

# Brooklyn-Queens Demand Management Program

## DR Resource Deficiency Declaration & Reallocation Process

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### Background

In July 2016, the Con Edison Brooklyn-Queens Demand Management (BQDM) Program conducted a reverse auction to procure demand response (DR) resources for 2017 and 2018. Through the auction, third-party demand response providers (“BQDM aggregators”) competed for the opportunity to provide DR resources (in kilowatts, or “kW”) across four different “products,” two in 2017 (4pm-8pm and 8pm-12am) and two in 2018 (4pm-8pm and 8pm-12am). Aggregators who believe they are not able to fulfill their 2017 obligation by the enrollment deadline of April 1, 2017, must declare deficiencies by February 15, 2017.

### Declaring kW Deficiencies

If a BQDM aggregator is declaring kW deficient in any 2017 product, the aggregator shall email on or before February 15, 2017 a PDF letter on company letterhead, per Appendix A.

### Declared kW Deficiencies

If the total BQDM aggregator kW deficiency exceeds 100 kW in either 2017 product, Con Edison will offer to reallocate the deficient kW. The total deficient kW per product will be rounded to the nearest 50 kW and initially offered to the non-deficient BQDM aggregators per the below Reallocation Process. The offered deficient kW will retain its associated product clearing price, as seen Table 1 below.

**Table 1: 2017 BQDM DR Product Clearing Prices**

2017	
4 pm - 8 pm	8 pm - 12 am
\$ 214.62	\$ 984.50

### Reallocation Process: First Come, First Served

To reallocate deficient kW, the Company, on or after February 16, 2017, will initially offer the deficient kW to non-deficient BQDM aggregators who cleared in any product in the BQDM DR auction, on a first-come, first-served basis. To be considered for award of deficient kW, the non-deficient BQDM aggregator must provide:

- Proof of full commitment of original kW obligation by providing fully executed customer contract(s), and
- Proof of new customer acquisition by providing signed customer contract(s) or a signed and dated customer letter of intent.

The Company will notify the non-deficient BQDM aggregators as soon as the full deficiency is reallocated, or the remaining product deficiency is below 100 kW. To qualify for reallocation, the non-deficient BQDM aggregator shall email [BQDMauction@coned.com](mailto:BQDMauction@coned.com) proof of completed original obligation and new customer acquisitions, using the below email template.

**Subject:** [Aggregator Name] BQDM DR Auction Reallocation Application

**Email Body:**

[Aggregator Name] requests to be considered for reallocated BQDM DR obligations. Our 2017 BQDM DR obligation is/are [List 2017 obligations, by product]. The minimum reallocation that we will accept is     kW Pledge. Our completed original obligation and new obligation is represented by the below customers and attached contracts/letters of intent.

Original or new obligation by Product	Customer Name	Contract Filename	kW Pledge
[add rows as necessary]			

[Aggregator representative name]

[Contact information]

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If there remains non-reallocated deficient kW above 100 kW for any product after five (5) business days from the reallocation offering, that kW will be offered to aggregators in good standing that participated in Con Edison’s Reservation Option Commercial System Relief Program (CSRP) or Reservation Option Distribution Load Relief Program (DLRP) in 2016. There may be multiple reallocation offerings, in which case the above 5-day rule will apply to each offering independently.

**Post-Reallocation**

Once deficient kW is reallocated, it is considered an Attachment Quantity to the recipient aggregator. The recipient aggregator shall increase their Letter of Credit, if necessary, within 10 business days of reallocation award notification.

If deficient kW is awarded to an aggregator that did not participate in the July 2016 BQDM DR Auction, that aggregator must submit [prequalification documents](#) with their reallocation request; sections IV, V, and VI are not required. Upon award notification, a signed Program Agreement is due within two (2) business days, and letter of credit within thirty (30) days. The letter of credit shall be equal to the lesser of (i) the product of the Clearing Price multiplied by the total reallocated Portfolio Quantity (in kW), multiplied by 30%, and (ii) the product of the total reallocated quantity (in kW) multiplied by \$150. All other letter of credit requirements per the [BQDM DR Auction Rules](#) apply.

## Appendix A – kW Deficiency Letter

Please provide the below information on your company letterhead:

Date

Consolidated Edison Company of New York, Inc.  
4 Irving Place, 10<sup>th</sup> Floor  
New York, NY 10003  
Attn: Brooklyn Queens Demand Management Program

To Whom It May Concern:

Pursuant to Section 21 of the Brooklyn Queens Demand Management Program Demand Response Auction Rules, [Company Name] is declaring deficient [ ] kW in the [4pm-8pm or 8pm-12am] 2017 product.

[Please enter deficiency explanation here]

Sincerely,

x \_\_\_\_\_ [Senior Officer]

Name

Title