

Subject: Demand Side Resources with Non-Controllable On-Site Generation

Statement: This Technical Bulletin clarifies the NYISO's administration of Demand Side Resources with non-controllable on-site generation participating in the NYISO's demand response programs.

Details:

This Technical Bulletin clarifies the New York Independent System Operator, Inc.'s (NYISO) rules related to Demand Side Resources that have on-site, non-controllable generation capability. Non-controllable generation includes, for example, rooftop solar generation and micro wind turbines. Demand Side Resources that have on-site non-controllable generation are eligible to participate in the NYISO-administered demand response programs consistent with the requirements identified in this Technical Bulletin.

Background

The NYISO administers four demand response programs: The Day-Ahead Demand Response Program, Demand Side Ancillary Services Program, Special Case Resource program, and the Emergency Demand Response Program. A Demand Side Resource seeking to participate in the NYISO's demand response programs must be (i) located in the New York Control Area, (ii) capable of controlling demand at the direction of the NYISO in a responsive, measurable, and verifiable manner, and (iii) qualified to provide Energy, Installed Capacity, Operating Reserves, Regulation Service or participate in the Emergency Demand Response Program.¹

Demand Side Resources participating in these demand response programs may facilitate Demand Reductions by (i) curtailing Load, (ii) utilizing a Local Generator to remove Load from the Transmission and/or distribution system, or (iii) a combination of both (i) and (ii). A Local Generator is 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."² Local Generators are not permitted to supply Energy to the distribution system.

Non-controllable generation such as rooftop solar does not qualify as a Local Generator. As noted, Demand Side Resources, including those utilizing a Local Generator, must be capable of controlling demand at the direction of the NYISO. Rooftop solar and other non-controllable generation are not capable of controlling a Demand Side Resource's demand at the direction of the NYISO.

Clarification of Program Rules

The NYISO has recently seen an increase in the number of facilities that have non-controllable generation on-site, some of which have the physical ability to inject Energy onto the grid. The NYISO's market rules permit Demand Side Resources with on-site non-controllable generation to participate in the demand response programs so long as (i) the on-site generation does not, at any point, inject

¹ Market Administration and Control Area Services Tariff ("Services Tariff") Sec. 2.4.

² Services Tariff Sec. 2.12.

Energy onto the Transmission and/or distribution system, and (ii) the Demand Side Resource facilitates its Demand Reductions only through Load curtailment. Demand Side Resources with non-controllable generation must submit a Load Reduction Plan to the NYISO explaining how the Resource will achieve its offered Demand Reductions.

Demand Side Resources with on-site non-controllable generation may also choose to separately meter the generation from the Load. Separate metering would allow a facility to participate in the NYISO's demand response programs even if the co-located, but separately metered, generation injects onto the distribution system.

Market Participants shall inform the NYISO's Distributed Resources Operations department if on-site non-controllable generation at one or more of their Demand Side Resources injects Energy to the Transmission and/or distribution system. If the Market Participant indicates the facility cannot or will not stop injecting, then the Demand Side Resource(s) will be removed from the applicable demand response programs.

The NYISO anticipates that this Technical Bulletin will be incorporated into the applicable manuals during the next available recertification period.