



## 1.8 Cost Methodology and Approval Process

A PJM Member ~~who owns or controls the generating unit(s) (Unit Owner)~~ which seeks to obtain an exemption, exception or change to any time frame, process, methodology, calculation or policy set forth in this Manual, or the approval of any cost that is not specifically permitted by the PJM Tariff, PJM Operating Agreement or this Manual, shall submit a request to the PJM Market Monitoring Unit (MMU) for consideration and determination, except as otherwise specified herein.

After receipt of such a request, the PJM MMU shall notify the ~~PJM member~~Unit Owner of its determination of the request no later than fifteen (15) calendar days after the submission of the request. If the ~~Unit Owner~~PJM member and the PJM MMU agree on the determination of the request, the request shall be deemed to be approved.

If the ~~Unit Owner~~PJM member and the PJM MMU cannot agree on the determination of the request, the ~~Unit Owner~~PJM member may submit its request to PJM in writing for consideration and approval. In its written request to PJM, the ~~Unit Owner~~member must notify PJM of all prior determinations of the PJM MMU with respect to any such request and must provide a copy of such request to the PJM MMU within one (1) calendar day of submitting the request to PJM.

This process shall be referred to in this Manual as the “Cost and Methodology Approval Process.”

## Section 8 : Demand Side Response (DSR)

**Demand Side Management** – A program designed to provide an incentive to end-use customers or curtailment service providers to enhance the ability and opportunity for reduction of load when PJM LMP is high.

**Load Shifting** – Demand Side Management programs designed to encourage consumers to move their use of electricity from on-peak times to off-peak times, or daily movement of load between LSEs.

**Demand Side Resource** – Total contributions provided by demand-side facilities and/or actions.

### 8.1 Demand Side Response (DSR) Cost to Provide Synchronous Reserves

~~Currently there are no cost rules for DSR cost except for the DSR margin adders.~~ The cost to provide synchronous reserves from DSR resources shall be equal to the margin up to \$7.50 per MWh of reserves provided.

Demand Side Response shutdown costs shall be zero. Any exceptions to this rule are covered under Section 1.8 Cost Methodology and Approval Process.