

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 $\geq .85$ 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

Regulation

- ◆ 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

- ◆ 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

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 ‘+ SP₉’
- ◆ 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

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Questions ?



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