

# Engaging the Demand Side: SCR Baseline Changes

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11/4/24

# 2024 Engaging the Demand Side Presentations

| Date                  | Working Group | Topic/Link to Materials   |
|-----------------------|---------------|---|
| 5/8/2024              | ICAPWG/MIWG   | <a href="#"><u>Engaging the Demand Side Project Update</u></a>            |
| 6/13/2024             | ICAPWG/MIWG   | <a href="#"><u>Engaging the Demand Side: SCR Survey Results</u></a>       |
| 7/15/2024             | ICAPWG/MIWG   | <a href="#"><u>Engaging the Demand Side: SCR Program Enhancements</u></a> |
| 8/29/2024<br>(Latest) | ICAPWG/MIWG   | <a href="#"><u>Engaging the Demand Side: SCR Program Changes</u></a>      |

# 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.**

# Background: Current SCR Baselines

- **The Average Coincident Load (ACL) is a value calculated for each SCR that is used to establish the maximum amount of Unforced Capacity the SCR is eligible to offer in the Capability Period, Monthly, and/or Spot Market Auctions.**
  - Uses Load data from Prior Equivalent Capability Period
  - Average of the SCR's highest 20 one-hour peak Loads that occurred during the Capability Period SCR Load Zone Peak Hours.
- **The Customer Baseline Load (CBL) is a value calculated for each SCR that is used to calculate Energy market settlements for the SCR's Demand Reductions during an SCR event or test.**
  - Uses Load data from the prior thirty (30) calendar days
  - The CBL is based on highest five consumption days of last 10 “like” days prior to an SCR Event.

# SCR Baseline Methodology Proposal

# Performance Measurement

- **Under this proposal the NYISO will calculate SCR performance based on the CBL baseline instead of ACL baseline.**
  - The NYISO describes this change as directing a resource to reduce their load “by a MW value” with a CBL, rather than directing a resource to reduce “to a MW value” with an ACL measurement.
  - Utilizing the CBL baseline will more accurately measure SCR performance (as compared to an ACL).
  - The NYISO is investigating whether it is appropriate to require full SCR performance in all hours of the day, or just within the peak load window.

# Additional Market Rule Modifications to Accommodate Change to CBL Baseline

- The NYISO and stakeholders should evaluate what additional market rule changes are necessary to accommodate the switch to a CBL performance measurement methodology.
- Potential market rule revisions include:
  - An upper limit to an SCR's declared value based on historic load data.
  - Applicable penalties.
  - Modifications to performance testing rules.

# Monthly ACL

- **The NYISO proposes to use a *monthly* ACL value as the maximum value an SCR is eligible to sell in each month.**
  - The monthly ACL value is calculated from Prior Equivalent Capability Period data similar to the existing ACL calculation, just at a monthly level.
  - This proposal is similar to current program rules that prohibit an SCR from offering Demand Reductions at a value that is greater than the SCR's ACL (unless the SCR has an incremental ACL).



# Exceptions to the Monthly ACL Maximum

- **Under current program rules, an SCR may increase their ACL by requesting an Incremental ACL, which can range from 20% to 100% greater than their current ACL.**
  - An Incremental ACL is a method by which a Responsible Interface Party (RIP) can reflect a SCR's increased capability as compared to the Prior Like Capability Period.
- **The NYISO proposes that an SCR may similarly increase their declared value from 20% to 100% greater than their monthly ACL.**
  - However, NYISO will request that the RIP provide a letter from the end-use customer to support the requested increase.
  - Similar to current program rules, the SCR declared value shall not exceed 2X their monthly ACL.

# Penalties

- **The following penalties and financial sanctions are calculated at least in part based on an SCR's applicable ACL:**
  - Change of Status Shortfalls.
  - Incremental ACL Shortfall.
  - Provisional ACL Shortfall.
  - All Sanctions.
- **The NYISO is evaluating how to modify or eliminate these penalties, and whether switching to a CBL methodology necessitates creation of any new penalties or sanctions.**

# Penalties (Continued)

- **The NYISO and stakeholders should consider whether a penalty, similar to the current Change of Status penalty, is necessary to check whether an SCR sold an achievable amount of capacity during a particular month of sales.**
  - Such a penalty would evaluate the SCR's monthly UCAP sales against the SCR's peak monthly demand (PMD).
- **The RIP Portfolio Shortfall Penalty shall be modified to use individual SCR performance calculated using the CBL rather than the ACL.**

# SCR Performance Test

- **Each SCR must demonstrate its maximum enrolled megawatt value at least once in a Capability Period via performance in a mandatory event or performance test.**
  - Performance tests are conducted for 1-hour.
  - Certain SCRs may also be required to perform in a second performance test when enrolled with an Incremental ACL or a Change of Status.
  - An SCR's performance is measured by the greatest one-hour Demand Reduction in either the mandatory event or in the first performance test hour.

# SCR Performance Test Changes

- **The NYISO proposes to increase the duration of the SCR performance test to 6 hours.**
  - SCR Performance tests will be conducted during the then applicable Peak Load Window.
  - The SCR test window will be shifted earlier to allow the CBL calculation to incorporate likely higher load days in the load data sample used to calculate the CBL.
    - The Summer SCR test window will be moved up to 8/8 - 8/31 from 8/15 - 9/7.
    - The Winter SCR test window will be moved up to 2/8 - 2/28 from 2/15 - 3/7.
  - Similar to current SCR performance test rules, SCRs may use performance test results or results from an event.
  - The requirement for a resource to test twice a capability period is eliminated.

# Previously Presented Material

# SCR Event Duration and Notification Time

- The NYISO presented its proposal on SCR Event Duration and the mandatory notification window at the 8/29 ICAPWG.
  - [Presentation Link](#)
- The NYISO does not plan to modify the previously presented 4-hour notification time proposal.
- The proposed notification timeline in combination with the proposed baseline methodology will allow the NYISO to consider the contribution of SCRs toward transmission security.

# Next Steps



# Next Steps

- The NYISO will continue discussion on the proposed design changes as part of the 2025 Engaging the Demand Side project.
- For any questions or comments please email:  
[mferrari@nyiso.com](mailto: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