

# Determination of CBL used for DR CP non-summer capacity compliance

DRS

October 27<sup>th</sup>, 2015

- Summer capacity compliance calculation – no change, do same as today
  - Load Reduction = PLC – (load \* losses)
- **NEW: Non-summer capacity compliance calculation**
  - Load Reduction = (CBL – load) \* losses
- New CP DR rules leverage Economic CBL rules

Change made to ensure load reductions occur during non-summer month

- Tariff refers to Economic CBLs rules instead of use of Economic CBL with economic alternative CBL rules (this was the intention)
- All CP registrations (or potential substitutes) required to perform Relative Root Mean Square Error (“RRMSE”) test
  - 60 days of load data (primarily provided to CSP by EDC with customer consent)
  - <20% RRMSE, otherwise alternative CBL process
    - Ultimately PJM determined CBL if no accurate CBL available
  - RRMSE must be done before start of Delivery Year

Significant administrative effort for limited value

- Current requirement will require ~7X increase in RRMSE tests and associated load data (EDC & CSP) activity
  - 18,000 location on Load Management registration
  - 2,500 locations on Economic registrations
- Prior CBL analysis indicated 3 daytype with SAA performs well for most customers
  - ~75% of all customers with RRMSE <20%
  - RRMSE non bias (just as likely to under forecast as over forecast the load)
  - 10 to 90 percentile (3% to 37% RRMSE) in winter.
    - This typically translates to a significantly lower Hourly Mean Absolute Percent Error (~2 to 25%)
- Summer events more prevalent than winter events

- Load Management default CBL for all registrations used for non-summer capacity compliance calculation will be default economic CBL
  - 3 day type with symmetric additive adjustment
- RRMSE test is not required for Load Management registrations
- If customer has both Economic and Load Management registration then use CBL on Economic registration (unless it is MBL type) for capacity compliance calculation
- CSP or PJM may still utilize alternative CBL process defined in tariff
  - RRMSE Test is required
  - Alternative to be finalized by 10/1 or as approved by PJM

Emergency energy CBL rules will stay the same  
("wait and see" approach for EPSA outcome)

# Stakeholder Process proposed timeline

Who	What	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16
DRS	Problem statement and proposed solution review	█							
MIC	Problem statement approval, first read proposed solution	█							
MIC	First read proposed solution		█						
MIC	Proposed solution endorsement		█						
MRC	First read			█					
MRC	Endorsement				█				
MC	Endorsement					█			
FERC	File at FERC						█		
FERC	FERC Decision								█

Try to resolve before start of 16/17 DY (CP registrations due).