



# Regulating Demand Response Sources

New York's (Proposed) Approach

# Overview

- What are Demand Response Sources?
- Emissions from Demand Response Sources – July 31, 2002
- Potential Emissions from Demand Response Sources – NYC
  - Summer 2002
  - Today
- Compliance Strategy – Ozone NAAQS
- Regulatory Strategy

# NY's DG Rule

- Existing Sources
  - Subpart 222-1
    - Emission limits, testing, record keeping requirements
- New Sources
  - Three NSPS Rules
    - 40 CFR 60 Subparts III, JJJJ and KKKK
  - Backstop Rule (Subpart 222-2)

# Demand Response Sources

- 4 Program Sponsors in NYCMA
  - NYISO (58.6 MW)
  - Consolidated Edison (54.6 MW)
  - LIPA (85.6 MW)
  - NYPA (73.1 MW)
- Operating History

# Demand Response Sources

- Data Supplied by Program Sponsors
  - F(zip code)
  - Age of source
  - Nameplate rating
  - Load reduction
  - Hours of operation during DR event
  - Fuel type

# Population Profile – DR Sources

- Model Year %
- 1956 – 1979 32
- 1980 – 1989 16
- 1990 – 1994 12
- 1995 – Present 40
- N = 260

# NOx Emissions – DR Sources

- Estimated Actual: 16.2 tons
- Potential (enrollment): 32.6 tons
- Potential (if all emergency generators in NYC enrolled in DR Programs): **158 tons**

# Balancing Act

- Need to maintain the electric grid....
  - Demand Response Programs
- Need to bring the State into attainment with the ozone NAAQS by 2009....
  - Reduce emissions from the Demand Response Programs



# Regulatory Strategy

- New source category: 'Demand Response Sources'
  - Definition
- Existing Demand Response Sources (not subject to a NSPS Rule)
  - NO<sub>x</sub> Limit: 9.0 g/bhp-h
  - 30 hours per year
  - Capacity caps

# Capacity Caps

- Severe Ozone Nonattainment Area
  - 2007: 271.9 MW
  - 2011: 150.0 MW
  - 2014: 50.0 MW
- **NSPS Sources: not subject to capacity caps or hours of operation limitation**

# Program Implementation

- Registry of Demand Response Sources
  - Maintained by DEC, list on DEC website
- NYISO – would need to change confidentiality clauses - with FERC approval