

Draft Proposal to Implement DEC DG Rule 222

Registration

- 1) To participate in the NYISO's EDRP or SCR programs, end-use customers w/backup generators must first apply to the DEC for the appropriate permit:
 - a) Demand response source under Part 222 (demand response source)
 - b) Emergency power generating stationary IC engine
 - c) Subject to part 222-1.5(a) under emissions limits
 - d) Other permits (Title V, Facility, Registration)
- 2) At the time the generator registers with the DEC, the generator must supply the following information related to demand response programs (other information to satisfy the DEC permit will also be required):
 - a) NYISO Zonal location and TO
 - b) MW registered
 - i) for facilities already in the program, this is the ICAP equivalent of their UCAP value during the summer capability period
 - ii) for new SCRs, or for EDRP resources, this is the amount of ICAP from the generator intended to be offered during the summer capability period
 - iii) if registering a facility with both load reduction and demand response sources, the MW registered should be that amount associated with the demand response source only.
 - c) Programs in which the generator will participate (more than one can be checked):
 - i) NYISO EDRP
 - ii) NYISO ICAP/SCR
 - iii) LIPA
 - iv) NYPA
 - v) Con Ed
 - vi) Other
 - d) Demand response sources agree to a limited waiver of confidentiality for
- 3) Once the DEC approves the registration, the generator must supply a copy of the applicable DEC permit to the NYISO prior to being accepted into either the EDRP or ICAP/SCR program.
- 4) Any resource registering with the NYISO that does not have an accompanying DEC permit will be required to declare that they are not using a generator of any type as part of their load reduction strategy. Any participant found in violation of this declaration will be terminated from the applicable NYISO program and will be prohibited from participating in any NYISO demand response program for a period of five years.
- 5) The NYISO will accept registrations for EDRP and/or SCR up to the MW limits identified in 222-1.3(b) and (c), including the effect of individual sponsor

caps. When either a sponsor cap or locality cap is reached, no additional registrations will be accepted.

- 6) A resource whose registered MW value would bring total registration from below any cap to above that cap will have the registered MW value reduced so as to ensure that the cap is not exceeded. As an example, a 2 MW resource in the NYCMA is registering in 2007 as an ICAP/SCR. If the total MW of accepted registrations prior to their registration is 271 MW and the MW cap for the NYCMA is 271.9 MW, the resource would only be allowed to register 0.9 MW instead of 2 MW.
- 7) Resources submitting registrations to the NYISO under conditions where an applicable cap is met will be placed on a waiting list pending termination of existing registered resources as defined in 8)
- 8) Resources that have registered with the NYISO for EDRP or ICAP/SCR will be deemed to have terminated participation when either of the following conditions is met:
 - a) If, as a result of the NYISO's annual request to CSPs to update their EDRP registration list, a resource is identified as no longer participating with that CSP, or
 - b) If an ICAP/SCR resource's capacity does not sell for a period of twelve (12) consecutive months in any combination of auctions, or if the performance factor of the demand response source falls below 0.75. All generators aggregated under one PTID will be considered to have terminated their registrations if the aggregated PTID does not sell for a period of twelve (12) consecutive months in any combination of auctions.
- 9) A resource that switches RIPs or CSPs will not be terminated as long as neither condition in 8) is met.
- 10) If a resource is terminated, resources at the top of the waiting list defined in 7) will be allowed to register for EDRP or ICAP/SCR up to the applicable MW cap through the process defined in 5) and 6).
- 11) The DEC will notify the NYISO of any demand response sources or distributed generation sources that are rejected by the DEC based on NO_x or particulate emissions rates as defined in 222-1.5b and 222-1.5c, or for any distributed generation source not complying with the emissions testing requirements in 222-1.7. Any such resource will be removed from the applicable NYISO program as of the first day of the next calendar month following NYISO receipt of DEC information.

12) If subsequently notified by the DEC that sources have retested per 11) and found to be in compliance, the NYISO will either re-register sources rejected per 11) or place them on the waiting list defined in 7).

13) Options for handling the reduction in MW cap over time:

- a) At some point prior to the inception date of a new cap, do not continue to add resources to the waiting list in 7).
- b) Prorate demand response source MW proportional to the overall cap reduction
- c) Keep only the highest-performing demand response sources and eliminate lower-performing resources such that the reduced cap is met.

Operating Hours

14) The NYISO will not differentiate between demand response sources and load reduction when issuing EDRP/SCR event advisories or activations. It is the responsibility of each demand response source to keep track of the number of hours of operation when activated by the NYISO.

15) When the total hours of NYISO EDRP/SCR events measured over a calendar year reach the limit specified in 222-1.3(d)(1), the NYISO will require that each demand response source submit hourly integrated MWh produced by the source for each hour of the declared event. Such data must be submitted within fifteen days of the event; no extensions for any reason will be permitted.

16) NYISO will report to the DPS on the performance of each demand response source, using the lesser of the hourly values reported in 15) or the MW registered in 2b).