

ESIG's Illustration of DER De-Rate Notification (4/5)

The following steps describe how the aggregator would use the DSO constraint information to modify its market offers and inform the ISO of its reduced capacity.

1. The aggregator immediately submits an outage/derate card to the ISO indicating DERA capacity reduction from 5 MW to 3 MW for HE10 (hour ending at 10 am) Monday through HE09 Tuesday.
2. The aggregator structures its day-ahead market offers for the DERA for Tuesday to reflect maximum 3 MW for HE01-09 and maximum 5 MW for HE10-24 (based on the expected 24-hour duration of the circuit B outage).
3. The aggregator structures its real-time market offers for Monday HE12-24 based on maximum 3 MW capacity. This may involve the aggregator buying back portions of the DERA's day-ahead schedules (which cleared in Sunday's day-ahead market) for hours where they exceed 3 megawatt-hours (MWh).



Illustration is verbatim from the source: ESIG's [DER Integration into Wholesale Markets and Operations](#) report

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4. The ISO does not receive new real-time offers for 5-minute intervals from 9:10 am until 11:00 am, but the market optimization knows from the outage/derate card that the DERA's maximum output is 3 MW, so it will not dispatch the DERA for more than 3 MW capacity in any interval.

5. For the interval from 9:00 am to 9:10 am the ISO does not perform any new market optimization, so its previously issued dispatches to the DERA would reflect 5 MW capacity. Thus, the DERA may fall short of its day-ahead schedule or real-time dispatch. The imbalance on the ISO system is managed by regulation (automatic generation control) and may subject the DERA to uninstructed deviation charges.



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