22   Attachment G - Emergency Demand Response Program

22.1   Effective Date

The Emergency Demand Response Program became effective on May 1, 2001. The ISO

will review the Emergency Demand Response Program's performance semi-annually and will

propose appropriate changes as necessary.

22.2   Qualification Requirements For Curtailment Services Providers

Curtailment Services Providers must be Customers or, in the case of entities that would

be Customers solely for the purpose of participating in the Emergency Demand Response

Program, must be Limited Customers. The requirements for Limited Customers are set forth in

ISO Procedures.

Curtailment Service Providers must: (i) comply with the registration requirements set

forth in the ISO Procedures; (ii) designate one or more contact persons to receive ISO

communications; (iii) comply with the metering requirements set forth below in Section 22.8 of

this Attachment, and as provided in ISO Procedures; and (iv) in accordance with ISO

Procedures, be capable of reducing at least 100 kW of NYCA Load in a single Load Zone within

two hours of receiving notice of the ISO's deployment of the Emergency Demand Response

Program. The required Load reduction may be accomplished by Curtailing Load and/or by

serving Load with a Local Generator pursuant to ISO Procedures.

22.3   Relationship Of The Emergency Demand Response Program To Other Demand
           Side Response Measures

The Emergency Demand Response Program is intended to complement other demand-

side response programs developed by the ISO, the PSC and LSEs. Except as noted in Section

22.4 below, Curtailment Service Providers are free to participate in other demand response

programs, to the extent that those programs allow: provided, however, that the ISO will pay

under only one program for each MWh of delivered Load reduction. This restriction is not

intended to limit payment for installed capacity otherwise available to Curtailment Service

Providers.

22.4   Prohibition On The Double Subscription Of Load

Curtailment Service Providers may not offer to reduce NYCA Load in the Emergency

Demand Response Program that has already been subscribed to the Program by another

Curtailment Service Provider.

22.5   ISO Deployment Of The Emergency Demand Response Program

The ISO may deploy the Emergency Demand Response Program in response to: (i) a

Real-Time Locational, Zonal or NYCA-wide Operating Reserve shortage or an ISO peak

forecast of a locational, zonal or NYCA-wide Operating Reserve shortage; (ii) an ISO-declared

Major Emergency State; (iii) a request for assistance from a Transmission Owner for Load

reduction purposes or as a result of a Local Reliability Rule; or (iv) in the event that the ISO

instructs Special Case Resources to reduce their consumption of Energy.

In accordance with ISO Procedures, the ISO may elect to call on a subset of participants

subscribed in the Emergency Demand Response Program within Load Zone J when responding

to the request for assistance from the Transmission Owner for Load reductions within the Load

Zone.

22.6   Notification To Curtailment Service Providers

The ISO will, whenever possible, provide Curtailment Service Providers with day-ahead

notice that it may deploy the Emergency Demand Response Program. Providing day-ahead

notice of possible deployment does not commit the ISO to deploy the Emergency Demand

Response Program or to make payments. The notice shall specify the time at which the ISO requests that Load reductions begin and shall, whenever possible, specify when the need for Load reductions will end. The ISO will also provide notice to Curtailment Service Providers of the deployment of the Emergency Demand Response Program at least two hours in advance of the start time specified to begin Load reductions, except that, when necessary, the ISO may immediately deploy the Emergency Demand Response Program without advance notice and call upon Curtailment Service Providers to provide Load reductions as soon as possible.

22.7   Voluntariness Of Emergency Demand Response Program

Participation in the Emergency Demand Response Program shall be voluntary. The ISO shall not penalize Curtailment Service Providers that decline to take steps to reduce Load when the Emergency Demand Response Program is deployed. Special Case Resources that have not sold their capacity shall be temporarily transferred to the Emergency Demand Response Program for each month in which their capacity remains unsold.

22.8   Metering

Curtailment Service Providers shall provide sufficient hourly interval metering data, pursuant to ISO procedures, to allow verification of their Load reduction performance.

22.9   Verification

Curtailment Service Providers shall report their Load reduction performance data to the ISO in accordance with ISO Procedures on or before the 75th day after each deployment of the Emergency Demand Response Program. If the ISO does not receive timely performance data, the ISO shall refuse to pay for that Curtailment Service Provider's claimed Load reductions. All Load reduction data are subject to audit by the ISO. If the ISO determines that it has made an erroneous payment to a Curtailment Service Provider it shall have the right to recover it either by

reducing other payments to that Curtailment Service Provider or by any other lawful means.

22.10 Payment

The ISO shall pay Curtailment Service Providers that have caused a verified reduction in Load in response to the deployment of the Emergency Demand Response Program. Payment shall be made in the manner set forth in this section and in accordance with ISO Procedures.

22.10.1 Curtailment Service Provider Eligibility Requirements for Payment

When the ISO deploys an Emergency Demand Response Program event (for the purposes of this subsection, "a deployment event"), each Curtailment Service Provider shall be eligible to be paid for verified Load reductions made during each hour of the payment eligibility period. The first hour of the payment eligibility period shall begin at the top of the hour within which the deployment event is to start as identified by the ISO. For immediate deployment events, the ISO-identified start is the time of the deployment message. The payment eligibility period shall end at the later of the third consecutive hour following the first hour of the payment eligibility period or the deployment event end time identified in the deployment message; provided, however, that the end time may be adjusted by the ISO in messages subsequent to the deployment message.

To be eligible for payment provided under this section the Curtailment Service Provider shall submit to the ISO as provided by Sections 22.8 and 22.9 above and in accordance with ISO Procedures, timely and sufficient Load reduction performance data including, but not limited to, interval metering data for each hour of the payment eligibility period.

22.10.2 Payment for Program Deployment

22.10.2.1 Program deployment lasting two hours or fewer

For deployment events of two hours or less, each Curtailment Service Provider shall be

paid the higher of $500/MWh, or the zonal Real-Time LBMP for its verified Load reduction

during the first two hours of the payment eligibility period, provided however if the deployment

event starts after the top of the hour, the Curtailment Service Provider that reduces Load shall be

paid the higher of $500/ MWh or the zonal Real-Time LBMP for its verified Load reduction

during the third hour of the payment eligibility period. Each Curtailment Service Provider shall

be paid the zonal Real-Time LBMP for each MWh of its verified Load reduction for the

remaining hour(s) of the payment eligibility period.

22.10.2.2. Program deployment lasting between two and three hours

If the ISO deploys the Emergency Demand Response Program for more than two hours

but not exceeding three hours, each Curtailment Service Provider that reduces Load shall be paid

the higher of $500/MWh or the zonal Real-Time LBMP for its verified Load reduction during

the first three hours of the payment eligibility period or for each hour of the payment eligibility

period in which the program is deployed as established by the start and end times specified by

the ISO in the deployment message(s). Each Curtailment Service Provider shall be paid the zonal

Real-Time LBMP for each MWh of its verified Load reduction for the remaining hour of the

payment eligibility period, if applicable.

22.10.2.3   Program deployment exceeding three hours

If the ISO deploys an Emergency Demand Response Program event that exceeds three

hours, each Curtailment Service Provider that reduces Load shall be paid the higher of

$500/MWh or the zonal Real-Time LBMP for its verified Load reduction during each hour of the

payment eligibility period.

22.11   Cost Allocation

Payments made to Curtailment Service Providers for Load reductions provided under the Emergency Demand Response Program shall be recovered from all Transmission Customers pursuant to Rate Schedule 1 of the ISO OATT.