

Demand Side Resources with Non-Controllable On-Site Generation

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Agenda

- **Background**
- **Clarification of Demand Response Program Rules**
- **Next Steps**

Background

Issue

- **The NYISO has recently become aware of Demand Side Resources that have on-site generation capability that is not able to be a Local Generator because, for example, it:**
 - Injects to the distribution system, or
 - Is not controllable (e.g., net-metered solar installations)
- **The NYISO anticipates that more Resources participating in the NYISO's demand response programs will install on-site solar generation as technology improves and costs decline.**
- **Note that the NYISO's 2019 DER and Aggregation participation model and Order No. 2222 compliant tariff revisions will permit facilities with a mix of technology types to capture the value of Demand Reductions and Energy injections by non-controllable generation.**

Background

- **The NYISO administers four demand response programs:**
 - Day-Ahead Demand Response Program (DADRP)
 - Demand Side Ancillary Services Program (DSASP)
 - Special Case Resource (SCR) program
 - Emergency Demand Response Program (EDRP)
- **Demand Side Resources participating in these programs must be (i) located in the NYCA, (ii) capable of controlling demand by either curtailing Load or by operating a Local Generator to reduce Load in a responsive, measurable and verifiable manner within ISO-identified time limits.**
 - A Local Generator is defined as “[a] resource operated by or on behalf of a Load that is either: (i) not synchronized to a local distribution system; or (ii) synchronized to a local distribution system solely in order to support a Load that is equal to or in excess of the resource’s Capacity.”
 - Local Generators can only supply Energy to the Load they are being operated to serve, and cannot supply Energy to the distribution system.

Clarification of Demand Response Program Rules

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- Demand Side Resources with non-controllable on-site generation may still participate in NYISO demand response programs so long as the on-site Generation does not inject to the grid.
- These Demand Side Resources may achieve Demand Reductions through load curtailment only.
- Demand Side Resources with non-controllable generation must submit a Load Reduction Plan (LRP) to the NYISO that shows that the Resource will achieve its Demand Reductions only through Load curtailment, and not through non-controllable on-site generation.
- These resources may also participate with separately metered non-controllable generation.
- Market Participants are obligated to inform NYISO if they have injecting resources.
 - If a resource is unable to discontinue injection, it will be removed from the applicable demand response program.
 - A resource able to discontinue injection may remain in the market.
 - The NYISO has the authority to request and review resource meter data if injection is suspected.

Next Steps

Proposed Technical Bulletin

■ Q1 2023

- The NYISO will target a January working group meeting to discuss a draft Technical Bulletin with stakeholders.
 - The purpose of this Technical Bulletin is to clarify the administration of Demand Side Resources with non-controllable generation on-site, as discussed in today's presentation.
- **The NYISO will look to incorporate this Technical Bulletin in the NYISO manuals in the future.**

Our Mission & Vision



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Vision

Working together with stakeholders to build the cleanest, most reliable electric system in the nation