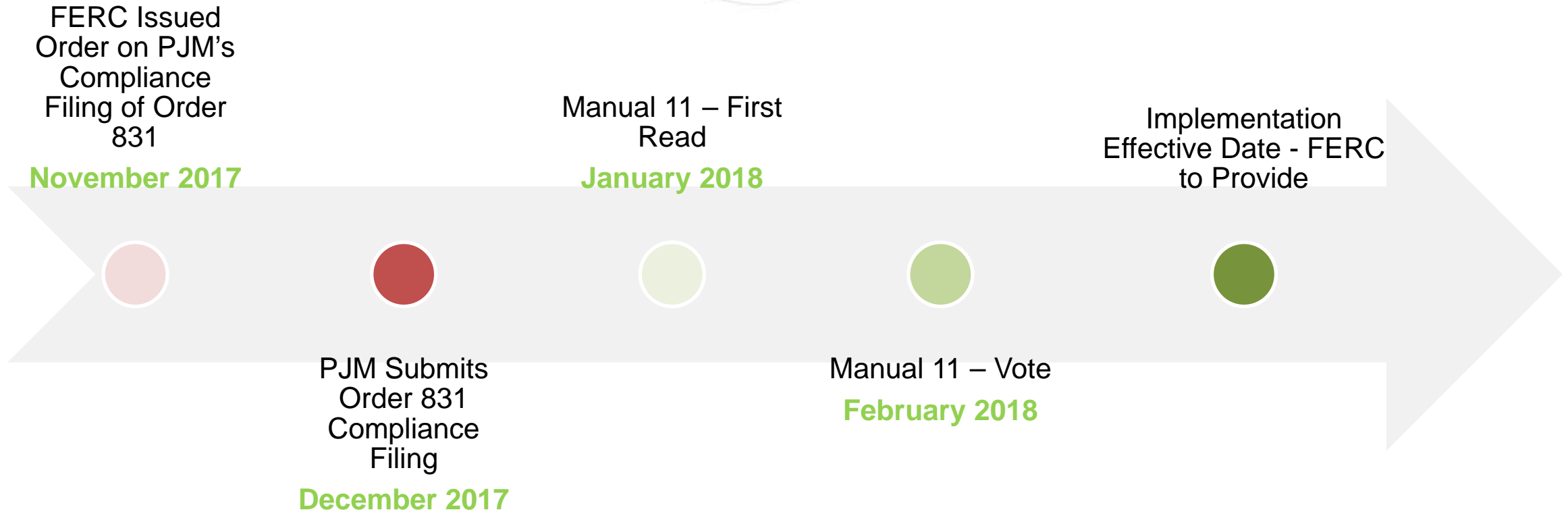




Order 831 - Energy Offer Verification - Manual 11 Revisions Review

Rami Dirani
Senior Economist, Market Analysis
Markets & Reliability Committee
January 25, 2018



- Manual revisions are needed to document and implement the business rules as filed for FERC Order 831.

	MIC	MRC
January 10	First Read	
January 25		First Read
February 7	Vote	
February 22		Vote

- Section 2.3.2: Market Buyer Rules
 - Clarification for Price Sensitive Demand bids
 - Price sensitive demand bids may be submitted with a bid price of no greater than \$2,000/MWh plus the sum of the applicable Primary Reserve and Synchronized Reserve Penalty Factors from the first step of the demand curve not to exceed \$3,700/MWh.
 - Energy market transactions, except generation resource offers **and price sensitive demand bids**, may be submitted with an energy bid/offer price of no greater than \$2,000/MWh., ~~plus the sum of the applicable Primary and Synchronized Reserve Penalty Factors not to exceed \$3,7000/MWh.~~

- Section 2.3.3: Energy Market Business Rules
 - Rules regarding the activity of a Curtailment Service Providers (CSP)
 - Curtailment Service Providers may only submit an energy offer greater than \$1,000/MWh for an Economic, ~~Pre-Emergency or Emergency~~ demand response resource if the Curtailment Service Provider has validated that the end use customer's incremental cost for each offer is greater than \$1,000/MWh pursuant to the Demand Response Resource Validation Process.
 - Rules regarding Emergency and Pre-Emergency Demand Resources
 - Emergency and Pre-Emergency Demand Resource emergency or pre-emergency offer price may not exceed the following:
 - 30 minute lead time: \$1,000/MWh, plus the applicable Primary Reserve Penalty Factor, minus \$1.00
 - approved 60 minute lead time: \$1,000/MWh, plus [the applicable Primary Reserve Penalty Factor divided by 2]; and
 - approved 120 minute lead time: \$1,100/MWh.

- Section 2.3.6.2: Resource Energy Offer Verification
 - Curtailment Service Providers must validate the end use customer(s) incremental costs for Economic, ~~Pre-Emergency and Emergency~~ demand response energy offers in accordance with the following provisions before it can be used for dispatch and in the calculation of LMP