



Engaging the Demand Side: SCR Program Changes

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Background

2024 Engaging the Demand Side Project

- **Public policies continue to drive rapid change in New York's electric system, impacting how electricity is produced, transmitted, and consumed**
 - Fossil fueled Generator deactivations are outpacing new supply additions
 - Electrification and economic development initiatives are increasing projected future demand
 - The New York grid is projected to become a winter-peaking system in the 2030's
- **The grid's evolution drives a need for flexible and dispatchable Resources in the NYISO markets to support reliability and transmission security.**

Previously Proposed Changes to the SCR Program (7/15 ICAPWG)

- **The NYISO proposed to revise the SCR program duration requirement to 6-hours.**
 - The SCR survey and additional stakeholder feedback showed support for a 6-hour duration SCR program.
- **The NYISO proposed to shorten the current 21-hour notice SCR advisory activation.**
 - This will provide the NYISO with more flexibility in deploying SCRs when they are most needed, allowing the NYISO to adapt the current fleet to the grid of the future.

Today's Proposal

SCR Event Duration

- The NYISO proposes to modify the mandatory SCR event duration from 4-hours to 6-hours.
 - This will provide the opportunity for SCRs to earn additional revenue for load reduction and enhance NYISO Grid Operators' ability to balance supply and demand.
 - For reference, the current CAFs for the 2024 Summer Capability Period:

CARC	Rest of State	GHI	NYC Locality	LI Locality
4-Hour Energy Duration Limited	64.47%	67.95%	68.84%	78.94%
6-Hour Energy Duration Limited	91.77%	91.92%	90.41%	91.53%

- The SCR survey showed 88% of responding MWs can meet a 6-hour duration requirement in the Summer Capability Period.
- The SCR program will not support both a 4-hour and 6-hour event duration option at this time.

SCR Notification Window

- **NYISO proposes shortening the current 21-hour mandatory notification window to 4-hours.**
 - A 4-hour notification for mandatory events to enhances NYISO operator flexibility and in-day optionality
- **A 4-hour notification decreases the chance of “false alarm” event notifications.**
 - 40% of day-ahead notifications this year did not have a corresponding in-day activation.

Other ISO/RTO Demand Response Program Notification Windows

ISO/RTO	Demand Response Program	Market	Standard Activation Notification Times	Notes:
PJM	Load Management	Capacity Only	30 Minutes	PJM provides increased activation notice times of 60 minutes and 120 minutes for resources that meet a qualifying exception. Exceptions exist in the case of: Potential damage to equipment Backup generation start-up time Safety issues Mass-market communication for small resources
ISO-NE	Active Demand Response	All Markets	30 Minutes	N/A
CAISO	Proxy Demand Response	All Markets	Options: 5-minutes 15-minutes 60-minutes	CAISO PDR has several options where the 5-minute and 15-minute activation notice resources may set price in the 5 and 15 minute markets respectively. A 60-minute start-up resource cannot set price.
MISO	Load Modifying Resource	Capacity Only	Options: 2-hours 4-hours 6-hours	LMR's receive a sliding scale capacity payment based on their notification time: 0 to 2 hours = 100% 2 to 4 hours = 70% 4 to 6 hours = 50%

Next Steps

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- The NYISO intends to return with more details on the changes to the SCR baseline calculation proposal.
- For any questions or comments please reach email: mferrari@nyiso.com

Our Mission & Vision



Mission

Ensure power system reliability
and competitive markets for New
York in a clean energy future



Vision

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