Disclaimer for Customer Training: ISO New England (ISO) provides training to enhance participant and stakeholder understanding. Not all issues and requirements are addressed by the training. Consult the effective Transmission, Markets and Services Tariff and the relevant Market Manuals, Operating Procedures and Planning Procedures for detailed information. In case of a discrepancy between training provided by ISO and the Tariff or Procedures, the meaning of the Tariff and Procedures shall govern.

Settlements Forum

2018 Q1

Rachel Likover
Market Analysis & Settlements

* New version posted on 03/08/2018 - updated slide 10.
* New version posted on 03/21/2018 - updated slides 33-35 (new)
Topics

Upcoming Settlement/Market Changes
- Forward Capacity Market - Performance Incentives
- Price Responsive Demand
- Net Commitment Period Compensation - Cost Reallocation

Informational Items
- Next meeting date
Upcoming Settlement/Market Changes

• Forward Capacity Market – Performance Incentives
  – Stop –loss mechanism
  – FCM capacity performance bilateral transaction
• Price Responsive Demand – Full Integration
• NCPC Cost Reallocation
Forward Capacity Market – Performance Incentives

June 1, 2018

Joint ISO-NE/NEPOOL Filing

- Implement pay for performance design
  - Resources will get a capacity performance score during scarcity conditions (could be positive or negative)
  - Payments/charges are based on this score and the tariff rate
  - Includes stop loss provisions
  - New FCM bilateral transaction
  - Revisions to Settlement MIS reports
- Retire current performance provisions
  - Shortage events
  - Demand response
  - External transaction penalties

Joint ISO-NE/NEPOOL FERC Filing

ER14-1050-000
ER14-1050-001
ER14-2419-001

Links to FERC filings in .pdf version.

Watch a short video introduction to the FCM performance incentives.

Additional information:
- Customer Readiness web page
- Key Project web page
FCM Stop-Loss Mechanism
Performance Incentives Overview

Capacity scarcity event:
A 5-minute interval when the system doesn’t have enough capacity and reserves and the Reserve Constraint Penalty Factor is included in 5-minute LMP

Steps to find a resource’s payment/charge
1. Calculate the balancing ratio
2. Determine each resource’s actual capacity provided
3. Calculate each resource’s capacity performance score
4. Calculate each resource’s payment or charge

For a detailed example, please see the Q4 2017 SF materials here:
• Presentation
• Webinar recording

What’s the worst that can happen?
About the Stop-loss Mechanism

What is the stop-loss?

- The stop-loss mechanism prevents unlimited financial risk to market participants with a capacity supply obligation (CSO).
- A resource stops incurring charges once it is charged an amount equal to its stop-loss limit.

Two types of stop-loss:

- **Monthly stop-loss**: A resource will stop incurring charges in a given month if its total charges equal its monthly stop-loss limit.
- **Annual stop-loss**: A resource will stop incurring charges during the capacity commitment period if its total charges equal its annual stop-loss limit.
About the Monthly Stop-loss

How do you find your resource’s monthly stop-loss limit?
- Multiply your resource’s CSO by the FCA starting price for the current capacity commitment period (CCP)

Example:
- 2018/19 FCA starting price: $17.728/kW-month ($17,728/MW-month)
- Resource’s CSO (Rest of Pool capacity zone): 100 MW

\[
\text{FCA starting price} \times \text{CSO} = 17,728/MW \times 100 \text{ MW} = 1,772,800
\]

Monthly stop-loss limit * = -$1,772,800

* Displayed in settlement reporting convention; negative value is charge.
Monthly Stop-loss Example

How is the stop-loss applied?

System and FCA data:
FCA starting price: $17,728/MW-month
Capacity zone (CZ): Rest of Pool (ROP)
ROP clearing price: $9,551/MW-month

Resource data:
Capacity supply obligation: 100 MW
Monthly stop-loss limit: -$1,772,800
FCM Base payment: $955,100

Resource’s FCM base payment = CSO x CZ (ROP) clearing price

Maximum monthly loss exposure*:

Stop-loss limit = -$1,772,800
Base payment = $955,100
Max Loss Exposure = -$817,700

*Remember, resources are paid in the FCM. This equation illustrates the net loss of the entire base payment and then a further charge up to the stop-loss limit.
Annual Stop-loss Example
How is the stop-loss applied?

System and FCA data:
FCA starting price: $17,728/MW-month
Capacity zone (CZ): Rest of Pool (ROP)
ROP clearing price: $9,551/MW-month

Resource data:
Capacity supply obligation: 100 MW
Monthly Max loss exposure: $817,700
Monthly FCM Base payment: $955,100
Annual FCM Base payment: $11,461,200
Annual stop-loss limit: -$13,914,300

No further charges incurred after a resource is charged the equivalent of:

Max CSO  x ( 3 x (FCA Clearing Price - FCA Starting Price) - ( 12 x FCA Clearing Price) )

100 MW  x ( 3 x ( $9,551 - $17,728 ) ) - ( 12 x $9,551 )

In English: No further charges incurred once resource is charged an amount equal to the entire annual base payment, plus 3 months of “max loss exposure” incurred when monthly stop-loss applied.

* slide updated on 03/08/2018 - added "Max" to formula above.
FCM Capacity Performance Bilateral Transactions
FCM Capacity Performance Bilateral
Market instrument for addressing underperformance

New Contract Type for Trading Performance MW

- Participants have ability to sell scarcity condition performance MW
- This contract type replaces the Supplemental Availability Bilateral, which will be retired on June 1, 2018
- The contracts are submitted to the ISO via the Internal Transactions interface on the SMD Application Home Page
- Contract deadline
  - Initial settlement: Noon on the second business day following the end of the month
  - Data Reconciliation Process Resettlement: 17:00 on the 101st day after the end of the month
# FCM Capacity Performance Bilateral

*Interface access through SMD home page*

<table>
<thead>
<tr>
<th>SMD Applications Home Page</th>
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<tbody>
<tr>
<td><strong>Internal Transactions</strong></td>
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<tr>
<td><strong>External Transactions</strong></td>
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<tr>
<td>Bids &amp; Offers (Registered Users)</td>
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<tr>
<td>Financial Transmission Rights (Registered Users)</td>
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<td>Submit Meter Reading</td>
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<td>Submit Peak Contribution</td>
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<td>Submit Monthly Regional Network Load</td>
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<td>Financial Assurance Management</td>
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<td>Forward Capacity Market CSO Bilateral Contracts</td>
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<tr>
<td>Demand Resource Market User Interface</td>
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<td>Claimed Capability Auditing Tool</td>
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<td>Energy Efficiency Measure Database</td>
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<tr>
<td>Customer and Asset Management System</td>
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<td>Forward Reserve Market Auction</td>
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<td>CROW Outage Scheduler</td>
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<td>Forward Reserve Assignment</td>
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<td>Forward Capacity Tracking System</td>
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<td>Forward Capacity Market Reconfiguration Auction</td>
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<td>Supplemental Availability Designation</td>
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<tr>
<td>DR Audit and Testing Tool</td>
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<tr>
<td>NX Application (NX-9, NX-12D and One-Line Diagrams)</td>
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<tr>
<td>Ask ISO</td>
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</table>
April 2018:
Sandbox environment will be available to test this interface.

An updated Internal Bilateral Transaction User Guide will be posted on the ISO website prior to the opening of the sandbox.
Fully Integrated Price Responsive Demand (PRD)

June 1, 2018

Joint ISO-NE/NEPOOL Filing

• Full integration of active demand response into the energy and reserves markets
  – ‘Must offer’ requirements for assets mapped to resource with Capacity Supply Obligation
• Demand reduction offers incur ISO Tariff Schedule 2 expenses
• Settlement MIS Report revisions
  – DA & RT Energy and Reserves
  – Additional new reports for DA & RT NCPC

Joint ISO-NE/NEPOOL FERC Filing

<table>
<thead>
<tr>
<th>FERC Filing Numbers</th>
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<tbody>
<tr>
<td>ER11-4336-000</td>
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<tr>
<td>ER15-257-000</td>
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<tr>
<td>ER16-167-000</td>
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<tr>
<td>ER17-2164-000</td>
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Links to FERC filings in .pdf version.

Watch the DRWG web page for PRD information

See this project’s web pages:
• Key Project web page (includes training session link)
• Customer Readiness web page
What’s New in Settlements for PRD

High Level Overview

• Demand reduction offers can clear in day-ahead market
• Specific rules for energy settlement
  – Demand reduction is included in day-ahead energy settlement
  – Demand reduction is removed from real-time energy settlement
    • Instead, demand reduction has an independent real-time settlement
    • Any real-time deviation charge/credit is allocated to load obligation
• Demand reduction is eligible for NCPC evaluation
• Demand reduction may provide reserves
Settlement Mechanics

Day Ahead Market

• **Demand Response Resource (DRR)** demand reduction offers can clear in the Day Ahead energy market
• Cleared demand reduction is converted to demand reduction obligation
  – MW increased by average avoided peak distribution losses multiplier (currently 1.055)
• **Demand Reduction Obligation (DRO)** is included in DA adjusted net interchange
  – Settled at the DA LMP; same mechanics as other cleared DA quantities
• DRR eligible for DA NCPC evaluation and payments
  – Fast Start DRR
    • NCPC settlement period is hourly
  – Non-Fast Start DRR
    • NCPC settlement period is hours of contiguous operation
Settlement Mechanics
Real Time Market

DRR energy settlement is independent of RT energy balancing market settlement – how is this accomplished?

FIRST:
The RT adjusted net interchange deviation is calculated excluding any DA demand reduction obligation from the DA adjusted net interchange.

- Like today, the RT energy settlement will have no DRRs settled in it
- The result of the RT energy settlement balancing calculations will be unchanged for PRD
Settlement Mechanics
Real Time Market

DRR energy settlement is independent of RT energy balancing market settlement – how is this accomplished?

NEXT:
• A separate calculation of the DRR energy deviation is performed
• For each DRR dispatched by the ISO in real time, the DRR’s real time demand reduction obligation (DRO) is derived from metered demand reduction and, if applicable, metered net supply
  – Demand reduction increased by average avoided peak distribution losses (1.055)
  – Net supply is not adjusted
  → RT DRO is the total of these two quantities
• For DRRs not dispatched by ISO, the DRO is zero
• The deviation between the RT and DA DRO values is multiplied by the real-time LMP
• This credit/charge is allocated pro-rata to Real Time Load Obligation, excluding load at external nodes and DARD pumps
Settlement Mechanics

Real Time Market

DRR are eligible for RT NCPC evaluation and payments

- **Fast Start DRR**: NCPC settlement period is hourly
- **Non-Fast Start DRR**: NCPC settlement period is hours of contiguous operation

DRR are eligible for Reserve Market

- Forward Reserve & Real Time
  - Fast Start DRR
  - Non-fast start that have been dispatched
Demand Response Meter Data

Updates in timelines and user interface functionality

Meter Data Submittal

• Demand response meter data submittal deadline revised for June 1, 2018
  – Daily meter data due at 1:00 pm on the second business day after operating day
  – Matches deadline for all other energy market meter data (generation/load/ties)

• Demand Response Market User Interface (DRMUI) - some new functionality
  – Updated user guide will be posted ~ March 15th
  – Note that asset level information is available for inspection using the DRMUI
  – PRD settlement reporting will be at the Demand Response Resource (DRR) level
    • DRRs are composed of assets

• Passive demand response with distributed generation - 24x7 meter reads
  – Currently, calculations are performed only on meter data for on-peak hours
  – Under FCM Pay for Performance evaluation, scarcity events are possible in any hour
  – Calculations may be performed on meter data for any hour
    • Hourly generation output must be submitted for all hours starting June 1
  – Some changes in Meter Reading User Interface; updated guide will be posted soon
MIS Report Changes
Overview and Report List

PRD and PFP MIS Report Changes
• Summary of additions to reporting for DA and RT
• Complete lists of new and modified reports
• MIS report changes shown in the Appendix!

Please see Appendix for complete MIS Report Changes information
Fully Integrated PRD; NCPC Cost Reallocation

June 1, 2018

Joint ISO-NE/NEPOOL Filing

• Compliance with FERC Order 719, included in PRD implementation
• Real-time NCPC cost allocation during scarcity events
• Load deviations that are reductions from day-ahead commitments will be relieved of NCPC uplift charges
  – These charges reallocated to all Real Time Load Obligation
• New settlement MIS Report

* See filing letter, pages 38-40 (Section G.2 of the letter).
Informational Items

- Settlements Forum Dates
- Questions & Discussion
Settlements Forum Dates 2018

Q1  Thursday, March 8 at 10:00 AM
Q2  Thursday, June 7 at 10:00 AM
Q3  Thursday, September 6 at 10:00 AM
Q4  Thursday, December 6 at 10:00 AM
Questions
APPENDIX

• MIS Reporting Changes for PRD and PFP
## FCM Performance Incentive MIS Report Changes

### New Reports
- **SD_FCMNSCDTL2** – FCM Net Supply Credit Details Report
- **SD_FCMPFPACP** – FCM Pay for Performance Actual Capacity Provided Report
- **SD_FCMPFPACPPRE** – FCM Pay for Performance Actual Capacity Provided Preliminary Report
- **SD_FCMPPFPCPSBT** – FCM Market Pay For Performance Capacity Performance Score Bilateral Transactions Report
- **SD_FCMPFPRESPYMT** – FCM Pay for Performance Resource Payments Report
- **SD_FCMPFPSCORE** – FCM Pay for Performance Capacity Performance Score Report
- **SD_FCMPPFSCOREP** – FCM Pay for Performance Capacity Performance Score Preliminary Report

### Modified Reports
- **SD_FCMCLOSTLDTL** – FCM Capacity Load Obligation Settlement Details Report
- **SD_FCMPRECAPREQ** – FCM Preliminary Capacity Requirement
- **SR_FCMSTLSUM** – FCM Settlement Summary Report
- **SR_FCMNRCPSUM** – FCM Net Regional Clearing Price Summary Report

### Retired Reports
- **SD_DRCHGDETAIL** – Demand Response Settlement Charges Detail Report
- **SD_DRS** – Demand Response Settlement Detail Report
- **SD_FCMMAVAIL** – FCM Availability Settlement Detail Report
- **SD_FCMIMPORTPENALTYCHG** – FCM Import Penalty Charge Settlement Detail Report
- **SD_FCMIMPORTPENALTYCRD** – FCM Import Penalty Credit Settlement Detail Report
- **SD_FCMNSCDTL** – FCM Net Supply Credit Details Report
- **SD_FCMPERFORMSTLD** – FCM Performance Settlement Detail Report
- **SD_FCMPREAVAIL** – FCM Preliminary Availability Report
- **SD_MONTHLYEPOH** – Monthly Equivalent Planned Outage Hours Settlement Detail Report
- **SR_D** – Demand Response Settlement Summary Report
- **SR_FCMANNUALEPOH** – FCM Annual Equivalent Planned Outage Hours Allotment Report
- **SR_FCMAVAILS** – FCM Availability Penalty & Credit Summary Report
PRD MIS Report Changes
Additions to Day Ahead Reporting

DA Energy Market
• New location type for demand response added: DRR Aggregation Zone
• Cleared demand response reduction offer
• DA Demand Reduction Obligation (DRO)
  – Cleared demand response reduction offer \( \times 1.055^* \)
• DA Adjusted Net Interchange value includes the DRO
  – DRO is settled at DA LMP, in same manner as all other DA activity

DA NCPC
• DRR Aggregation Zone location type
• Settlement period definition

* Average avoided peak distribution losses multiplier
## PRD MIS Report Changes

### Day Ahead

### Modified Reports

<table>
<thead>
<tr>
<th>DA ENERGY</th>
<th>DA NCPC</th>
</tr>
</thead>
</table>
| • SR_DALOCSUM  
Day Ahead Energy Market Locational Settlement Report | • SD_DANCPCPYMT  
Day-Ahead Net Commitment Period Compensation Payment Report |
| • SD_DACLEARED  
Day-Ahead Locational Cleared Energy Market Settlement Report | • SR_DANCPCSTLMNTSUM  
DA NCPC Settlement Summary Report |

### New Reports

<table>
<thead>
<tr>
<th>DA NCPC</th>
</tr>
</thead>
</table>
| • SD_DANCPCDRR  
Day-Ahead NCPC Demand Response Resource Commitment and Dispatch Report |
Other PRD MIS Report Changes

Additions to Real Time Reporting

RT Energy Market

• New location type for demand response added: DRR Aggregation Zone
• RT adjusted net interchange deviation is calculated to exclude any DA DRO
• RT Demand Reduction Obligation (DRO)
  – Metered Energy Quantity Reduction \times 1.055 * 
  – Net Supply, if applicable
  – Note that DRO is only calculated if DRR was dispatched by ISO
• RT Demand Reduction Obligation Deviation; standalone calculation which compares RT DRO to DA DRO
  – Settled at RT LMP at the DRR aggregation zone or network node
  – DRR > 5 MW are settled at network node LMP
• Allocator for demand reduction obligation deviation settlement
  – Real time load obligation, excluding external nodes and DARD pump load

RT NCPC

• Aggregation Zone location type
• Settlement period definition

Reserve Market

• Aggregation Zone location type
• Settlement period definition

*Average avoided peak distribution losses multiplier
## MIS Report Changes

### Real Time

<table>
<thead>
<tr>
<th>Modified Reports</th>
<th>New Reports</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RT ENERGY</strong></td>
<td><strong>RT NCPC</strong></td>
</tr>
</tbody>
</table>
| • SR_RTCUSTSUM    | • SD_RTNPCDRR5MIN  
Real Time Energy Market Summary Report |  
Real-Time NCPC Demand Response Resource Commitment and Dispatch Report |
| • SR_RTCUSTSUM5MIN | • SD_RTNPCDRRCS   
Real Time Energy Market Five Minute Summary Report |  
Real-Time NCPC Demand Response Resource Cancelled Start Credit |
| • SR_RTLOCSUM     | • SD_RTNPCDRRDLOC  
Real Time Energy Market Locational Summary Report |  
Real-Time NCPC Demand Response Resource Dispatch LOC Report |
| • SR_RTLOCSUM5MIN | • SD_RTNPCDRRPYPYMT5MIN  
Real Time Energy Market Five Minute Locational Summary Report |  
Real-Time NCPC Demand Response Resource Five Minute Payment Report |
| • SD_RTASSET5MIN  | • SD_RTNPCDRRYPYMTHR  
Real-Time Asset 5-minute Energy Quantity |  
Real-Time NCPC Demand Response Resource Payment Report |
| **RT NCPC**       | **RESERVES**   |
| • SR_RTNPCSTLMNTSUM | • SD_RTNCPCHSDRR  
RT NCPC Settlement Summary |  
Real-Time NCPC Demand Response Resource Hourly Shortfall Payment |
| **RESERVES**      |             |
| • SD_RSVASTDTL    | • SD_RTNCPCREALLOCATE*  
Reserve Asset Detail Report |  
Real-Time NCPC Positive Deviation Economic Charge Reallocation Details Report |
| • SD_RSVDTL5MIN   |             |

* Report reflects FERC Order 719 implementation which is concurrent with PRD, described on slide 21
Settlements Forum Q1 2018
Questions and Answers during the March 8, 2018 webinar

1. **Question:** If a generator is on a planned outage during a scarcity condition, will it get an exemption from the pay for performance charge?
   **Answer:** No. There are no exemptions for non-performance during a capacity scarcity condition.

2. **Question:** If a generator has scheduled maintenance and there is a scarcity event, will it lose its capacity payment and get penalized?
   **Answer:** The Forward Capacity Market (FCM) payments are made to the generator each month. If a period of scarcity events coincide with a generator’s maintenance outage, it could be possible to incur pay for performance charges that exceed the monthly payment.

3. **Question:** Is resource "availability" counted in the pay for performance score calculation?
   **Answer:** The pay for performance score is based on actual performance, not availability.

4. **Question:** Is there a separate training on performance score calculations?
   **Answer:** The calculations are detailed in the Q4 2017 Settlement Forum presentation. The ISO also provides videos on related topics; please see the link shown on slide 4 of this presentation.

5. **Question:** Will a resource without CSO that delivers MWh during a scarcity condition be paid on top of the energy delivered?
   **Answer:** Yes. The resource would have a positive performance score, and would receive a pay for performance credit in addition to the energy market payment.

6. **Question:** Is an import with a CSO eligible for the pay for performance credit/charge?
   **Answer:** Yes. We evaluate the net import at the Market Participant level to determine the performance score.

7. **Question:** Is an import without CSO eligible for the pay for performance credit?
   **Answer:** If a Market Participant has no import CSO, but is a net importer (in aggregate across all interfaces) during the scarcity condition, that net will get a pay for performance score and be paid.

8. **Question:** Just to clarify, in the example shown on slide 9, the resource stops incurring charges when it reaches the monthly stop-loss limit of $1,772,800, and not when it reaches its max loss exposure value of $817,700?
   **Answer:** Correct. The stop-loss limit value is used to determine when the resource stops incurring charges.

9. **Question:** In the monthly stop-loss example on slide 9, should the max loss exposure be $1,772,800, and not $817,700 as displayed on the slide?
   **Answer:** The maximum pay for performance charge during the month in this example is $1,772,800. The max loss exposure is a defined quantity that reflects the net charge to the resource owner after it receives the FCM base payment. It is useful to identify this quantity by a name because it becomes part of the annual stop-loss determination.
10. **Question**: What is the maximum loss exposure for the annual stop-loss example on slide 10?

**Answer**: The maximum loss exposure for the annual stop-loss is three times the monthly max loss exposure. In the example, the monthly max loss exposure is $817,700.
- The annual max loss exposure = $817,700 × 3 = $2,453,100
- Remember that this loss exposure is after the entire annual base payment has been netted out against the pay for performance charges.

11. **Question**: To confirm, the annual stop-loss is the capacity commitment period of June to May, not the calendar year?

**Answer**: Correct. The annual stop-loss period is the capacity commitment period of June 1 through May 31.

12. **Question**: What is the rationale for using "Max" CSO in the annual stop-loss equation?

**Answer**: One of the goals of the stop-loss design is simplicity. Using the max CSO to date in the equation is simple, and it preserves a resource’s economic incentives to perform – and to only acquire additional capacity Supply Obligation MW if it expects to perform.

13. **Question**: Can we assume that the sum of the monthly stop-loss is greater than the annual stop-loss amount?

**Answer**: The charges that are compared to the monthly stop-loss limit start at zero at the beginning of each month. The charges that are compared to the annual stop-loss limit are accumulated throughout the period. The annual stop-loss amount is much greater than any individual monthly stop-loss.

14. **Question**: For resources that have a multi-year obligation, what is the basis for determining the exposure?

**Answer**: For resources that acquired a multi-year obligation in a Forward Capacity Auction (FCA) prior to FCA 9, the monthly stop-loss limit is calculated using the initial year FCA clearing price, as modified by the Handy-Whitman index, in place of the FCA starting price. As a result, a resource can effectively lose up to its entire base payment, both monthly and annually. Multi-year obligations acquired in FCA 9 or later are evaluated for stop-loss limits per the description in slides 8-10.

15. **Question**: If a resource is paid $2000/MWh for overperformance and another resource is charged $2000/MWh for underperformance, why would they want to trade performance MWh through a bilateral transaction?

**Answer**: We expect that a market would develop where some Participants with CSO would pay for an upfront hedge for performance. The seller would receive some guaranteed revenue, and may have a different expectation on the capacity scarcity condition occurrence in the contract period.

16. **Question**: What is the timeline for submitting the performance bilaterals in relation to a capacity shortage condition?

**Answer**: The deadline for the initial settlement is noon on the second business day following the end of the month. The deadline for the Data Reconciliation Process resettlement is 17:00 on the 101st day after the end of the month.
17. **Question:** Could you please provide information on where or how the "peak distribution loss multiplier" value is calculated?
   **Answer:** This multiplier is a constant, reflecting the ISO’s determination of the system average avoided peak distribution loss factor of 5.5%. The current value was established as reported here.

18. **Question:** Do you have more details how these new changes will affect Passive Demand Resource (energy efficiencies resources) if any?
   **Answer:** Under the pay for performance design, if there is a scarcity condition during performance hours for the resource, an energy efficiency resource’s Actual Capacity Value will be set equal to its reported value for the month. If a scarcity condition occurs in a non-performance hour, an energy efficiency resource will be assigned the neutral performance score of zero, where it will not be credited or charged during the interval. In addition, please see info here on an upcoming webinar on passive demand response auditing.

19. **Question:** What does a cleared Demand Response Obligation in the Day Ahead market actually deliver in Real Time?
   **Answer:** A demand response resource will reduce its consumption in the real-time market.

20. **Question:** With respect to the NCPC cost reallocation described on slide 23, will this only take place when NCPC payments are made during scarcity conditions?
    **Answer:** The reallocation will only be performed for intervals in which there is a scarcity condition, or in which the ISO has declared Operating Procedure No. 4 (Action During a Capacity Deficiency) or Operating Procedure No. 7 (Action in an Emergency).