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# Draft Final Proposal for Design of Proxy Demand Resource (PDR)

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Stakeholder Conference Call

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# Agenda

- Review changes to relevant documents
- Discuss proposal to address LECG gaming concerns
- Walk through next steps in stakeholder process
- Q&A and discussion session

Two documents related to Proxy Demand Resource (PDR) were posted to the ISO website on April 15

- Draft Final Proposal on PDR
  - Will be presented to the ISO Board of Governors in May
  - Comments requested by April 24
  
- Straw Proposal for Direct Participation of PDR
  - Discussions will continue beginning with April 30 stakeholder meeting
  - Document will be updated to reflect outcome of stakeholder process on direct participation

## A number of changes were made to the proposals

- Clarifications were made to Draft Final proposal
  - Updated based on most recent stakeholder comments received on March 19
  - Added discussion on hybrid settlements option
  - Added summary of ISO's position on direct participation issues
  - Added proposal for addressing gaming concerns
  
- Revised Straw Proposal for Direct Participation
  - Removed reference to DDR in document
  - Updated based on stakeholder comments received on March 19

## The ISO proposes a limit on hours of use as well as minimum bid price to address LECG gaming concern

- Limit of 200 hours of operation per year
  - Addresses LECG's concern that gaming can occur when hours are open ended or large in numbers.
  - Is a high enough number to work within the parameters of the IOU's DR programs
- Minimum bid price set to Default LAP price that was exceeded 200 hours or less during previous year
  - Addresses the need for guaranteed dispatch aspect of gaming concern
  - There could be years where a temporary exception would be needed

## PDR will go to the board in May for a decision

- MSC decision will be issued week of April 27
- The Board will receive an informational update on participating load refinements
- Board decision will be on PDR only

## ISO plans to implement PDR by summer 2010

- Baseline calculations will need to be developed
- Other issues around direct participation will be resolved through the stakeholder process
- Initial implementation analysis indicates that all requirements will need to be complete by Sept 1, 2009 for May 1, 2010 implementation

## The next steps in the stakeholder process to work towards implementation in summer 2010 are:

- Comments due on Draft Final proposal April 24
- Stakeholder meeting to kick off direct participation stakeholder process on April 30
- Board of Governors meeting May 18-19
- Requirements completed by Sept 1