



memo

To: NEPOOL Markets Committee
From: Henry Yoshimura
Date: September 18, 2019
Subject: Price-Responsive Demand ("PRD") Clean-Up Changes

Included in the September 18, 2019, Markets Committee meeting materials for your consideration are the ISO's proposed *PRD clean-up changes*. [As described in the materials I presented to the Markets Committee on September 4, 2019](#), the PRD clean-up changes include two sets of Tariff changes that:

1. Clarify the Energy Market offer requirements of Demand Response Resources that participate in the Forward Capacity Market [see Section III.13.6.1.5.1(a)], and
2. Remove the requirement for the ISO to publish the quantity of Demand Capacity Resources at the End-of-Round Price for each Capacity Zone as the Forward Capacity Auction is being conducted [see Sections III.13.2.3.3(a)(2), III.13.2.3.3(b), and III.13.2.3.3(c)].

The proposed Tariff changes for which the ISO is asking for a vote today are substantively the same as those presented to the Committee on September 4, 2019. However, please note that the proposed change to Section III.13.6.1.5.1(a) being voted upon today is slightly different from that presented on September 4, 2019. The ISO received input from a Markets Committee member who was concerned that the originally proposed Tariff change could be interpreted to require a Market Participant with a Capacity Supply Obligation to submit Demand Reduction Offers into the Energy Market that includes avoided transmission and distribution losses for the non-Net Supply portion of the offer. Such an interpretation was not intended and would conflict with Section III.1.10.1A(e)(iii). Thus, the ISO modified the proposed change to Section III.13.6.1.5.1(a) to avoid any potential misinterpretation. The explanation for the change remains the same as that given on September 4, 2019.

No additional changes are proposed to Sections III.13.2.3.3(a)(2), III.13.2.3.3(b), and III.13.2.3.3(c), which were presented to the Committee on September 4, 2019.

We look forward to your support for these proposed Tariff changes. If you have any questions regarding these changes, please do not hesitate to contact me.