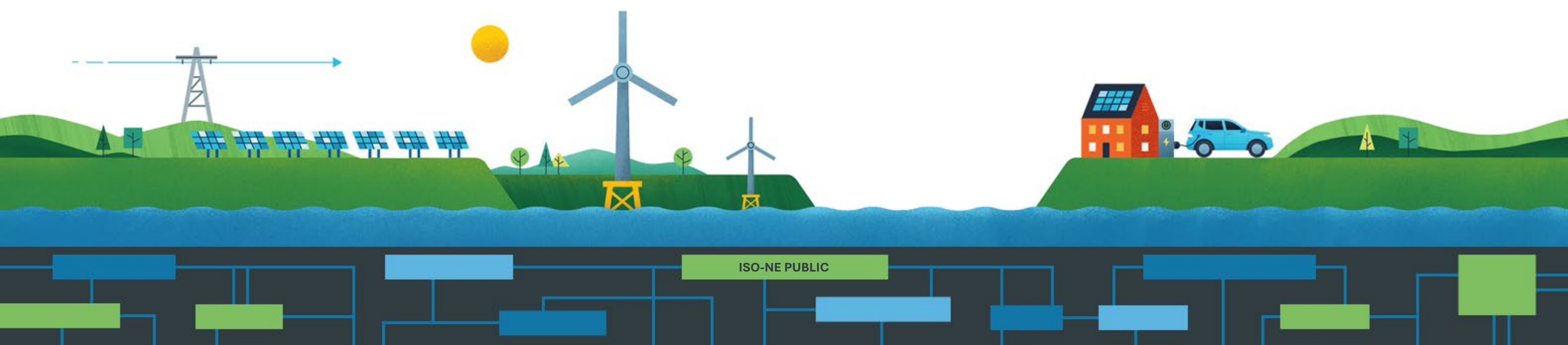
Order No. 2222 Conforming Changes

Proposed conforming changes to implement the Order No. 2222 market design

Dennis Cakert
LEAD ANALYST



Order No. 2222 Conforming Changes: Summary

WMPP ID: 186

Proposed Effective Date: November 1, 2026

- Conforming changes are required to implement the Order No. 2222 market design
  - For more information, see the April 8, 2025 Markets Committee presentation
- One of the conforming changes requires RC and TC vote
  - Re-name energy offers from Demand Response Distributed Energy Resource Aggregations (DRDERAs)
- In June, ISO presented Tariff redlines to the RC and TC
- Today, ISO seeks separate votes from the RC and TC on the proposed redlines

Previously presented at the April 2025 MC Meeting

Proposal Overview

- The ISO proposes for DRDERAs to submit Demand Reduction Offers, instead of Baseline Deviation Offers, to maintain DRDERA functionality and simplify implementation
- The proposed Tariff redlines replace Baseline Deviation Offer terms with the applicable Demand Reduction Offer term:

Baseline Deviation Offer	Demand Reduction Offer
Min/Max Deviation Limits	Min/Max Reduction Limits
Deviation Cost	Interruption Cost
Min Deviation Time	Min Reduction Time
Min Time Between Deviations	Min Time Between Reductions
Maximum Deviation Capability	Maximum Interruptible Capacity
DRDERA Notification Time	DRR Notification Time
DRDERA Ramp Rate	DRR Ramp Rate
DRDERA Start-Up Cost	DRR Start-Up Cost

ISO Requests RC and TC vote

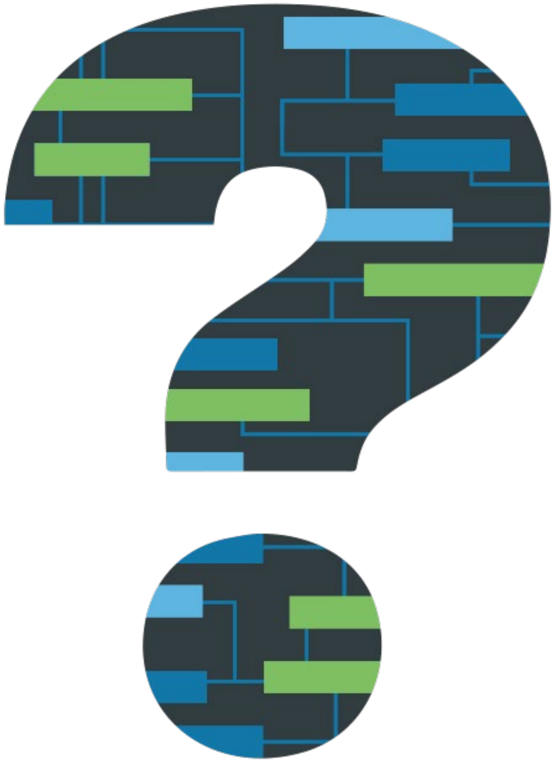
Previously presented at the April 2025 MC Meeting

- The RC is being asked to vote on changes to defined terms in Tariff Section I.2.2 and auditing rules in Market Rule 1
  - See the appendix of this presentation and the June 17, 2025 Reliability Committee presentation
- The TC is being asked to vote on a change to a defined term in Tariff Section I.2.2
  - See the appendix of this presentation and the June 12, 2025 Transmission Committee presentation

Stakeholder Schedule

Stakeholder Committee and Date	Scheduled Project Milestone
Markets Committee April 8-9, 2025	- Introduce Order No. 2222 Conforming Changes
Markets Committee June 10-11, 2025	- Continued discussion on Order No. 2222 Conforming Changes - Introduce Tariff redlines for Order No. 2222 Conforming Changes
Transmission Committee June 12, 2025	- Introduce Order No. 2222 Conforming Changes - Introduce Tariff redlines for Order No. 2222 Conforming Changes
Reliability Committee June 17, 2025	- Introduce Order No. 2222 Conforming Changes - Introduce Tariff redlines for Order No. 2222 Conforming Changes
Markets Committee July 8-9, 2025	- Vote on Order No. 2222 Conforming Changes
Joint Reliability and Transmission Committee Summer Meeting July 15-16, 2025	- Vote on Order No. 2222 Conforming Changes
Budget and Finance Subcommittee July 18, 2025	- Review Order No. 2222 Conforming Changes
Participants Committee August 7, 2025	- Vote on Order No. 2222 Conforming Changes

Questions



Dennis Cakert
DCAKERT@ISO-NE.COM

APPENDIX: TARIFF REDLINES FOR RC AND TC

Tariff Redlines for the Reliability Committee

Section	Tariff Change	Reason for Change
I.2.2	Remove the following terms: • Baseline Deviation Offer • Demand Response Distributed Energy Resource Aggregation Notification Time • Demand Response Distributed Energy Resource Aggregation Ramp Rate • Demand Response Distributed Energy Resource Aggregation Start Up Time • Deviation Cost • Maximum Deviation • Minimum Deviation	Remove references to Baseline Deviation Offer
	Amend the definitions of the following terms to add reference to DRDERA: • Demand Reduction Offer • Demand Response Resource Notification Time • Demand Response Resource Ramp Rate • Demand Response Resource Start Up Time • Interruption Cost • Maximum Reduction • Minimum Reduction	Allow DRDERAs to submit Demand Reduction Offers

Tariff Redlines for the Reliability Committee (cont.)

Section	Tariff Change	Reason for Change
I.2.2	Amend the definitions of the following terms to remove reference to Baseline Deviation Offer: • Dispatch Instruction • Lead Market Participant • Offer CLAIM10 • Offer CLAIM30	Remove reference to Baseline Deviation Offer
III.1.5 III.9.5	Replace Baseline Deviation Offer terms with Demand Reduction Offer Terms	Allow DRDERA to submit Demand Reduction Offer

Tariff Redlines for the Transmission Committee

Section	Tariff Change	Reason for Change
I.2.2 – Lead Market Participant	"Lead Market Participant, for purposes other than the Forward Capacity Market, is the entity authorized to submit Supply Offers, Demand Bids, Demand Reduction Offers~~, Baseline Deviation Offers,~~ or Day-Ahead Ancillary Services Offers for a Resource and to whom certain Energy TUs are assessed under Schedule 2 of Section IV.A of the Tariff. For purposes of the Forward Capacity Market, the Lead Market Participant is the entity designated to participate in that market on behalf of an Existing Capacity Resource or a New Capacity Resource."	DRDERAs will submit Demand Reduction Offers, rather than Baseline Deviation Offers