

## Peak Shaving Performance Rating

The peak shaving performance rating is used to correct the impact of approved peak shaving programs in the load forecast to be consistent with how the programs have performed when required to reduce load.

For each hour of a required peak shaving event, a shortfall value is calculated as the aggregated resource's metered load total participating MW minus the difference of their Customer Baseline (CBL) of all participants minus their aggregated Customer Baseline (CBL) metered load adjusted for line losses, capped at zero:

$$\text{Shortfall}_{\text{hour}} = (\text{Metered Load} * \text{Line Losses}) - ((\text{CBL} * \text{Line Losses}) - \text{Total Participating MW}).$$

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$$\text{Shortfall}_{\text{hour}} = \text{Max}(\text{Total Participating MW} - ((\text{CBL} - \text{Metered Load}) * \text{Line Losses}), 0)$$

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For the event year, the performance rating is one minus the averagesum of all shortfall mw divided by the sum of Total Participating MW:

$$\text{YearlyEvent Performance Rating} = 1 - (\text{Avg Total Shortfall MW} / \text{Total Participating MW}).$$

~~For the year, the performance rating is the average of the event performance ratings.~~ PJM will apply a three-year rolling average of the annual peak shaving performance ratings to the program's total participating MWs in order to determine its peak shaving adjustment. For programs with less than three years of experience, a one- or two-year average will be used.