



facilitating the development of this market over several procurement cycles. This approach would ultimately support a transition back to a more formal auction process in the future.

## **II. PROPOSAL**

Under the current Commission-adopted approach, the Indicated Utilities have seen little participation in their auction processes. The Companies have heard from stakeholders in the market that the blind approach inherent with the sealed bid, pay as bid method does not facilitate attracting potential participants. Therefore, the Indicated Utilities feel that other procurement methods should be allowed in order to create more price transparency, simplify customer enrollment, and spark market participation. The Companies envision this as an iterative process that can be re-evaluated over time to assess effectiveness in attracting new, quality participation.

The Indicated Utilities propose allowing DLM procurements using a fixed price, published value of capacity system. A published value of capacity will provide the transparency that stakeholders have asked for, will simplify customer enrollment, and will eliminate a variable that has been identified as chilling market participation. The Indicated Utilities' proposal would enable an individual utility to use a fixed price, published value of capacity for either Auto-DLM, Term-DLM, or both. This proposal would be an additional tool for structuring procurements – it is not intended to supplant the sealed bid, pay as bid method permanently, but rather to provide an additional option to use as circumstances dictate. At the time of developing the RFP, the Companies will evaluate circumstances to determine the most appropriate method to use. The contract cadence and other structural details of the traditional RFP process currently in place would remain the same.

The posted fixed price would be developed in consultation with Staff using benefit-cost analysis to provide a cost-effective procurement of DLM resources. For Auto-DLM

procurements, this would consider the potential benefits from deferring specific distribution investments as well as the amount of load reduction required to achieve the deferral. For procurements with a capacity cap, bids would be accepted in the order in which they are received, up to a MW cap established by the utility based on anticipated distribution deferral needs. There would be no MW cap for fixed price Term-DLM procurements.

### **III. CONCLUSION**

The Indicated Utilities respectfully request approval of the fixed price, published value of capacity as an additional tool for Term- and Auto-DLM procurements. This alternate method is intended to help provide transparency and spur market participation in instances where the traditional sealed bid, pay-as-bid procurement has not produced the desired results.

Dated: May 14, 2024

Respectfully submitted,

**NIAGARA MOHAWK POWER  
CORPORATION d/b/a NATIONAL GRID**

By: */s/ Carlos A. Gabilondo*

Carlos A. Gabilondo  
Assistant General Counsel  
National Grid  
300 Erie Boulevard West  
Syracuse, New York 13202  
Tel: (315) 428-5862  
Email: [carlos.gabilondo@nationalgrid.com](mailto:carlos.gabilondo@nationalgrid.com)

**ORANGE AND ROCKLAND UTILITIES, INC.**

By: /s/ *Mary Krayeske*

Mary Krayeske  
Assistant General Counsel  
Consolidated Edison Company of New York, Inc.  
4 Irving Place  
New York, New York 10003  
Tel: (212) 460-1340  
Email: [krayeskem@coned.com](mailto:krayeskem@coned.com)

**CENTRAL HUDSON GAS AND ELECTRIC CORPORATION**

By: /s/ *Paul A. Colbert*

Paul A. Colbert  
Associate General Counsel –  
Regulatory Affairs  
Central Hudson Gas and Electric Corporation  
284 South Avenue  
Poughkeepsie, New York 12601  
Tel: (845) 486-5831  
Email: [pcolbert@cenhud.com](mailto:pcolbert@cenhud.com)

**NEW YORK STATE ELECTRIC & GAS CORPORATION and ROCHESTER GAS AND ELECTRIC CORPORATION**

By: /s/ *Amy A. Davis*

Amy Davis  
Senior Regulatory Counsel  
180 South Clinton Avenue  
Rochester, New York 14604  
Tel: (585) 771-4234  
Email: [amy.davis@avangrid.com](mailto:amy.davis@avangrid.com)