
  - Participant will be instructed to offer real-time energy
    - Participant is allowed to bid reserve services during this period
  - Operations will perform a random audit of the resource for ramp, 10 minute reserve and operating capacity
  - Exception for Non-Synchronous reserve
    - Physical response test will be performed outside of an economically scheduled period
  - 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
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### Reserves

- 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

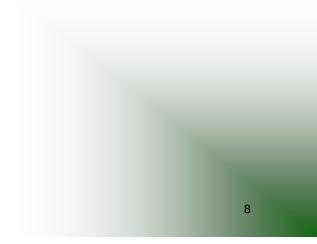


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### Reserves

- 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





# **Comments Received**

- Section 4.11.3 –Typo intermittent limit changed from 33000 to 3300
- Section 4.13.2 Typo Prequalification test criteria was changed from .90 to .85
- Section 4.7.2 & 4.7.3 changed the term 'Bid \$' back to 'Bid'
- Section 6.3.1 & 6.4.1 Clarified that the entire paragraph that discusses demand side resources is for demand side resources by adding the phrase 'Demand Side' to all references to Resources
- Section 6.6.1 & 6.7.1 the description of the MCP for LI 10 minute spinning reserve was missing the term '+ SP<sub>9</sub>'
- Section 6.6.2 & 6.7.4 Clarified that supplemental payment calculation for Demand Side Resources providing Operating Reserves includes margins received for Regulation Service
- Section 6.13.4 Second example states normal response rate the text should be emergency response rate DRAFT – For Discussion Only



## **Questions**?

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