DRAFT MINUTES
PJM Interconnection
Demand Response Dispatch Senior Task Force
The Chase Center
Wilmington, DE
March 30, 2011

Members Present:

Langbein, Peter (Chair)  PJM Interconnection
Schofield, Bill  Customized Energy Solutions, Ltd.*
Steigerwald, David  Customized Energy Solutions, Ltd.*
Coulbeck, Rob  ENBALA Power Networks Inc.
Campbell, Bruce  EnergyConnect, Inc.
Breidenbaugh, Aaron  EnerNOC, Inc.
Scoglietti, Barbara  Enerwise Global Technologies, Inc.
Pratson, David  Exelon Generation Co., LLC
O’Neill, John  PJM Interconnection
Fuess, Jay  Premcor Refining Group, Inc. (The)
O’Neill, John (Secretary)  PJM Interconnection

Also in attendance:

Bruce, Susan  McNees, Wallace & Nurick LLC
Alesi, Alan  PJM Interconnection
Covino, Susan  PJM Interconnection
Furey, Marie  PJM Interconnection
Pinkerton, Lew  PJM Interconnection
Irwin, Craig  Wedbush Securities

Attended via teleconference / WebEx:

Feliks, Kent  AEP Appalachian Transmission Company, Inc.
Mount, Colin  Allegheny Energy Supply Company, L.L.C.
Norton, Chris  American Municipal Power, Inc.
Cox, Ed  Appalachian Power Company
Ondayko, Brock  Appalachian Power Company
Bloom, David  Baltimore Gas and Electric Company
Kopon, Owen  Brookfield Burchett Stone Law Firm
McDaniel, John  Constellation
Price, Dann  Constellation
Urbin, Gregory  Constellation
Filomena, Guy  Customized Energy Solutions, Ltd.*
Dorn, Andrew  Demand Response Partners, Inc.
Maucher, Andrea  Division of the Public Advocate of the State of Delaware (The)
Currier, Jeff  Dominion Energy Marketing, Inc.
Rumford, Blaine  Dominion Virginia Power
Flaherty, Dale  Duquesne Light Company
1. **ADMINISTRATION**

The DRDSTF established three future meeting for 4/18 (this was changed from 4/22), 5/13 and 6/13. The next meeting will focus on firming up the Charter and discussion of proposals on how to handle sub zonal dispatch for 11/12 DY.

2. **DEVELOP CHARTER**

A draft Charter was presented at the meeting for consideration based on the Problem Statement approved by the MRC. Stakeholders proposed to expand the scope to include the review of DR Product (recently approved by FERC and become effective for 14/15 DY) specific dispatch
procedures. Further, stakeholders indicated that the priorities for the DRDSTF are (in order of how the group should focus efforts): 1) sub zonal dispatch procedure clarification for 11/12 DY, 2) longer term sub zonal dispatch procedure and compliance and 3) DR product dispatch. A revised Charter will be presented to the DRDSTF at the next meeting for endorsement.

3. **REVIEW CURRENT PJM SUBZONAL DISPATCH PROCEDURE**

PJM reviewed the sub zonal dispatch to compliance (emergency event and test) procedure utilized in summer 2010 and indicated that the event multiplier method used for penalties in summer 2010 may not be the same method deployed in 2011 based on tariff changes approved by FERC that established new products. PJM will review and clarify what method will be used for the 11/12 DY at the next meeting.

The PJM procedure in summer 2010 followed the existing rules that are established for zonal dispatch and limited the granularity of sub zonal dispatch to the intersection of State plus DC and transmission zone to simplify for CSP operation to end use customers. Further, PJM implemented a rule to ensure all locations in an aggregate registration are either dispatched or not to avoid confusion (if at least 1 location is in the subzone then all locations on the registration must respond). Resource required to test was based on resources that were not dispatched by PJM.

4. **DISCUSS STAKEHOLDER INTERESTS REGARDING SUBZONAL DR DISPATCH**

A. Stakeholder discussed various short and long term interests regarding sub zonal dispatch which included:

   1) How to better plan test since only part of zone may actually get dispatched under emergency conditions
2) Ensure all information is transparent during settlements so CSP easily understands how compliance penalties were assessed (e.g.: provide details through MSRS settlement report)

3) Avoid any perverse incentives (e.g.: Don’t call on a resource when needed because it is part of an aggregate registration and rules may indicate only the entire registration may be dispatched)

4) Definition & Transparency – Define in advance and make sure settlement is clear and transparent to CSP so CSP can make clear to customer.

5) Predictability – Need to know in advance how registrations will be grouped and therefore dispatched. Pre-define how registrations will be grouped in advance of the delivery year and if new group needs to be defined allow 2 to 3 weeks before implementation.

6) Ensure rules are effective for both a CSP serving multiple customers and a Customer that operates as their own CSP for their locations.

7) Effectively manage the system to ensure reliability which requires flexibility to respond to real time operational challenges.

8) Granular resource dispatch to more effectively manage system during emergency conditions.

9) Minimize CSP internal infrastructure changes for dispatch on end use customer for 11/12 DY. It is not easy to implement software changes prior to 11/12 DY.

B. Longer term interests include:

1) Minimize EDC administration for locations. For example, if EDC is required to supply a pnode for every customer this will take a significant amount of effort.
2) Implement a more effective communication solution to dispatch Load Management resources. For example, this would consider changing from telephony (ALL CALL) to an electronic notification/message which would also enable more flexibility and granularity.

3) Granular dispatch should take into consideration operational feasibility for direct load control applications.

5. THE DRDSTF DISCUSSED SHORT TERM SOLUTIONS FOR UPCOMING DELIVERY YEAR WHICH INCLUDED:

A. Leverage same protocol used last summer (dispatch by zone by state/DC when necessary)

B. Identify handful of know constraints within a transmission zone prior to June 1 and provide a list of zip codes that determine how to assign a subzone to a registrations.
   - For example, instead of APS being broken into APS|PA, APS|MD, APS|VA, APS|WV it may be split into APS|South, APS|Other

C. Possibly incorporate in either proposal the concept of:
   1) If PJM needs something different than pre-defined sub zone then PJM can continue to dispatch accordingly but compliance calculation may be different.
   2) Testing provision potentially modified to allow simultaneous testing requirement for zone changed to pre-defined subzones.

6. ACTION ITEM

The stakeholders requested PJM to outline what is needed to dispatch for 11/12 and to develop a straw proposal based on this requirement and input received to date. Stakeholder will continue to discuss procedure for ‘11/’12 season at the next meeting.
7. **FUTURE AGENDA ITEMS**
   Firming up the Charter and discussion of proposals on how to handle sub zonal dispatch for 11/12 DY.

8. **FUTURE MEETINGS**
   - April 18, 2011 1:00 PM Teleconference
   - May 13, 2011 10:00 AM Teleconference
   - June 13, 2011 10:00 AM Wilmington, DE

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DMS Document Number: 640474