

ISO Demand Response Lexicon

The following terms are often used when discussing demand response enablement. Some are used interchangeably while others mean different things to different audiences. This handout attempts to apply a base definition to each term and highlights important distinctions from the ISO perspective. The intent is not to settle on these definitions in this workshop but rather to make sure we understand the context of their use during our talks today.

Term	ISO Description
Price-responsive	IOUs and DRPs – price-responsive means economic programs that may or may not be dispatchable by the IOU or DRP. ISO – a change in energy consumption based on a customer’s voluntary or a device’s pre-programmed response to a signal or price whose origin may be from the ISO or IOU/DRP. This action creates demand elasticity, which can result in more favorable load shape.
Reliability or Emergency Program	A demand response program that is available for dispatch by the ISO or IOU/DRP when a emergency condition occurs, such as an actual or imminent system operating reserves shortage or a transmission or distribution emergency.
Dispatchable (Resource)	A demand response resource configured as a generation substitute and dispatchable by the ISO or IOU/DRP when and where needed and in the amount of energy needed.
Non-dispatchable (Load Modifier)	A voluntary load reduction, load shifting, or energy efficiency program that modifies the underlying load, which is captured in the natural load and affects future load forecasts. Non-dispatchable means dynamic rates and tariffs, energy efficiency programs and or permanent load shifting programs.
Dispatch Instruction	As per the ISO tariff – An instruction from the ISO requesting an action with respect to specific equipment or to a resource to increase or decrease its energy supply or demand from the day-ahead schedule, RUC schedule, and day-ahead ancillary services award to a specified dispatch operating point pertaining to real-time operations.
Event-driven	This is a demand response triggerbased on predetermined conditions, such as system conditions, temperatures, load levels, etc. Event-driven does not mean a resource is “dispatchable” as defined by the ISO.
Non-event driven	Customers voluntarily choose to consume energy or not based on a price or signal, such as a time-of-use rate.
Wholesale market bidding	A bid or schedule submitted to the ISO in accordance with the ISO tariff.
Retail market bidding	An offer submitted to the customer’s respective IOU or DRP as an indication of the customer’s willingness to be triggered for demand response.
Start-up time	The time period that it takes a demand response resource to be ready and able to deliver the required load reduction at the already self-established bid-in ramp rate. The start-up time would include the IOU/DRP notification time, as defined below.
Notification time	The time it takes the IOU or DRP to notify its customers and for the customers to begin responding to a dispatch signal.
Load modifier (non-dispatchable)	A voluntary load reduction, load shifting, or energy efficiency program that modifies the underlying load, which is captured in the natural load and affects future load forecasts.