

Problem Statement/Charge

Demand Response – Eliminating/Amending Minimum Nominated ICAP (kW) value

Problem/Opportunity Statement

PJM's eLRS system requires Load Management DR registrations to have a minimum 100 kW Nominated ICAP value. Subsequent aggregation to allow End-Use Customers with less than 100 kW of load reduction creates extensive administrative burden in registration and settlement processes, while increasing risk for End-Use Customers within the aggregation. Beginning in the 2014/2015 Delivery Year, PJM may dispatch Load Management DR registrations based on a registration's Resource Type, Product, Lead Time, and Zip Code. With the current requirements, PJM might dispatch more Emergency DR locations than intended, specifically in sub-zonal dispatch scenarios. Removing or decreasing the minimum Nominated ICAP requirement would eliminate administrative burden associated with aggregations while providing simplified registration, dispatch, performance calculations, settlement, and load reduction reporting.

Issue Source

Extensive administrative burden surrounds registration and settlement activities for aggregations. End-Use Customers risk participation in ELRP if one member of an aggregated registration cannot be approved before the registration submission deadline.

This issue also stems from an increased granularity in the ability to dispatch Load Management Demand Resources under ER14-822 based on factors including Resource Type, Product, Lead Time, and Zip Code without an update to Load Management DR registration requirements.

Stakeholder Group Assignment

Recommendation: Demand Response Subcommittee

Key Work Activities

1. Review existing tariff requirements for the minimum Nominated ICAP (kW) value for Load Management DR registrations including original reasons for implementation, and potential impact of removing or amending, including but not limited to performance calculations and dispatch options given recently approved enhanced operational flexibility rules under ER14-822.
2. Identify whether changes or clarifications to the requirements for ICAP values in the registration process would provide operational, M&V, administrative, or other benefits to the system given recently approved enhanced operational flexibility rules under ER14-822.

3. Identify additional benefits and costs associated with eliminating or decreasing the Nominated ICAP minimum value.
4. If changes are deemed necessary, develop conforming manual or tariff language providing sufficient detail for clarity or change applicable to the minimum Nominated ICAP (kW) value for Load Management DR registrations.

Expected Deliverables

If deemed appropriate, the group will produce proposed manual or tariff revisions and advise eLRS vendor of the subsequent necessary technical updates.

Expected Overall Duration of Work

Work should be completed in time for use in the 2016 PJM registration process.

Decision-Making Method

Tier 1, consensus (near-unanimity) on a single proposal (preferred default option).