

## **APPENDIX 2: UPDATES TO PROPOSED AMENDING RULES FOR THE RULE CHANGE PROPOSAL: CURTAILABLE LOADS AND DEMAND SIDE PROGRAMMES (RC\_2010\_29)**

In revising the processes outlined in the Market Procedure for the Pre-Registration of Demand Side Programmes and the association of Curtailable Loads, Non-Dispatchable Loads and Interruptible Loads to correct the issues that have been identified, the IMO has determined a number of minor changes to the Amending Rules for RC\_2010\_29. These will:

- clarify that an Interruptible Load may be associated with a Demand Side Programme;
- ensure that an Interruptible Load can not be assigned Capacity Credits in both its own right and as part of a Demand Side Programme for the same period;
- remove the specification that the IMO must recalculate the Relevant Demand only under particular circumstances - the Relevant Demand will be calculated daily to take account any substitutions or churn in associated loads; and
- improve the integrity of the processes for applying to associate a Load with a Demand Side Programme; and
- better define the transitional clauses and processes that will apply leading up to 8:00 AM on 1 October 2011.

The relevant changes from the Amending Rules presented in the Draft Rule Change Report are presented below to assist interested parties in their consideration of the revised Market Procedure (added text, ~~deleted text~~)<sup>1</sup>:

The following clauses will provisionally commence at 8:00 AM on 1 October 2011:

2.29.5A. Subject to clause 2.29.8A, a Market Customer that:

- (a) has entered into; or
- (b) intends to enter into

a contract with a person who owns, controls or operates a Non-Dispatchable Load or Interruptible Load, for the load to provide curtailment on request by the Market Customer, may apply to the IMO to register a Demand Side Programme.

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<sup>1</sup> Note that the IMO intends to submit these changes to the Amending Rules to the IMO Board for its decision as part of the Final Rule Change Report, due to be published on 17 June 2011.

2.29.5B. A Market Customer with a ~~registered~~ Demand Side Programme may apply to the IMO to associate a Non-Dispatchable Load or Interruptible Load with the Demand Side Programme. The Market Customer must provide the following information to the IMO in support of the application:

- (a) evidence that the Market Customer has entered into a contract with the person who owns, operates or controls the ~~Non-Dispatchable Load~~ to provide curtailment on request by the Market Customer;
- (b) the connection point of the ~~Non-Dispatchable Load~~;
- (c) the ~~minimum load of the Non-Dispatchable~~ expected minimum average consumption of the Load in units of MW;
- (d) contract start date; ~~and~~
- (e) contract end date; and
- (f) where the Load has a generation system behind its associated meter, a single line diagram for the Load, including the locations of transformers, switches, operational and settlement meters.

2.29.5C. The IMO must notify an applicant of the receipt of the application submitted under clause 2.29.5B within one Business Day. The IMO may, at its discretion, require that an applicant provide information that is missing from the application or is inadequately specified. The date the requested information is submitted to the IMO will ~~becomes~~ the date of receipt of the application.

2.29.5D. ~~If the IMO considers that the evidence provided by the Market Customer under clauses 2.29.5B and 2.29.5C:~~

- (a) ~~is satisfactory, the IMO must approve the application to associate the Non-Dispatchable Load with the Demand Side Programme (“Associated Non-Dispatchable Load”); or~~
- (b) ~~is not satisfactory, the IMO must reject the application to associate the Non-Dispatchable Load with the Demand Side Programme.~~

The IMO must determine whether to accept or reject an application submitted under clause 2.29.5B in accordance with clause 2.29.5E, and notify the applicant of its decision within 10 Business Days of receipt of the application.

2.29.5E. ~~The IMO must notify an applicant of its decision under clause 2.29.5D within 10 Business Days of the receipt of the application. If the IMO:~~

- (a) ~~has accepted an application the notification must include the date and time from which the Non-Dispatchable Load will be associated with the Demand Side Programme; or~~
- (b) ~~has rejected an application the notification must include the reasons for the rejection. A Market Customer whose application is rejected may reapply to associate a Non-Dispatchable Load with a Demand Side Programme under clause 2.29.5B.~~

The IMO must accept an application submitted under clause 2.29.5B unless:

- (a) the IMO considers that the evidence provided by the Market Customer under clauses 2.29.5B and 2.29.5C is not satisfactory;
- (b) the relevant Load is not equipped with interval metering;
- (c) the relevant Load is an Interruptible Load assigned Capacity Credits for any part of the proposed Association Period;
- (d) the relevant Load is registered as an Intermittent Load for any part of the proposed Association Period; or
- (e) the relevant Load is already associated with a Demand Side Programme for any part of the proposed Association Period.

~~2.29.5F. A Non-Dispatchable Load may be associated with only one Demand Side Programme at a time. If a Market Customer makes an application under clause 2.29.5B in connection with a Non-Dispatchable Load that is already associated with a Demand Side Programme for a period between the dates specified in clauses 2.29.5B(d) and 2.29.5B(e), the IMO will not approve the further application to associate the Non-Dispatchable Load with a Demand Side Programme during the same period. If the IMO accepts an application under clause 2.29.5D then the IMO must:~~

- (a) include in its notification to the applicant:
  - i. the date and time from which the relevant Load will be associated with the Demand Side Programme, as defined under clause 2.29.5G(a); and
  - ii. the date and time from which the relevant Load will cease to be associated with the Demand Side Programme, as defined under clause 2.29.5G(b); and;

(b) provide System Management with any single line diagrams received in accordance with clause 2.29.5B(f), if applicable, within one Business Day.

~~2.29.5G A Non-Dispatchable Load will cease to be associated with a Demand Side Programme from the date specified in clause 2.29.5B(e). A Market Customer may notify the IMO that a Non-Dispatchable Load will cease to be associated with a Demand Side Programme from an earlier date, being at least 10 Business Days after the notice is given. The Non-Dispatchable Load will cease to be associated with the Demand Side Programme from the start of the Trading Day from the earlier of the date specified in the notice or the date specified in clause 2.29.5B(e). If the IMO accepts an application submitted under clause 2.29.5B then the IMO must associate the relevant Load (“Associated Load”) with the Demand Side Programme for the period (“Association Period”) between:~~

(a) the later of:

- i. the start of the Trading Day commencing on the contract start date provided under clause 2.29.5B(d); and
- ii. the start of the Trading Day following the day that the IMO notifies the applicant of its decision under clause 2.29.5D; and

(b) the end of the Trading Day starting on the contract end date provided under clause 2.29.5B(e).

~~2.29.5H. The IMO must reset the Relevant Demand for a Demand Side Programme in accordance with clause 4.26.2C:~~

- (a) ~~within 10 Business Days of the contract start date specified in clause 2.29.5B(d), where a Non-Dispatchable Load is associated with a Demand Side Programme in accordance with clause 2.29.5D(a);~~
- (b) ~~within 10 Business Days of the start of the Trading Day beginning on the date specified in clause 2.29.5G, where a Non-Dispatchable Load ceases to be associated with a Demand Side Programme; or~~
- (c) ~~prior to the beginning of a Reserve Capacity Year for which the Demand Side Programme has been assigned Capacity Credits by the IMO.~~

If the IMO rejects an application submitted under clause 2.29.5B, then the IMO must include in its notification to the applicant under clause 2.29.5D the reasons for the rejection of the application. A Market Customer whose

application is rejected may reapply to associate a Non-Dispatchable Load or Interruptible Load with a Demand Side Programme under clause 2.29.5B.

~~2.29.5I.—At any time before 1 October 2011 a Market Participant that has a Demand Side Programme with Capacity Credits associated with it for a future Reserve Capacity Year may disaggregate the Loads associated with the Demand Side Programme and advise the IMO that they are associated with other Demand Side Programmes that are registered to that Market Participant for that Reserve Capacity Year. A Market Customer with an Associated Load may apply to the IMO to:~~

~~(a) cancel the association of the relevant Load with the Demand Side Programme; or~~

~~(b) reduce the Association Period of the Associated Load.~~

~~2.29.5J. From 1 October 2011 where a Load that was registered as a Curtailable Load has Capacity Credits associated with it for a future Reserve Capacity Year, the Load will be deemed to be a Non-Dispatchable Load associated with the Demand Side Programme registered by the Market Participant under clause 2.29.5K for those Reserve Capacity Years. The IMO must within one Business Day notify an applicant of the receipt of an application submitted under clause 2.29.5I.~~

~~2.29.5K. By 1 October 2011 where a Load that was registered as a Curtailable Load will be deemed to be a Non-Dispatchable Load under clause 2.29.5J, the Market Participant that had registered that Curtailable Load must register a Demand Side Programme in accordance with the process specified in the Registration Procedure and the Reserve Capacity obligations, rights and liabilities previously belonging to that Curtailable Load will transfer to the Demand Side Programme. The IMO must determine whether to accept or reject an application submitted under clause 2.29.5I and notify the applicant of its decision within two Business Days of the receipt of the application. The IMO must accept the application if the proposed change does not affect the association of the relevant Load with the Demand Side Programme during any period before the start of the Trading Day three Business Days after the receipt of the application.~~

~~2.29.5L. If the IMO accepts an application submitted under clause 2.29.5I then it must:~~

~~(a) cancel the association of the relevant Load with the Demand Side Programme; or~~

~~(b) reduce the Association Period of the Associated Load,~~

~~as requested in the application.~~

**Associated Non-Dispatchable Load:** Has the meaning given in clause 2.29.5GD.

**Association Period:** Has the meaning given in clause 2.29.5G.

The following clauses will provisionally commence at 8:00 AM on 1 July 2011:

2.29.5M. Prior to 1 October 2011:

- (a) the IMO must determine for each relevant Market Customer a transition plan to allocate all Capacity Credits assigned to its Demand Side Programmes or Curtailable Loads for future Capacity Years to one or more new Demand Side Programme Facilities with effect from 1 October 2011; and
- (b) Market Customers with Demand Side Programmes or Curtailable Loads assigned Capacity Credits for a future Capacity Year may:
  - (i) apply to pre-register Demand Side Programmes in accordance with their transition plans; and
  - (ii) apply to associate any Curtailable Loads, Non-Dispatchable Loads or Interruptible Loads with their pre-registered Demand Side Programmes.

2.29.5N. At 8:00 AM on 1 October 2011:

- (a) all Capacity Credits assigned to Demand Side Programmes and Curtailable Loads for the current and any future Capacity Years will transfer to the relevant Demand Side Programme Facility in accordance with the transition plans developed under clause 2.29.5M(a), along with any associated obligations, rights and liabilities;
- (b) all pre-registered Demand Side Programmes will be deemed to be registered Demand Side Programmes;
- (c) any application to pre-register a Demand Side Programme under consideration by the IMO will be deemed to be an application to register a Demand Side Programme; and
- (d) each Load that was previously registered as a Curtailable Load will be deemed to be a Non-Dispatchable Load or Interruptible Load, as appropriate, and Curtailable Loads will cease to be a Facility Class.

2.31.23A. The IMO must document the process for the IMO, System Management and Market Customers Participants to follow prior to 1 October 2011 for:

(a) developing a transition plan for each relevant Market Customer under clause 2.29.5M(a);

(b) the pre-registration of registering a Demand Side Programmes; and

(c) the association of Curtailable Loads, Non-Dispatchable Loads and Interruptible Loads with pre-registered Demand Side Programmes,

in the Registration Procedure and the IMO, System Management and Market Customers must comply with that documented Market Procedure.

~~and associating a Load registered as a Curtailable Load to that Demand Side Programme in the Registration Procedure, and:~~

~~(a) the IMO must follow that documented Market Procedure when processing applications; and~~

~~(b) Market Participants must follow that documented Market Procedure when applying to:~~

~~i. register a Demand Side Programme;~~

~~ii. associate and cease to associate a Load registered as a Curtailable Load with that Demand Side Programme; or~~

~~iii. disaggregate a Curtailable Load currently associated with a Demand Side Programme.~~