

Beginning with the 2020/2021 Planning Year each Demand Resource must validate its performance by meeting the Transmission Provider's Scheduling Instructions when called upon during the prior Planning Year or conducting a real power test. A Demand Resource for which a real power test is conducted will receive credit as one (1) of the five (5) deployments or interruptions required for such resource for the Planning Year in which such a test occurs.

A Demand Resource may provide operational data, or develop an alternative mechanism, subject to the approval of the Transmission Provider, by which the demand reduction capability can be demonstrated without requiring an actual demand reduction if a real power test is precluded or waived due to one of the three conditions as specified below:

- 1) Such a real power test is precluded by any applicable regulatory restriction and such a limitation is documented during DR registration;
- 2) Contractual obligations may preclude a test for the 2020/2021 Planning Year, but not thereafter. Such preclusion must be documented during DR registration; or
- 3) A Market Participant may waive the obligation to conduct a real power test by notifying the Transmission Provider during DR registration and accepting a penalty equal to three (3) times the Hourly Real-Time Ex Post LMP at the Load CPNode described in and distributed pursuant to Section 69A.3.9