

Reforming the Energy Vision (REV)
Track 1 – Distribution System Platform Provider (DSPP)
Markets & Pricing Committee
DRAFT 5/14/14

Objective: To identify the products and services to be sold to or purchased from Distributed Energy Resources (DERs) and customers; establish a framework for valuing products and services; and determine how appropriate markets should be developed to facilitate the sale and purchase of DERs to improve electric system efficiency while considering State public policy objectives.

Questions to be Answered

Products and Services

- What products and services should the DSPP offer?
- What products or services should DER owners/customers offer?
- What are the attributes of each product or service?
- Who benefits from each product or service?
- What regulatory decisions, if any, are needed to address issues related to specific products?

Values and Pricing

- What should be the basis for valuation of products and services?
- How can system-wide benefits and externalities be integrated into pricing of products and services?
- How can or should there be a reasonable degree of uniformity in identifying and calculating the value of products and services across DSPPs? How can the need for uniformity be balanced with the goal of creating flexibility to support innovation in developing new products and services?
- Can markets and pricing be made sufficiently uniform among service territories and/or across states?
- How should the Commission distinguish between a product that is competitive and one that is monopolistic (i.e., market based vs. regulated)? Should the revenues from these types of product be treated differently, and how do they relate to regulatory incentives?
- How will pricing of DER resources affect existing standby rates and net metering?
- Should the DSPP be allowed to charge a transaction fee to aggregators and DER participants to cover the costs of performing the DSPP market functions (similar to the NYISO)?

Wholesale Markets

- How will the DSPP interact with the NYISO? What products will it buy/sell? How will it differ from today?
- Do NYISO market rules prevent or limit DSPPs ability to act as aggregators?
- What are the thresholds for participation in each NYISO market?
- Does DSPP aggregation make minimum aggregation levels easier to accomplish? Should any of the minimum levels be lowered to ensure greater participation?
- Where DER are under the control of customers or third parties, will they need to be discounted for reliability purposes and, if so, what will be the respective roles of NYISO and DSPPs in making that determination?
- What issues, if any, could arise because the NYISO generally operates on a nodal basis with respect to generation resources, and a zonal basis with respect to demand? Will the DSPPs be pricing on a zonal basis? How might this impact netting practices?