

CSP2 Proposal Load Management Testing

Enel X Comments for 9/11/2019 MIC

Key Issues

- CSP2 broadens testing to winter and gives PJM control over scheduling Load Management testing.
- Key differentiator: Week-ahead notification
 - A week window of when a test may occur is reasonable approach to address stakeholders interests.

Background: System conditions and Load Management (Demand Response) in real events

In real grid emergencies, a black out is a serious threat to the full grid, including LM customers. A black out can cause physical damage to customer assets and put employee safety at risk.

Customers receive an incentive payment (strike price) for LM performance in addition to avoiding their own cost of lost load (difficult to quantify).

Load forecasts 7 days forward provide a week ahead suggestion that an event may be on horizon. In addition, in most grid emergencies, a Hot/Cold Weather Alert generally precedes the LM event.

Interest Identification

- Example Interests represented in CSP2
 - “Testing results consistent with expected performance during LM events under various conditions”
 - “Load not paying for winter testing through uplift”
 - “LM will be compensated for test events”
 - “Avoid unnecessary testing”

CSP2 Key Considerations

It could be reasonable to test LM without notice so long as economics reflected a real event. To limit costs to load, under these proposals LM is not paid a strike price. LM also does not face the potential of lost load during a test.

Considering these facts, we believe it is reasonable to give LM customers a level of normal notice, rather than a very low level of notice.

CSP2: PJM Scheduled Test with 1 Week Window

- Generally accepts changes from PJM
 - Summer/ Winter Testing Requirement based on PJM preference
 - 2 Hour testing
 - PJM schedules test
- Key differences from PJM proposals
 - Up to 2 tests
 - Unlimited re-testing by CSP
 - Notification
 - Month
 - Week Window
 - Day Ahead
 - Day of

Appendix

Current LM Testing Protocols

- CP DR testing required in period June 1 – Oct 31 and following May, if no LM Events occur
- All CSP customers in a zone must be tested at the same time
 - Hundreds of customers at once for a large CSP
- CSP schedules tests, notifies PJM in advance
- CSP qualifies for optional retest if the MW reduction in a zone is greater than 75% of summer average RPM commitment

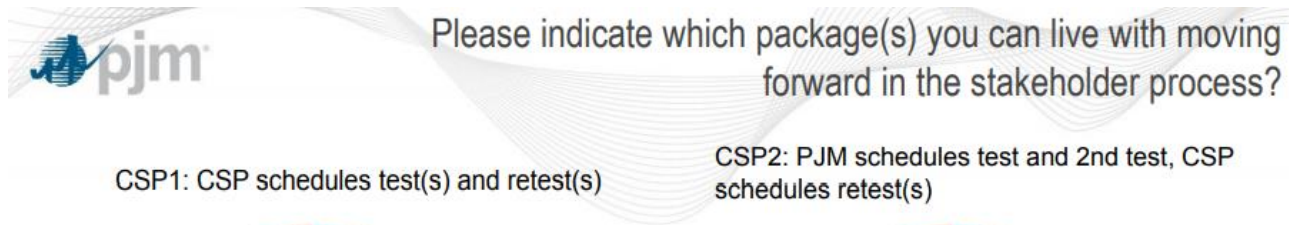
Comparability - Gen vs DR Testing Rules

	DR Status Quo	Gen Status Quo	PJM DR Proposals
Duration	1 hour	1-2 hours 1 Hour for infrequently used resources	2 hours
Scheduling Test	Capacity Owner	Capacity Owner	PJM
Seasons	Summer – Jun-Sept	Summer and Winter Winter met through data adjustment	Summer or Winter
Test Limit	No limit	No limit	One
Retest Limit	No Limit	No limit	No Limit / One
Test shortfall Impact	Full year	Until next full test	Full year

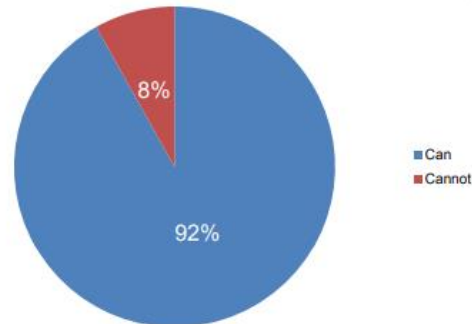
Sources: M18, M21, Matrix

Package CSP2 Received Second Highest Support among all Proposals in Poll

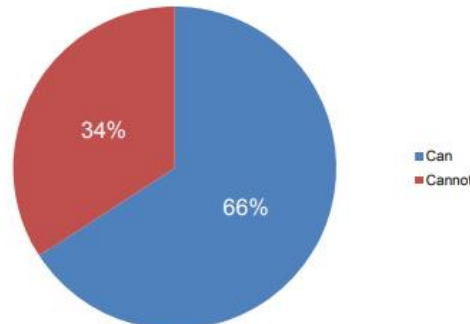
- <https://pjm.com/-/media/committees-groups/subcommittees/drs/20190723/20190723-item-03b-load-management-test-poll-results.ashx>



CSP1: CSP schedules test(s) and retest(s)



CSP2: PJM schedules test and 2nd test, CSP schedules retest(s)



Total Unique Responders:	30
Total Companies Represented:	123
Voting Members	38
Affiliate members	81
Ex Officio Members	4