



Demand Response Subcommittee Final Proposal Report

Date (September 26, 2019)

Issue Summary

Submittal Deadlines – No FERC driven deadline. Plan to file by January 2020 to ensure FERC order well before BRA conducted in 2020.

Problem Statement/Issue Charge – Load Management Testing Requirements, [Problem Statement](#), [Issue Charge](#)

Problem Statement brought forward by PJM

Problem Statement/Issue Charge approved at 3/6/19, MIC

Number of Meetings covering this topic: 15

1. Recommended Proposal

The PJM 1a proposal will change the Load Management and PRD test to a PJM directed 2 hour test. The proposal attempts to make the test closer to event-like conditions without unnecessary cost for customers. Tests that are closer to event like conditions will help ensure this resource is ready to respond when deployed. Load Management resources have not been deployed in 5 years and are only dispatched when the grid is expected to be short on operating reserves. PJM will test different zones in different months and then rotate the zones tested in the summer vs non-summer months over time. This avoids testing individual customers more than once per year. Test will be conducted in 10 of the 12 months during the Delivery Year where April and May are reserved for CSPs that would like to retest. This will also allow CSP the ability to collect load data and notify PJM 30 and 60 days after the test. The proposal also includes a provision to retest to improve performance and avoid a penalty. The CSP will receive energy compensation for the load reductions based on real time LMP.

2. Alternate 1 Proposal

The CSP2 proposal is similar to the PJM proposal but provides an additional week ahead notification of when the test will be conducted. The week ahead notification may help some customers to make adjustments to their production schedule and therefore less costly to implement. Further, the CSP2 proposal allows for additional retest opportunities if test performance is not adequate and will only allow PJM to conduct the test in 6 of the 12 months of the year. This additional flexibility helps to reduce the risk profile for CSPs, especially when the CSP is the end use customer of the facility and does not have a portfolio of customers. The number of months available to test was reduced from the PJM proposal to allow CSPs 90 days to collect load data and notify PJM after a test if they would like a retest (or second test).

3. Comparative Summary

The proposals are similar. CSP2 proposal is less like an actual emergency event than PJM1a because it provides week ahead notification of the test, allows for an additional retesting opportunity if there is a performance issue during the test and the test may only be conducted in 6 of the 12 months during the Delivery Year.



4. Standing Committee Results

9/11/19 MIC results:

The committee did not endorse the CSP1 package with 62(34%) in favor, 122(66%) opposed and 8 abstentions.

The committee endorsed the CSP2 package with 95(53%) in favor, 84(47%) opposed and 5 abstentions.

The committee endorsed the PJM1a package with 125(75%) in favor, 42(25%) opposed and 29 abstentions.

The committee did not endorse the PJM3 package with 28(15%) in favor, 160(85%) opposed and 5 abstentions.

The committee did not endorse the IMM package with 46(26%) in favor, 134(74%) opposed and 2 abstentions.

The committee also preferred the PJM1a proposal over the Status Quo with 128(67%) in favor, 62(33%) opposed and 2 abstentions.

Appendix I: Proposals Not Meeting the Threshold

- IMM proposal
- PJM 3 proposal
- CSP1 proposal

Appendix II: Supplemental Documents

[Issue Tracking material](#)

[MIC Solutions Matrix](#)

[Load Management Performance Report](#) – see table 1 for event and test performance. This also indicate frequency of events.

Appendix III: Stakeholder Participation

The proposals were developed and discussed at the Demand Response Subcommittee

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