

# Demand resource emergency energy measurement and verification

MIC

2/10/16

- Proposed changes approved at 9/23/14 DRS and were scheduled for first read at 10/8/14 MIC
- Proposed changes postponed based pending outcome of EPISA case.
  - DR participation in energy market not clear
- Supreme Court ruling maintain current market rules
  - DR will continue to participate in energy market

- Emergency Full DR registrations are compensated for energy load reductions when dispatched by PJM
- Energy load reductions based on:
  - If only an emergency registration then “hour before” event is CBL
  - If there is economic registration at time of settlement submission then use economic CBL

Current rules established to balance administration with load reduction accuracy

- High volume of PJM dispatches
  - 11 days in 13/14 DY
  - \$90 million
- DR dispatch during non-summer months
- DR dispatch during early morning hours
- Multiple dispatches in same day
- DR dispatch of several hours

- Hour before CBL methodology is not very accurate (use 1 hour to estimate load)
  - We had issues when used during 2014 Polar Vortex, especially for early morning hours.
- Cumbersome administrative process required if CSP would like to use a different CBL
  - Must go through the economic registration process which requires an EDC review.
- “After the fact” selection of CBL to use for settlements and process used to determine which registrations require settlement.
- Use of max base load economic CBL from economic registration when customer primarily participates in ancillary service market may under represent load reductions.

- Change emergency energy CBL from “hour before” to default economic CBL
  - 3 daytype (Sat, Sun/Holiday, Weekday) with Symmetric Additive Adjustment
- CSP may use alternative CBL subject to existing alternative CBL rules
- CBL on Economic registration used if economic registration approved prior to event (and is not MBL)
- CSP must validate that customers did reduce load for events outside the mandatory availability window before settlement submission
  - Mass market customer need to either submit all or none based on PJM approval
- CSP should only submit energy settlement if load data also submitted for capacity compliance.

Energy load reduction more accurate and consistent with non-summer CP capacity compliance calculation.