

Engaging the Demand Side: 2025 Project Update

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2024 Engaging the Demand Side Presentations

Date	Working Group	Topic/Link to Materials
5/8/2024	ICAPWG/MIWG	<u>Engaging the Demand Side Project Update</u>
6/13/2024	ICAPWG/MIWG	<u>Engaging the Demand Side: SCR Survey Results</u>
7/15/2024	ICAPWG/MIWG	<u>Engaging the Demand Side: SCR Program Enhancements</u>
8/29/2024	ICAPWG/MIWG	<u>Engaging the Demand Side: SCR Program Changes</u>
11/4/2024 (Latest)	ICAPWG/MIWG	<u>Engaging the Demand Side: SCR Baseline Changes</u>

Purpose of today's discussion

- NYISO will maintain the current SCR program rules to focus future demand side project enhancements on the DER and Aggregation participation model.

Background

2024 Engaging the Demand Side Project

- **NYISO proposed 4 major changes to the SCR program:**
 - Revise the SCR program duration requirement to 6-hours.
 - Remove the current 21-hour notice SCR advisory activation in favor of a 4-hour mandatory activation notice.
 - Calculate SCR performance based on the CBL baseline instead of ACL baseline (modifying related penalties as well).
 - Increase the duration of the SCR performance test from one hour to six hours.

2024 Engaging the Demand Side

Proposal Feedback

- The NYISO evaluated the extensive stakeholder feedback on NYISO's proposed changes and determined that it was inappropriate to make that suite of program enhancements at this time.
- Several stakeholders explicitly expressed that they would vote down any design that went beyond an increase in the duration requirement from 4 to 6 hours; i.e., if the NYISO proposed to move forward with its additional program enhancements to go along with increased payments.
 - Stakeholder opposition to the proposed changes were based in concerns that robust new program requirements would reduce program participation.

2025 Project Description

- The 2025 EtDS project approved deliverable was the deployment of software for a completed market design.
- Without a completed market design, the NYISO cannot complete the 2025 EtDS project goal of deploying software enabling SCR program enhancements.

2025 Project Direction

2025 Direction

- **The NYISO will not make any changes to the SCR program rules as described in last year's EtDS effort.**
 - The SCR program as currently designed is an important resource for maintaining reliability and will continue to be in the future.
- **The NYISO believes that priority should be given to developing market designs that substantially enhance or increase Demand Side Resource participation.**

2025 Project Plan

- **The NYISO views the DER & Aggregation participation model as the future of demand side participation in the NYISO markets.**
- **The DER & Aggregation participation model provides Demand Side Resources additional optionality and flexibility, while being fully integrated in all markets:**
 - Participants can receive a Day-Ahead and/or Real-time Schedule.
 - Resources may select 2, 4, 6, or 8 hour duration lengths and time-stack within aggregations.
 - Qualifying dispatchable resources may provide ancillary services.
 - DER aggregations contribute to transmission security.

DER & Aggregation Participation Model

- The NYISO recognizes that the DER & Aggregation participation model is still a new program and that market design enhancements will likely be identified in the future, including potential enhancements related to Demand Side Resources.
- Thus far, stakeholders have identified the following as areas of potential enhancement:
 - Bidding obligations;
 - Commitment parameters, such as start up and minimum run times for large Industrial Loads; and
 - Metering and telemetry requirements

Path Forward

- **Market Participant collaboration is planned for 2025, focusing on how the NYISO markets can reduce barriers to entry and better leverage the reliability benefits of demand response.**
 - Information sessions with Market Participants will review the design and rules of the DER & Aggregation participation model.
- **The NYISO encourages stakeholders to provide feedback on areas of the DER and Aggregation participation model that would reduce barriers to resource entry or enhance participation.**

Next Steps

- **The NYISO will collaborate with stakeholders to provide learning opportunities for the DER & Aggregation participation model.**
- **This will build a strong foundation of knowledge from which the NYISO and Market Participants can identify areas of improvement for consideration in a future project.**
 - NYISO will begin conversations to address any identified areas in the second half of 2025 and continuing into future efforts as resources become available.

Questions?

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