



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

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Demand Response Stakeholder Meeting

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The purpose this stakeholder meeting today is to:

- Initiate next phase of the stakeholder process for proxy demand resource
- Gain some knowledge about other ISOs processes that might help us
- Identify issues that need to be resolved in three high impact areas of direct participation requirements
- Discuss schedule and agree on plan to move forward

MSC opinion on proxy demand resource brought to light some issues that need further discussion

- Issues with double payment
 - CSP should not be paid more than difference between relevant LMP and retail rate
- Issues with baselines
 - CSP should purchase baseline relative to which a customer's demand reduction will be measured in a previous market at that location
- Problems with buying at the LAP and paying at the Node
 - suggested that ISO pay for demand reductions equal to some pre-specified percent reduction of its actual consumption

The ISO proposes to continue the working group process to work through issues

- Working group will meet frequently
- Working group will report back to larger stakeholder group
- Sub-groups will prepare documents/proposals for working group meetings
- Skeleton of user guide posted to ISO web to help focus working group efforts

The proposed schedule to complete requirements is:

- May 7 – working group meeting
- May 19 – working group meeting
- June 2 – working group meeting
- June 16 – working group meeting
- **June 30 – stakeholder meeting**
- July 7 – working group meeting
- July 21 – working group meeting
- August 4 – working group meeting
- **August 11- stakeholder meeting**
- **August 15 – Final Comments due**
- **September – 10-11 – ISO Board Meeting**