

This language is pending FERC approval of the LMR Real Power Test filing and is posted here to provide guidance.

Demand Resources (DR)

Demand Resource Qualification Requirements

MPs qualify a Demand Resource as an LMR by:

1. Confirming through the registration process that the total Demand reduction is not exclusively accomplished and dependent on the dispatch of a BTMG capable of injecting onto the Transmission System or distribution system.
2. Confirming exclusive rights to represent the Demand Resource and that the Market Participant has the authority to reduce Demand using the Demand Resource for the entire season and Planning Year in which the LMR is registered. In the case of an ARC registering a DR, this would include uploading into the MECT registration, any contractual documentation including signature pages or confirmations from the end-use customer that establishes an active relationship for the seasons and Planning Year in which the DR is registered as well as the agreed upon MW amount of load the end-use customer agrees to reduce. Additional documentation may be provided (or requested) to confirm contractual rights between all MPs and the end use customers, including full contracts, and retail rate tariffs or riders.
3. Confirming through the registration process that the Demand Resource is equal to or greater than 100 kW. An aggregation of smaller resources within an LBA that can reduce Demand may qualify in meeting this requirement if they are within the same Load Zone CPNode.
4. A Market Participant must demonstrate Demand reduction capability for each Planning Year on an annual basis.
 - a. A Market Participant may demonstrate Demand reduction capability by performing a real power test as defined below.
 - b. A Market Participant may waive the requirements to perform a real power test and submitting the appropriate documentation as specified below.
5. Confirming through the registration process such DR can be available to reduce Demand with no more than six (6) hours advance notice from MISO or the LBA and sustain the reduction in Demand for a minimum of four (4) consecutive hours.
 - a. The minimum registered notification time of a Demand Resource cannot be less than the time needed to perform the real power test.
 - b. A Market Participant registering a Demand Resource utilizing the waiver provision must provide documentation supporting the ability to reduce Demand within the registered total notification time as set forth below.
 - c. Residential programs for which Demand reduction is achieved by curtailing for shorter intervals and rotating through residents may qualify, provided the total

Demand reduction remains at or above the amount of Demand reduction identified in real-time.

- i. For example, a program may register 10,000 residents to provide 5 MW of Demand reduction, with the expectation that only 5,000 residents will be curtailed at a time.
 - d. If a program rotates through residential customers, it must document such rotation at the time of registration.
6. Confirming through the registration process that the Demand Resource is capable of being interrupted at least the first (5) times during the Summer and Winter and at least (3) times as needed during the Spring and Fall as needed by MISO or the LBA for Emergency purposes, consistent with the registration information of the physical capability of the DR.
7. DR that retired prior to the Planning Year will not qualify as a Planning Resource.

Demand Resource Registration Process

A Market Participant can register a Demand Resource to be used as a Planning Resource and receive SAC MW for said Demand Resource that can be converted to ZRCs by providing the documentation set forth below at the time of registration and all information set forth in Appendix D – Registration of Demand Resources. An MP registering a Demand Resource must provide the documentation set forth below prior to March 1 prior to the start of the Planning Year. A resource for which the Market Participant fails to provide the documentation set forth below will be prohibited from registering in the Planning Resource Auction.

Demand Resource Documentation Requirements

At the time of registration, a Market Participant must provide the following documentation:

1. The operating procedures used by the entity with operational control of the resource that accomplishes the Demand reduction.
 - a. This information must include:
 - i. The method the Market Participant will use to communicate with the customer; and
 - ii. The documented procedures used by the customer to curtail the load(s);
 - iii. The expected time required to provide curtailment. This time must be less than or equal to the registered notification time; and
 - iv. Confirmation that the end-use customer can maintain Demand reduction for a minimum of four (4) consecutive Hours.
2. Verification that the load expected to be curtailed was curtailed during the real power test.
 - a. Additional load may also be curtailed but will not count towards the amount of Demand reduction achieved during the real power test.
3. All Market Participants must provide evidence supporting the registered Firm Service Level. Failure to provide this information may result in the resource being prohibited from using the firm service level baseline.
 - a. Supporting documentation may include load processes for which curtailment is not a requirement and an estimation of the maximum Demand used by the process; or

- b. Contractual restrictions with the Load Servicing Entity or Electric Distribution Company specifying a minimum service guarantee.
4. All Market Participants must provide Hourly meter data for each Season being registered for which hourly meter data is available. For example, if registering for Summer 2026, meter data spanning Summer 2025 must be provided. A Market Participant need only provide meter data for each Season the Demand Resource wishes to participate.
5. Documentation supporting the real power test and accredited values of the Demand Resources.
 - a. For Market Participants that are not ARCs registering a Demand Resource not using a firm service level baseline required to perform a real power test, the test provides documentation of the accredited values.
 - b. For Market Participants that are not ARCs registering a Demand Resource using the firm service level baseline, documentation must include contribution of the Demand Resource to the Coincident Peak Forecast.
 - c. For ARCs registering a Demand Resource, the documentation requirements are specified in section 4.2.7.2.4 – Submission of ARC LMR Registrations.
 - d. For Market Participants electing to use a real power test waiver provision, the amount of MWs registered under the retail program or previously registered provide the required documentation requirements.
6. A Market Participant must provide account #, meter #, and meter addresses for all components being registered as a Demand Resource.
7. Additional documentation as requested on a case-by-case basis. This information must be provided to MISO within 30-days of the request. MISO may request any of the following:
 - a. Additional information in support of the above requirements;
 - b. A detailed description of all load processes being curtailed or excluded from registration;
 - c. Contact information of the end-use customer;

Submission of existing DR Registrations

A Market Participant may register an existing Demand Resource via the Registration screen in the MECT by February 1 prior to the Planning Year. MISO will review the DR registration information for completeness, accuracy, and ensure it complies with the qualification requirements for DR. MISO will endeavor to review the registration within 15 days after the registration was submitted to determine whether the DR has been accredited as an LMR, or whether there are any deficiencies that must be corrected. If the DR is accredited as an LMR, it will be given a unique name for tracking purposes and made available in the MECT screens for use by the MP.

Existing Demand Resources being registered must provide:

1. All names the program has been registered under in prior Planning Years;
2. If registering an aggregation, identify all components that are new to the program;
3. If registering an aggregation, identify all components that have been removed from the program;

4. If registering an aggregation, identify all components that have experienced a change in registered capabilities within the program;
5. If registering an aggregation and if no new components have been added and no components being registered have experienced a significant change in operations, the resource may qualify to waive the requirements to perform a real power test as specified below. A component may be removed from an aggregation without impacting the ability of a Demand Resource to qualify for the real power test waiver.

Submission of new DR Registrations

A Market Participant may register a new Demand Resource via the Registration screen in the MECT by March 1 prior to the Planning Year. To guarantee new Planning Resources can be used in an LSE's FRAP or RBDC Opt Out, registrations of a DR intended to be used in a FRAP or RBDC Opt Out should be submitted no later than February 15 prior to the Planning Year. The registering entity must be an MP prior to registering a DR. Any entity that is not a MP, but desires to register a DR, should contact the Customer Registration team at [MISO Help Center \(https://help.misoenergy.org/\)](https://help.misoenergy.org/) to become a MP. The MP will be required to certify that the registration information is accurate, complete, and that the qualified MWs from the DR are not being registered by another party. Appendix D – Registration of a Demand Resource contains the information that must be submitted by an MP through the MECT Registrations screen. MISO will review the DR registration information for completeness, accuracy, and ensure it complies with the qualification requirements for DR. MISO will endeavor to review the registration within 15 days after the registration was submitted to determine whether the DR has been accredited as an LMR, or whether there are any deficiencies that must be corrected. If the DR is accredited as an LMR, it will be given a unique name for tracking purposes and made available in the MECT screens for use by the MP.

Submission of ARC (Aggregator of Retail Customers) LMR Registrations

The LBA and LSE will verify the following:

1. LBA name
2. LSE name
3. RERRA name
4. CPNode name
5. End use customer account number
6. Meter identification number(s)
7. Maximum level of participation (MWs)
 - a. The maximum level of participation shall be determined for an ARC as set forth below.
 - b. The LSE must provide to MISO verification that the LMR is included in the Load obligation of the LSE as set forth below.
8. Address of the assets in the ARC registration.

If during registration review, the LBA or LSE is identified to be incorrect for assets in a registration, the registration will be rejected. The Market Participant can submit a new registration once the Market Participant has identified the correct LBA or LSE. This will restart the review timeline for MISO, the LBA, the LSE, and RERRA.

Any modification to the assets during the review will restart the review timeline for MISO, the LBA, the LSE, and RERRA.

Instances where the ARC LMR's customer changes LSEs:

- The LSE identified by the ARC LMR should be correct at the time of the ARC LMR's registration submitted to the Module E Capacity Tracking (MECT) tool. Otherwise, the ARC LMR Registration will be rejected.
- If the ARC LMR's LSE changes during the registration process, the ARC LMR registration can be revised. The date the registration was submitted will be sent along to the LSE for their review.
 - It is the responsibility of the ARC LMR's customers and the ARC to identify LSE changes.
 - It is the responsibility of the ARC LMR to notify MISO, the old LSE, and the new LSE when changes to the ARC LMR's customer's LSE occur.

Where more than one ARC submits the same account, both ARCs will be notified of the other's submission and need to determine among themselves who has the rights to the account. If no decision is reached by March 15, the ARC that submitted the account first will receive credit for the account.

Maximum Level of Registered (MWs) of a Demand Resource registered by an ARC

1. The maximum level of participation for each Demand Resource registered by an ARC using a Measurement and Verification methodology that is not the firm service level baseline shall be no greater than that Demand Resource's tested Demand as evaluated by the LBA or LSE at the time of the Coincident Peak and no less than the accredited value registered by the ARC.
2. For an ARC registering an asset that is using the firm service level baseline, the asset's contribution to the Coincident Peak Demand forecast for each Season in the period from September 1 through August 31 prior to the Planning Year shall be equal to the average maximum Demand consumed by the asset in the five-hour window centered at the time of the MISO Coincident Peak, for the five (5) Business Days prior to the Day of the MISO Coincident Peak, the Day of the MISO Coincident Peak, and the five (5) Business Days after the Day of the MISO Coincident Peak, less the firm service level.
3. An ARC wishing to increase the accredited value of a Demand Resource to reflect an upward adjustment due to a deployment as a DRR, as an LMR, or under a retail program,

must provide documentation for such increase to MISO and the LSE responsible for the asset no later than February 1 prior to the Planning Year. Any asset registered after this date will not be permitted to adjust its contribution to the Coincident Peak Demand forecast and will use the LSE/EDC submitted Coincident Peak Demand forecasted value for the asset in accreditation.

Date	Aug 19	Aug 20	Aug 21	Aug 22	Aug 23	Aug 26	Aug 27	Aug 28	Aug 29	Aug 30	Sep 3
HE 15	101	108	110	81	120	96	100	108	78	117	113
HE 16	105	90	88	101	90	105	80	109	118	113	85
HE 17	82	111	75	93	108	121	83	120	77	78	94
HE 18	112	115	116	89	106	93	117	75	80	93	114
HE 19	101	82	105	109	125	89	80	117	92	96	100
Max Demand	112	115	116	109	125	121	117	120	118	117	114

Table 1. Example of calculation of a Demand Resource using the firm service level load obligation calculation.

In Table 1., August 26, 2024 HE 17 is the Hour with the Coincident Peak Demand. The five (5) hour window centered on HE 17 is used for the 5 Business Days prior to August 26th, the five (5) Business Days after August 26th, and August 26th itself. MISO and the LSE should calculate the peak Demand for each 5-hour window on each Day, then average these values to determine the accredited value of the resource, in this case resulting in a value of 116.7 MW.

Termination of a Demand Resource Accredited as LMR

Because DRs need to be registered annually, the “Effective Stop Date” will default to the last day of the applicable Planning Year.

Amendments to Accredited DR Registration Data

The Market Participant can amend the registration for a DR for an existing upcoming Planning Year by providing MISO notification no later than March 1, if the original registration was submitted by February 1.

The MP may modify any of the non-end date information submitted in the registration, which may affect the DR’s qualification, including, but not limited to, a change in operation, number of interruptions, advisory notice period, maximum duration, or accreditation amount as either an increase or decrease in either its targeted MW level or firm service level. The accreditation amount may not be greater than the LMRs contribution to the LSE/EDC’s Coincident Peak Demand forecast.

Renewal of DR for subsequent Planning Years

A DR must be reviewed annually for accreditation as an LMR. An MP can request renewal of DR accreditation for subsequent Planning Years through the MECT Registrations screen. Renewal of DR must be requested by February 1 prior to the Planning Year. MISO will review the renewed DR registration information for completeness and accuracy and ensure it complies with the qualification requirements for DR. MISO will endeavor to notify the MP within 15 days after the renewed registration form was submitted regarding whether the DR has been accredited as an LMR, or whether there are any deficiencies that must be corrected. If the DR is

accredited as an LMR, it will be given a unique name for tracking purposes and made available in MECT for use by the MP during the applicable Planning Year. All rules in this section 4.2.7 Demand Resources also apply to renewed DRs in subsequent Planning Years.

Demand Resources – SAC Determination

A Demand Resource will be accredited based upon the type of Measurement and Verification it selects. A Market Participant may always request accreditation to a lesser amount than provided for in Section 69A.4.2 of Module E-1.

Accreditation of Demand Resources not using a firm service level baseline

A Market Participant registering a Demand Resource not using a firm service level baseline that has performed a real power test will have its accreditation set equal to the amount of Demand reduction achieved during the real power test. The real power test may be scaled upwards by no more than 25% for temperature sensitive loads to conditions consistent with the MISO Coincident Peak. Documentation must be provided supporting the adjustment that includes:

1. A detailed description of the temperature sensitive load process.
2. Justification for the adjustment, such as a test being performed when it was 95° F while the Coincident Peak occurred at 103° F.
3. An evaluation supporting the increase by the amount requested of the real power test.
4. MISO may reject a requested increase in accreditation if the requested increase is not a temperature sensitive load process.

A Market Participant registering a household aggregation may increase the registered amount of Demand Reduction by up to 25% if it can provide evidence of the number of households in the aggregation at the time of the real power test. This adjustment is in addition to the temperature sensitive adjustments specified above. MISO must approve of the adjustment.

If a Market Participant waives the requirements to perform a real power test under the provisions set forth in Section 69A.3.5.j.1 or 69A.3.5.j.2, the Demand Resource shall have an accredited amount equal to the amount of Demand reduction achievable as documented by the Market Participant in Section 4.2.7.2.1 item 5.

Demand Resources using a firm service level baseline

For a Demand Resource that is using the firm service level baseline, the Seasonal Accredited Capacity will be equal to the Demand Resource's contribution to the Coincident Peak Demand of the appropriate LSE/EDC less the firm service level. The Demand Resource's contribution to the Coincident Peak Demand shall be determined using the appropriate Coincident Peak Demand forecast methodologies for non-ARCs and the procedure set forth in section 4.2.7.2.4.1 – Maximum Level of Participation (MWs) of a Demand Resource registered by an ARC.

Demand Resource Deliverability

The owner of ZRCs converted from DR may use them as part of a FRAP or RBDC Opt Out or offer them into the PRA. The DR ZRCs are considered deliverable regardless of the LRZ where the DR physically resides.

Measurement and Verification of Demand Resources

Demand Resource may nominate one Measurement and Verification methodology as defined in Attachment TT for each Demand Resource regardless of its dual-registration status.

Demand Resource – Testing Requirements

A Market Participant electing to submit a real power test using data prior to July 15th, 2025 is subject to all testing parameters in effect in BPM-11 Resource Adequacy – R31. A Market Participant submitting a real power test conducted on or after July 15th, 2025 is subject to the following provisions.

The testing period for a DR to demonstrate Demand reduction capability begins January 1 in the Year prior to the start of the Planning Year. A real power test may be performed at any time up until registration is submitted, provided the Market Participant can provide meter data demonstrating performance of the real power test. A Market Participant with a resource that has commenced operations prior to March 1 may submit a Demand Response Deferral Notice pursuant to Section 69A.3.5.m of the Tariff and further detailed below in section 4.2.7.10.

A Demand Resource shall demonstrate seasonal Demand reduction capability for a minimum of a 15-minute duration using the guidelines set forth below. A Market Participant need not increase load after a test. Results should be submitted in accordance with LMR registration deadlines and attached to the LMR registration.

A Market Participant submitting a real power test may elect any interval that demonstrates the required Demand reduction within the registered notification time, even if the shut-down was performed as part of the normal operations of the facility.

Results of a real power test may be uploaded to the documentation section of the LMR registration in MECT. When testing a DR, accurate availability should be reflected in the DSRI by showing the DR as self-scheduled. If an MP plans to test DR greater than 20 MW, the MP should notify MISO operations two (2) Business Days prior to conducting a test by submitting the DR Testing Notification Template to the MISO ITOC (ITNOCRequests@misoenergy.org). The DR Testing Notification Template should include: (1) LMR name, (2) MP, (3) Load Zone CP Node, (4) expected MW reduction, (5) expected reduction date and hour(s), (6) notification time, and (7) operator contact information in case MISO Operations has questions. New DR and DR that did not clear the PRA will not be able to update the DSRI, however, these DR should still notify MISO by utilizing the DR Testing Notification Template.

Test Requirements for Demand Resources Not Using a Firm Service Level Baseline

A Demand Resource that achieves demand reduction by a targeted Demand reduction amount must meet the following requirements:

1. For a Demand Resource that is not an aggregation, the Demand reduction achieved must use all equipment that may be curtailed when called during a Scheduling Instruction. There is no requirement that all of this equipment be operating when issued a Scheduling

Instruction; however, to qualify for capacity payments the real power test must demonstrate the equipment was curtailed.

2. For a Demand Resource that is part of an aggregation, the Demand reduction must be achieved simultaneously for all resources within the aggregation. The Demand reduction need not start simultaneously, but all resources within the program must have curtailed load by the same set of intervals used to identify the Demand reduction.
3. For non-residential programs, the tested Demand reduction is measured as either:
 - a. From starting from the Demand at the start of the test period to the interval the reduction is achieved by; OR
 - b. The appropriate Measurement and Verification methodology will be applied.
 - c. The MP may select which option they prefer.
4. For residential programs, the Demand reduction is measured using the registered Measurement and Verification methodology.

	1500	1600	1700	1800	1900	2000	2100	2200
Resource A	0	7	10	3	2	7	9	8
Resource B	10	7	1	10	1	9	8	9
Resource C	2	2	6	1	3	10	7	4

Table 2. Example of the accreditation of three resources, each with different response times, that all achieve the full demand reduction by 1900. Here, the aggregated starting point is 23 MW (10 + 7 + 6), while the ending point is 6 MW (2 + 1 + 3) as reflected at 1900 resulting in a total Demand reduction of 17 MW. Resource C reduced to 1 MW at 1800, however this is not included in the Demand reduction achieved as 1900 was the selected test end period. The resource must register with at least four (4) hours notification time to reflect the 1500 starting point for Resource B.

Test Requirements for Demand Resources Using a Firm Service Level Baseline

Conceptually, a Demand Resource using the firm service level baseline is required to demonstrate the ability to reduce Demand from any point of Demand consumption to the registered firm service level. This is achieved by meeting one of the following test requirements:

1. A test demonstrating the ability to reduce Demand when starting from a point at the beginning of the test that is at least 80% of the maximum Hourly metered Demand in each Season and ending at a point at or below the Firm Service Level. When determining the seasonal maximum hourly Demand consumed to verify the real power test data submitted by a Market Participant, MISO will exclude Hours with Demand that is at least two (2) standard deviations above the mean Demand consumed in a Season.; or
2. A test demonstrating the ability to reduce Demand when starting from a point at least as great as the maximum Demand consumed during expected Resource Adequacy Hours, as set forth in the Resource Adequacy Business Practices Manual, and ending at a point at or below the firm service level.
 - a. For example, if the load process consumes 80 MW between 9pm and 5am daily and 30 MW otherwise but can achieve a firm service level of 10 MW, then the resource may test from any point greater than 30 MW to satisfy this requirement, provided the resource never consumes more than 30 MW between 5am and 9pm.

Expected Resource Adequacy Hours are determined by using each Hour of the Day that has experienced at least 5% of the total Resource Adequacy Hours from the three (3) Planning Years in a Season for which all Seasons have assigned Resource Adequacy Hours. For the 2026 / 2027 PY these are determined from PY 2021 / 2022 PY, 2022 / 2023 PY, and 2023 / 2024 PY.

	Start	Stop
Summer	HE 14	HE 20
Fall	HE 14	HE 20
Winter	HE 8	HE 12
	HE 19	HE 22
Spring	HE 14	HE 21

Table 3. Expected Resource Adequacy Hours for PY 26/27. Please note, winter has two periods corresponding to the double peak experienced in the winter.

A test must be performed to satisfy the requirements for each Season using load data covering the period spanning September 1 through August 31 prior to the start of the Planning Year. For PY 2026/2027 this means Sept 1, 2024 through August 31, 2025. A single annual test that satisfies the criteria for each Season shall satisfy this requirement.

An aggregation of firm service level resources may test each component individually, at different times, to demonstrate the ability of each firm service level resource to achieve its firm service level as set forth above.

A Demand Resource using the firm service level baseline may not use the Demand reduction achieved by the load process identified by the end-use customer that will remain in operation when the resource is called upon to reduce Demand as part of the real power test. For example, if a 15 MW resource has a firm service level of 5 MW, the load process consuming 5 MW of Demand will not count towards the demand reduction for the purposes of identifying if the Demand Resource could reduce to this level of consumption. A Demand Resource using the firm service level may curtail to 0 MW as part of a valid test, however the load process identified as consuming Demand when operating above the firm service level will not be included in the determination of whether the resource achieved its firm service level. The above rules mean if a 15 MW resource with a 5 MW firm service level, of which the firm service level load process is 5 MW and the remaining load is comprised of four 2.5 MW processes, decreases its Demand from 12 MW to 2 MW by curtailing two 2.5 MW processes and the 5 MW process will not be considered to have passed the test.

MISO will perform an outlier test by calculating the mean load during each Season and removing from consideration all Hours during which Demand was greater than two (2) standard deviations above the Mean using a two-tailed test. For example, if Demand is, on average, 10 MW in the Summer with a standard deviation of 6 MW, MISO will not include Demand that is greater than 22 MW above the mean.

If MISO determines a resource that has not satisfied this testing criteria, it will be treated as a non-firm service level resource. Specifically, its Measurement and Verification will use another

baseline of the Market Participants choosing, subject to approval of MISO, and the resource's Demand reduction test will be used to accredit the resource pursuant to tests of non-firm service level Demand Resources.

Demand Resource – Real Power Test Waiver Provisions

A Demand Resource may elect to waive the requirements to perform a real power test by utilizing one of the following waivers:

1. The Demand Resource is comprised exclusively of assets for which a real power test is explicitly precluded or explicitly waived under a retail program approved by any applicable regulatory authority.
 - a. Evidence of such waiver must be submitted at the time of registration.
2. For the 2026/2027 PY only, the Demand Resource is participating in a retail program overseen by any applicable regulatory authority.
 - a. If the DR opts out of demonstrating Demand reduction capability under this waiver provision, then the Demand Resource will replace real-time LMP penalties for underperformance with three-times real-time LMP penalties. The RSG component of the penalty will not be multiplied times three (3).
 - b. A Market Participant seeking such a waiver must post credit by March 1, 2026 totaling the total registered amount of Demand (ICAP value registered) registered but not tested multiplied by \$12,000/MW, where \$12,000/MW is the product of $3 * 4 * \$1,000$ to account for the three (3) times penalty assumed under the waiver, the four (4) hours of LMR requirements, and a \$1,000 LMP as a proxy for pricing under Emergency conditions.
3. The Demand Resource satisfies all of the following requirements:
 - a. The DR has been issued at least one Scheduling Instruction during the three-year period beginning on January 1 of the Year that is three Years prior to the start of the applicable Planning Year. This means January 1, 2023 for PY 2026/2027. For clarity, a Scheduling Instruction issued as part of a Capacity Emergency, Transmission Emergency, or any other type of Emergency, as well as any MISO-initiated tests, satisfy the requirements of this section.
 - b. The DR has fully met the performance obligations of each issued Scheduling Instruction over the three-year period. Beginning on January 1 of the Year that is three Years prior to the start of the applicable Planning Year.
 - c. The DR has fully met its availability requirements as set forth in Section 69A.3.5.e of Module E-1.
 - d. A Demand Resource utilizing this waiver provision must identify it qualifies for this waiver provision and provide the following at the time of registration:
 - i. Identify all issued Scheduling Instructions;
 - ii. Confirm at the time of registration that it has not added any new components to the resource if comprised of an aggregation of components. An aggregation may disaggregate (an) asset(s) without needing to retest provided the Demand Resource meets the waiver criteria with the asset(s) being disaggregated;

- iii. Confirm the Demand Resource, and all components, operate in substantially the same manner as previously registered. For the purposes of this language, a significant change in the operations is defined as any change in the operational characteristics of an asset, such as the expansion of the facility, operation of additional production lines, or a change in the method by which Demand reduction is achieved. A change in accredited values due solely to a change in the resource's contribution to the Coincident Peak Demand forecast not driven by changes in operational characteristics does not preclude the use of this waiver provision.
- e. This waiver provision may be precluded by MISO if the Market Participant does not provide evidence in support of this waiver provision.

Demand Resource Deferral Notice

The MP must provide written notification to MISO (<https://help.misoenergy.org>) of their intention to defer Demand response testing by February 1 prior to the upcoming Planning Year. This Demand Response Deferral Notice must be from an officer of the company and include the following information:

- Company Name
- NERC ID of Company
- Planning Resource Name
- Local Balancing Authority (LBA) or External Balancing Authority (BA) where located
- Expected DR test value (MW)
- Estimated completion date of the Demand response test

Once the Demand response test is completed, information pertaining to it must be submitted via written notification to MISO (<https://help.misoenergy.org>).

A Demand Resource providing such notice must satisfy credit requirements by March 1 prior to the Planning Year totaling the ICAP value registered, but not tested, multiplied by \$12,000/MW, where \$12,000 is the product of 3 * 4 * \$1,000 to account for the three (3) times Energy penalty assumed under the waiver, the four (4) hours of LMR requirements, and a \$1,000 LMP as a proxy for pricing under emergency conditions.

If the Market Participant submits the real power test results on or before the last Business Day of the Month prior to the Season the Demand Resource was used in a FRAP or RBDC Opt Out or cleared the auction within the Planning Year that are equal to or greater than the expected Demand response test value, then the Transmission Provider will adjust the Market Participant's credit requirement to account for these changes within twenty (20) Business Days after that real power test is submitted.

If SAC associated with a Planning Resource for which Demand response testing has been successfully deferred are unconverted to ZRCs, the Market Participant may provide notice to

the Transmission Provider that it wishes to forfeit the deferred Demand response value, in which case the Transmission Provider will adjust the Market Participant's Demand response value and credit requirement within twenty (20) Business Days.

A Market Participant that provides a Demand Response Deferral Notice and that either (1) has not submitted any real power test result for such Demand Resource by the last Business Day of the Month prior to the Season the Demand Resource was used in a FRAP or RBDC Opt Out or cleared the auction within the Planning Year, or (2) has submitted a real power test result by the last Business Day of the Month prior to the Season the Demand Resource was used in a FRAP or RBDC Opt Out or cleared the auction within the Planning Year that demonstrates fewer megawatts are available than the expected Demand response test value submitted in the Demand Response Deferral Notice, shall be subject to a penalty equal to three (3) times the Hourly Real-Time Ex Post LMP at the Load CPNode for any such deficiency and distributed pursuant to the Market Participants representing the LSEs in the Local Balancing Authority Area(s) that experienced the Emergency that required the use of an LMR. Such revenues shall be distributed on a Load Ratio Share basis. In addition, such Market Participant shall not have their credit released until a real power test result demonstrating the availability of all megawatts submitted in the Demand Response Deferral Notice is submitted and verified by the Transmission Provider, or the end of the Planning Year, whichever is earlier.