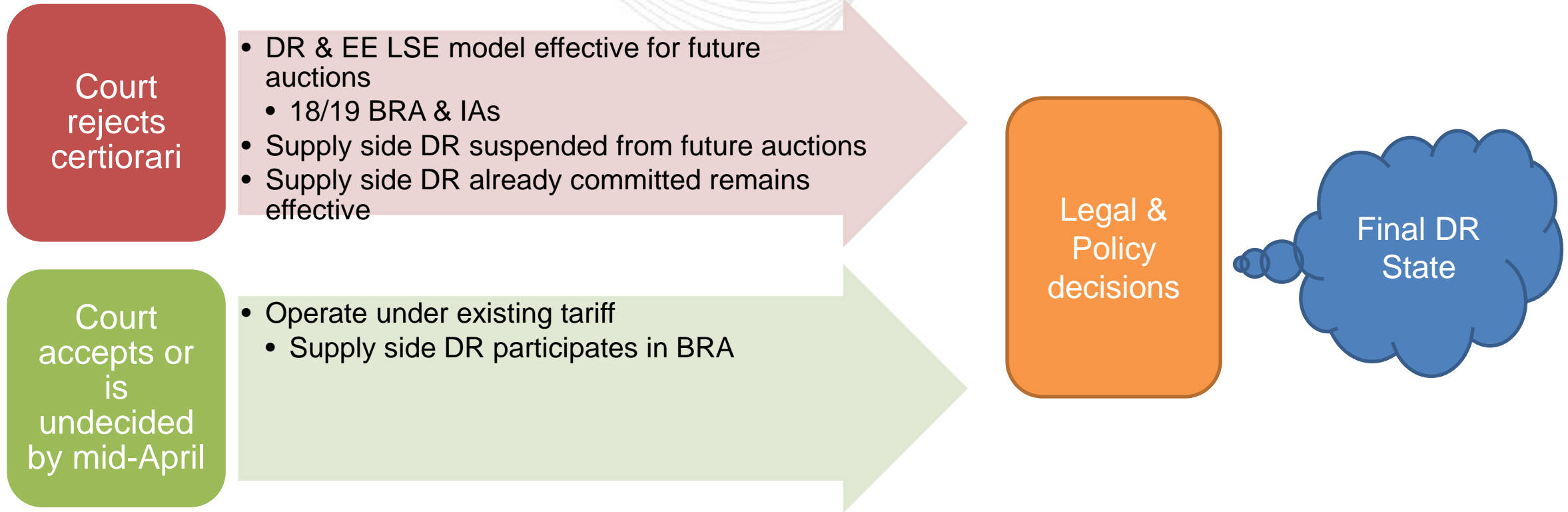




# Wholesale Market DR Opportunities in the Wake of the EPSA Decision (PJM Stop Gap FERC Filing)

DRS

January 21, 2015



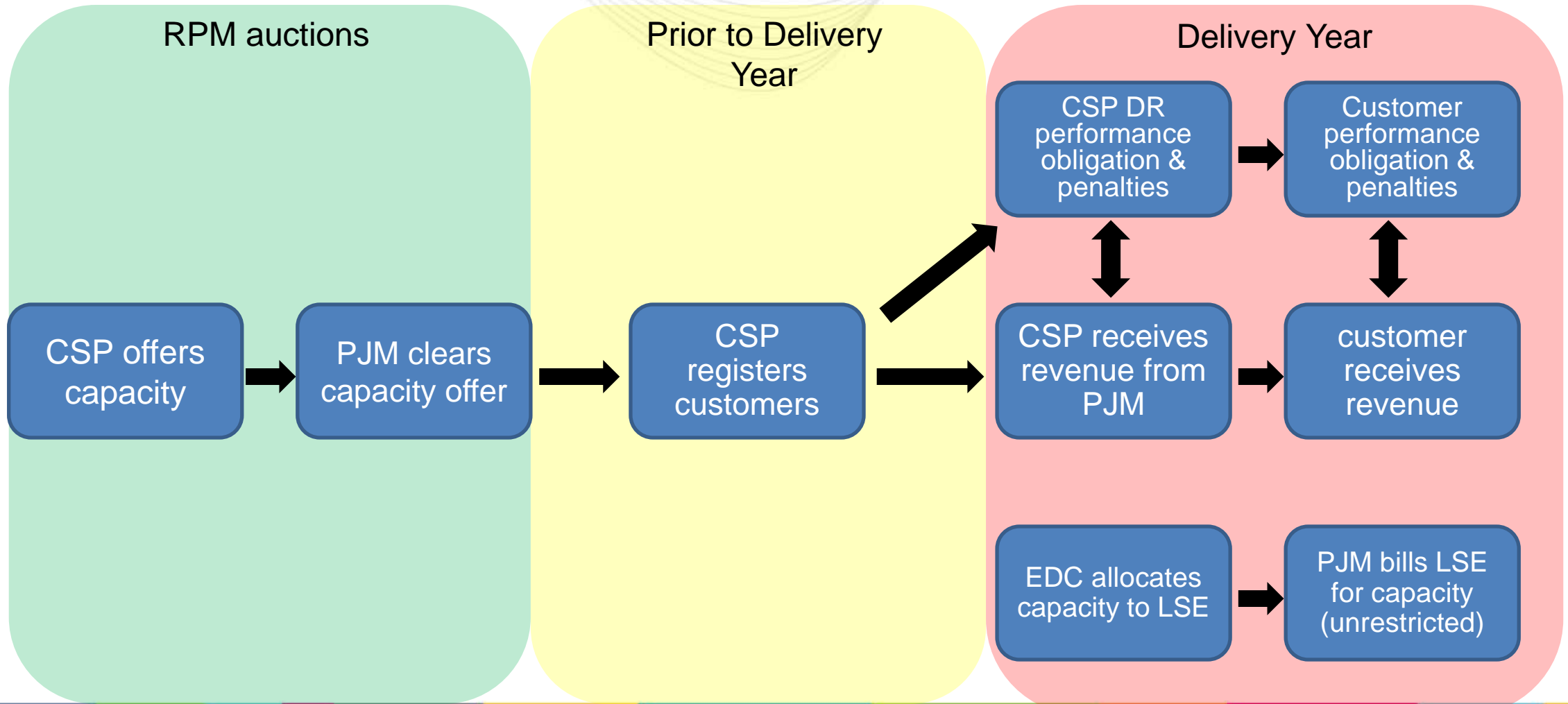
Stop Gap rules are meant to be transition to ensure market stability for near term auctions

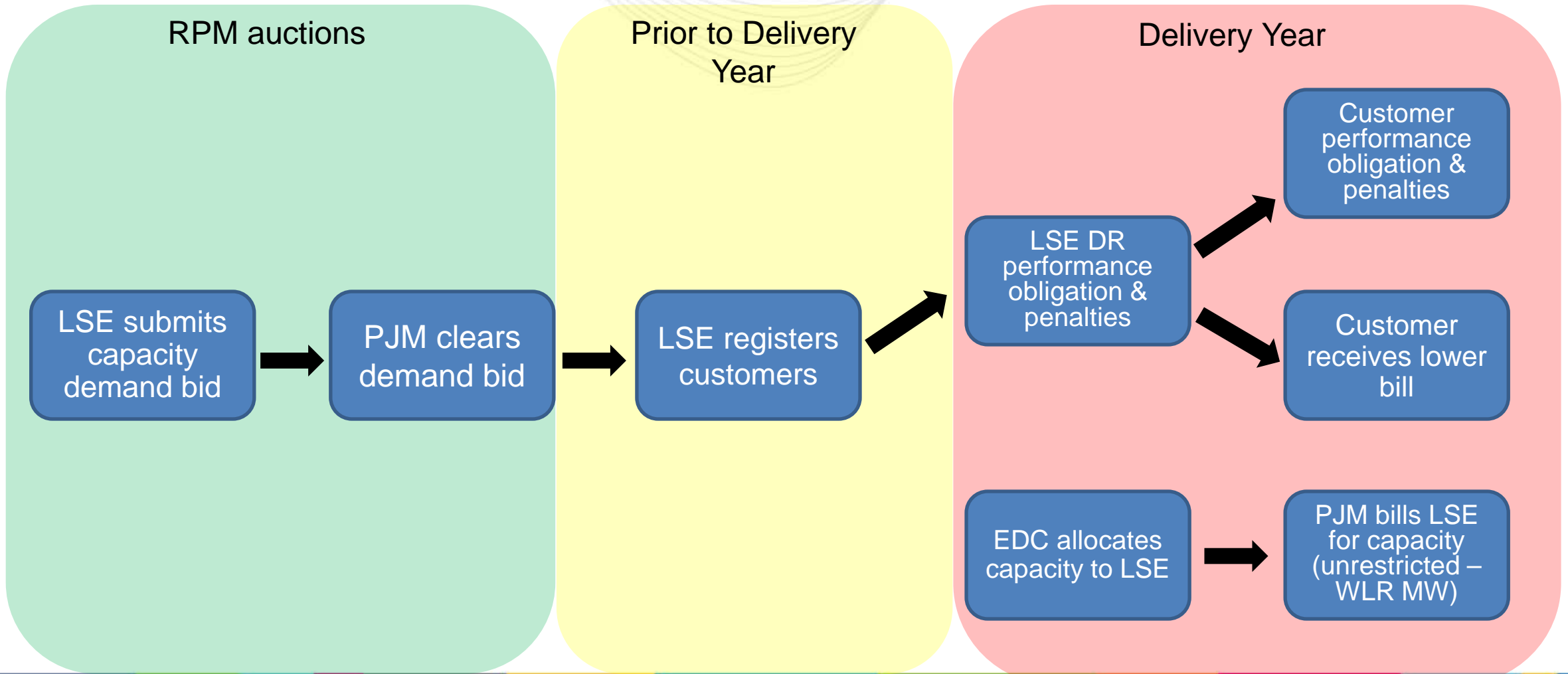
	<b>Today (DR/EE)</b>	<b>PJM Proposal (WLR/WEEL)</b>
Capacity market	Supply resource (Similar to generation)	Demand bid (BRA or bilateral, no IAs)
Capacity obligations	Nominate and reduce load per rules	Same
Who manages?	Curtailment service provider/load serving entity (any PJM member)	Load-serving entity (for specific customer)
End-use customers	All may participate subject to regulatory rules	Same
Energy market	Economic or emergency DR resource paid full LMP. EE no compensation	No direct compensation; benefits through cost-savings (EE same)
Ancillary service market	Curtailment service provider/load serving entity (any PJM member)	Same

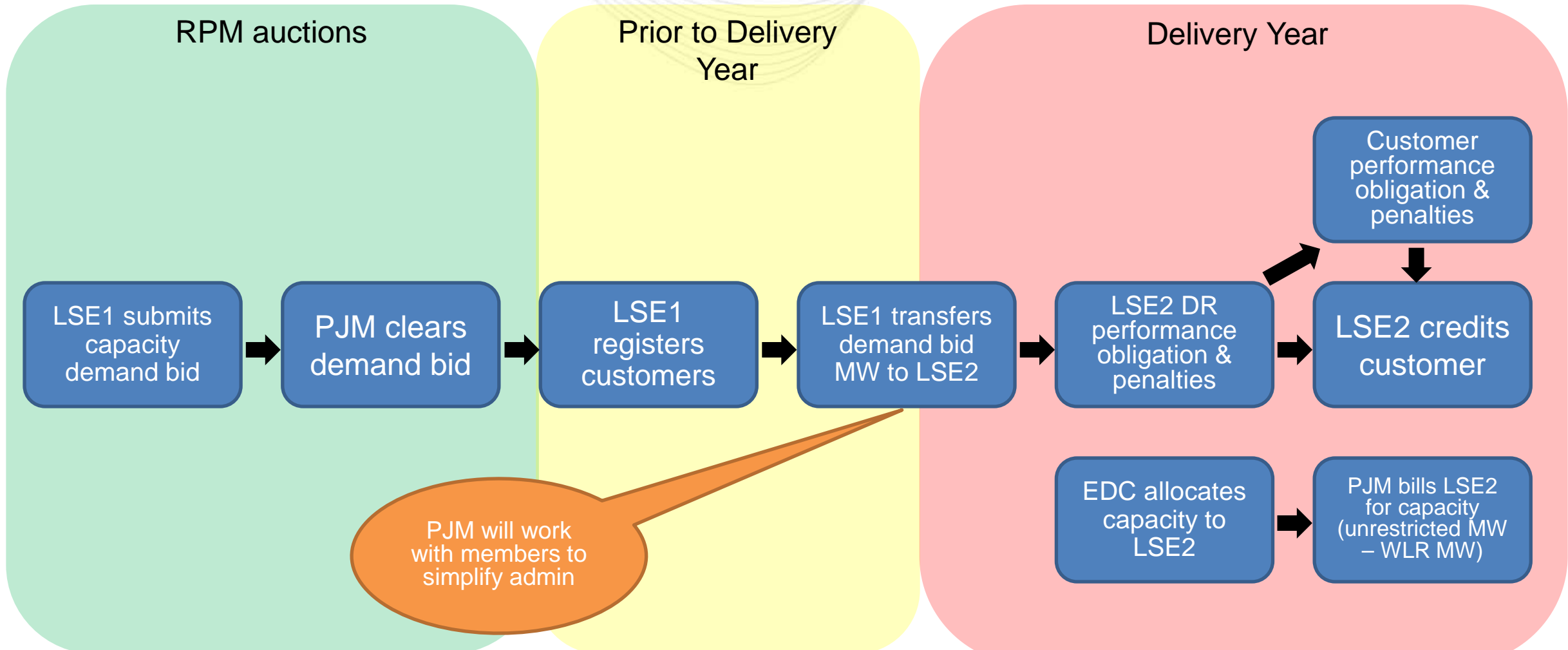
RERRA changes will significantly facilitate LSE DR & EE model

- Agents
  - Permitted with proper agreement in place (for example, existing CSP and LSE)
- Plan
  - Comparable, except WLR planned based on expected LSE Load for DY.
- Registration
  - Comparable, except WLR can register during the delivery year
- Auctions – similar except can not sell into Incremental Auctions.
- Bilateral transactions
  - Locational Ucap and Unit Specific available to adjust position prior to DY
  - Demand Bid Transfer (move WLR MWs & performance obligation from one LSE to another LSE)
- Compliance
  - Comparable, except GLD was eliminated
- Load Reduction reporting
  - Same
- Penalties
  - Comparable to today

DR must be assigned to LSE that serves customer during the DY









- PJM "subaccounts"
  - Member with agent for DR activity may use “subaccounts” to help manage
  - Subaccount provides separate accounting and system user access
  - No additional membership fees, voting privileges or penalty risk
- DR Registration through performance is currently done by Organization where an Organization may be a PJM subaccount.