Demand Bid Volume Limits

Credit Subcommittee

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Suzanne Daugherty

- Objective – Reduce the risk of material costs accruing on demand bids in excess of the load-serving commitments of the load-serving entities (LSEs) entering those demand bids
- Proposed Daily Limit – Demand Bids will be rejected if > 30% and > 10 MW above the LSE's calculated peak load forecast reference point for the operating day
- Potential peak load forecast reference point –
  - The product of:
    - Actual Recent Load Share: Each LSE's highest one-hour share of the actual load contributions for each transmission zone in the most recently available seven days, and
    - PJM's peak load forecast for each transmission zone
  - For transparency, intend to have a file of calculated peak load forecasts by LSE by transmission zone available daily two days prior to the applicable operating day
- Demand bids in excess of limit would not be accepted into the day-ahead market system
- Exception requests could be authorized
- PJM is asking whether Members have any other alternatives to analyze or if there is consensus support for moving this proposal forward in the stakeholder process

Reference Materials from Prior Presentations

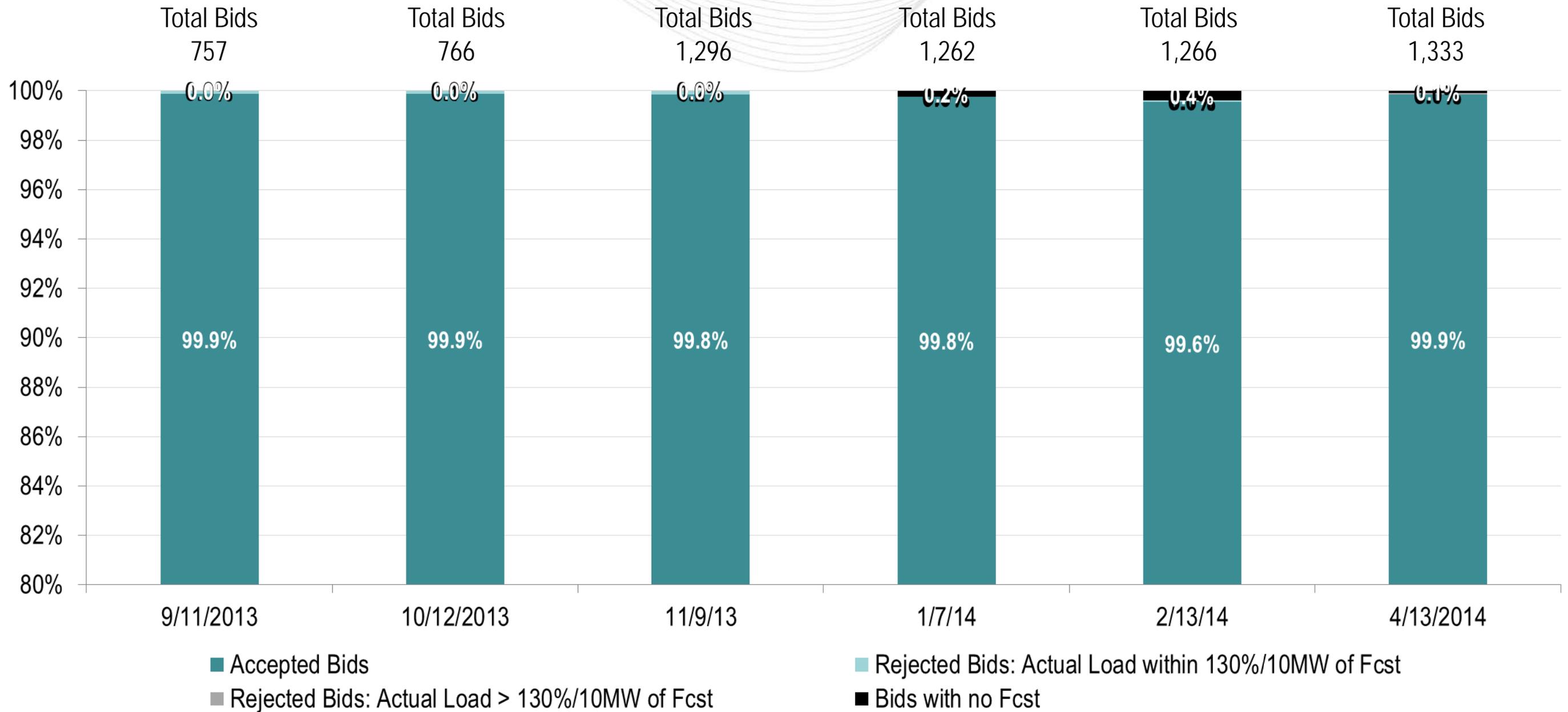Planned Timeline for Calculating Daily Zonal Peak Load Reference Points by LSE

Type of Day-Ahead Market Bid	Screens / Bid Requirements
Increment / Decrement	Screen of calculated potential net charges against available credit
Up-to-Congestion	Screen of calculated potential net charges against available credit
Load-Serving Entity Demand Bid	• Must have a related InSchedule load contract • Currently no volume limits

For all these types of Day-Ahead buy bids, each member can establish its own voluntary bidding limits.
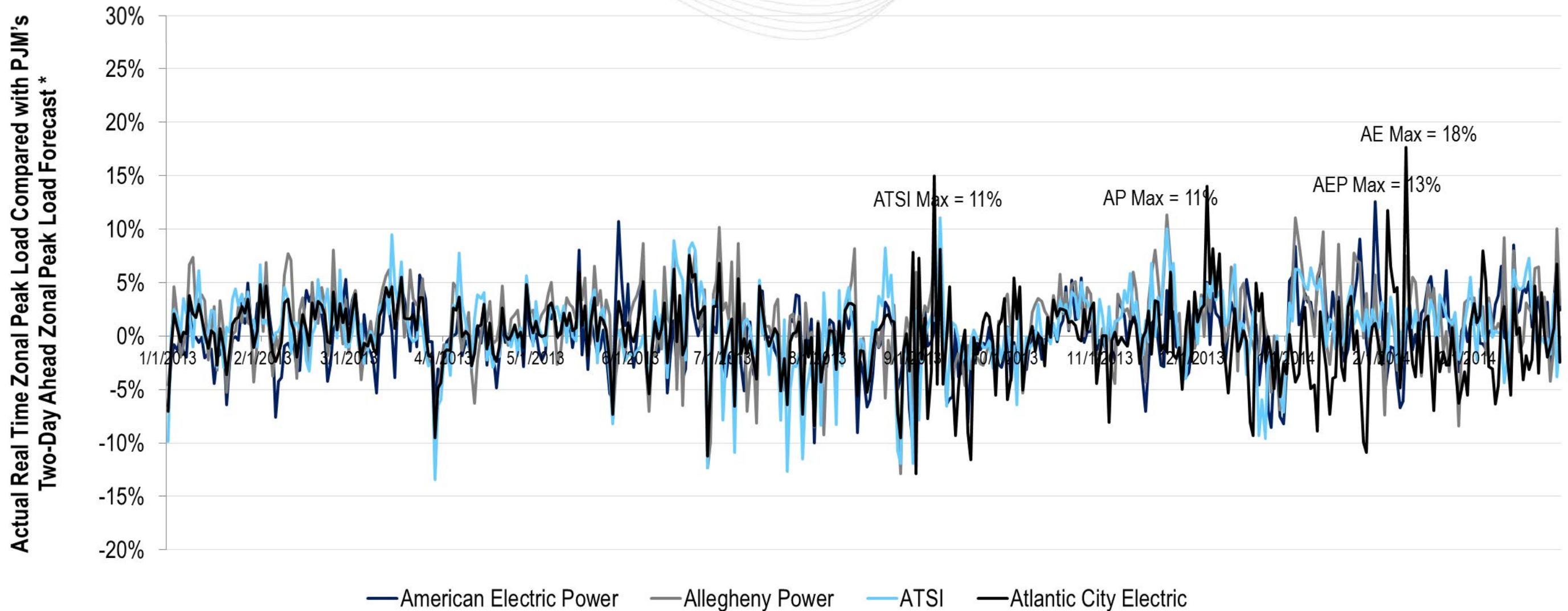
Results of Sample Days' Analyses
(Based on Highest Recent Share Per Zone and Two-Day Ahead Zonal Peak Forecast)

Date	Total Bids	Bids Accepted	Bids Rejected		No Baseline
			Actual Under Cap	Actual Over Cap	
9/11/2013	757	99.9%	0.1%	0.0%	0.0%
10/12/2013	766	99.9%	0.1%	0.0%	0.0%
11/9/2013	1262	99.8%	0.2%	0.0%	0.0%
1/7/2014	1266	99.8%	0.0%	0.0%	0.2%
2/13/2014	1333	99.6%	0.1%	0.0%	0.4%
4/13/2014	1296	99.9%	0.0%	0.1%	0.1%

| Date | Total Bids | Bids Accepted | Bids Rejected | | No Baseline |
			Actual Under Cap	Actual Over Cap	
9/11/2013	757	756	1	0	0
10/12/2013	766	765	1	0	0
11/9/2013	1262	1260	2	0	0
1/7/2014	1266	1263	0	0	3
2/13/2014	1333	1327	1	0	5
4/13/2014	1296	1294	0	1	1

* Positive percentages represent days in which the actual real-time zonal peak exceeded PJM's two-day ahead zonal peak load forecast.

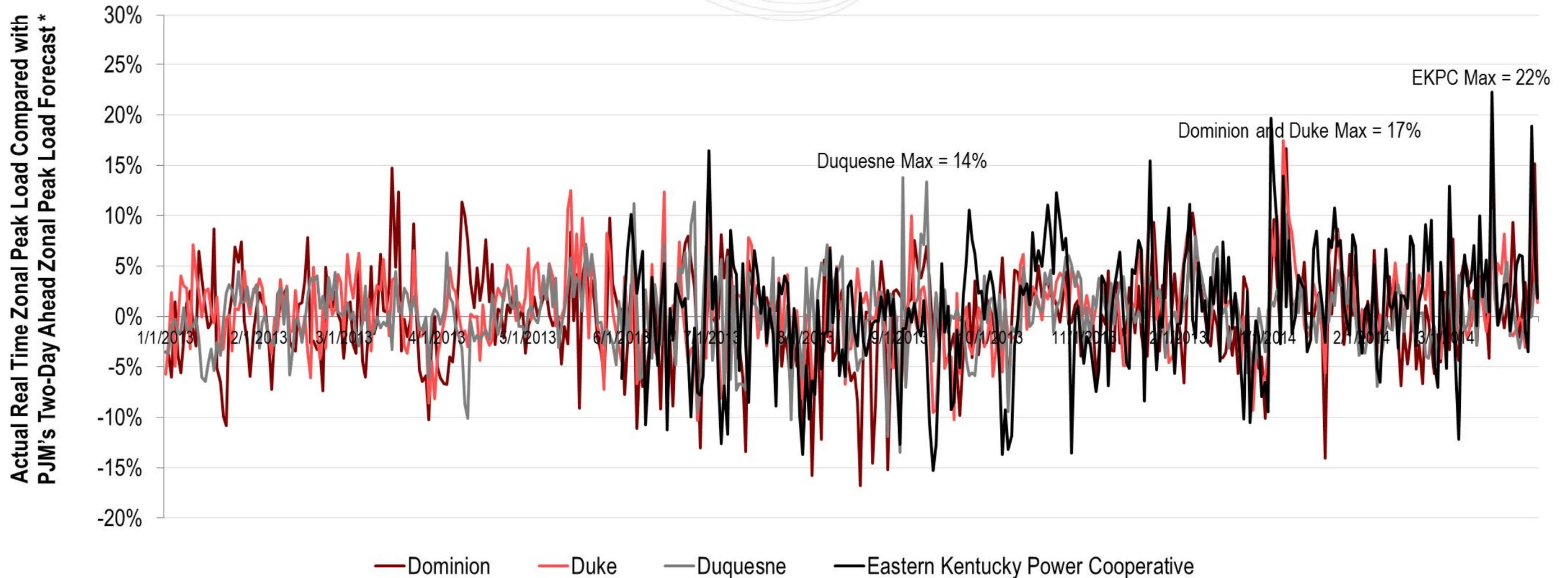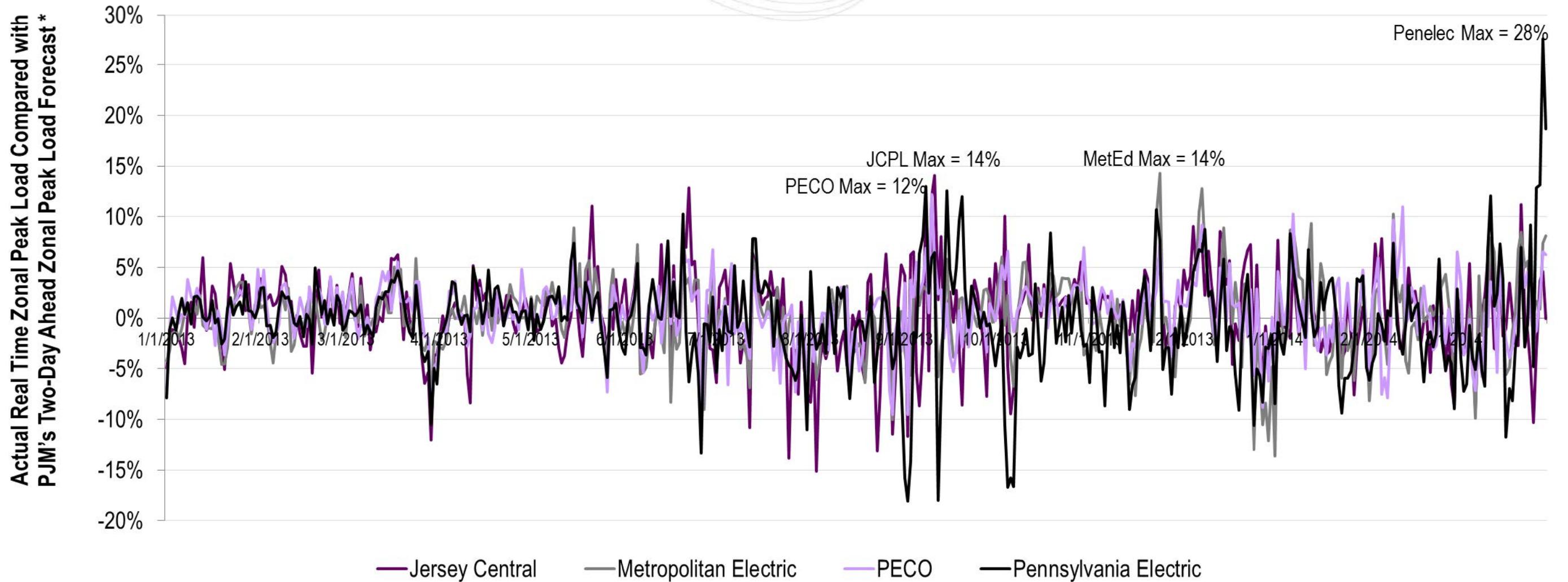* Positive percentages represent days in which the actual real-time zonal peak exceeded PJM's two-day ahead zonal peak load forecast.

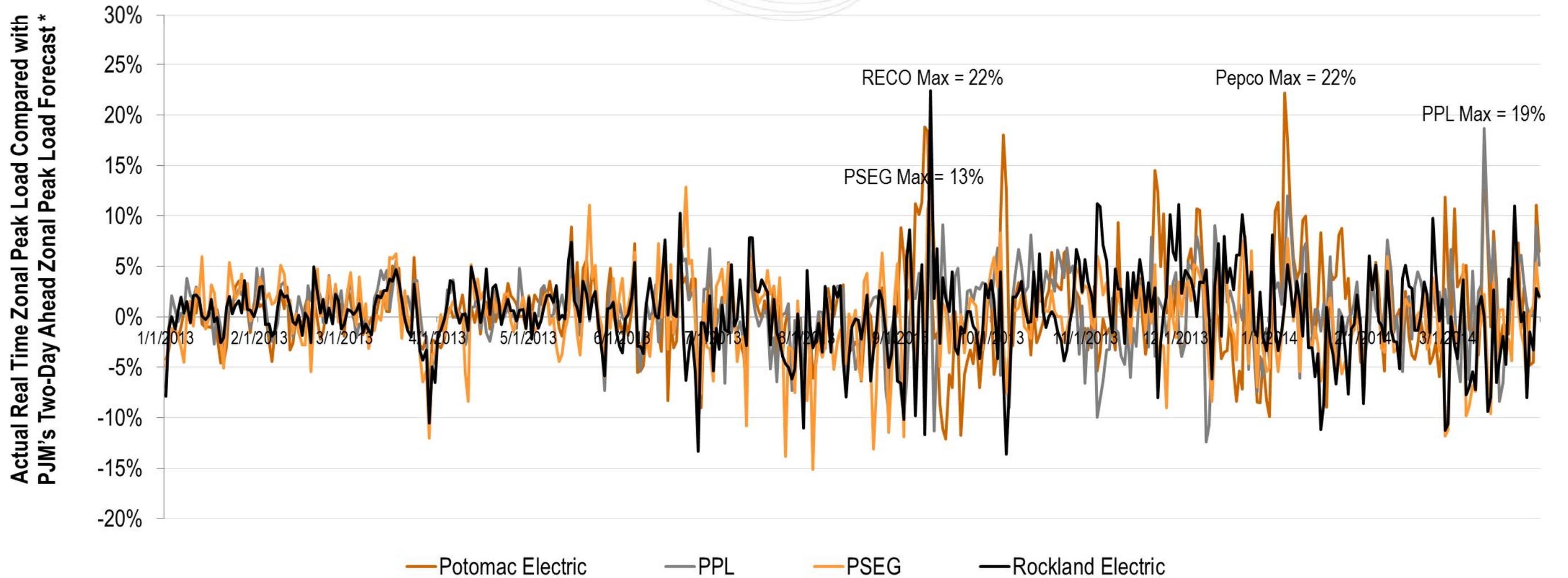* Positive percentages represent days in which the actual real-time zonal peak exceeded PJM's two-day ahead zonal peak load forecast.

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