



**MINUTES**  
**PJM Interconnection**  
**Demand Response Subcommittee (DRS)**  
**Chase Center (Wilmington, DE)**  
**April 24, 2012**  
**9:30am – 3:30pm (EPT) Chase Center (Wilmington, DE)**

**1. ADMINISTRATION**

There were no comments regarding the 3/16/12 meeting minutes. A future DRS meeting date, time and location were determined, August 16, 9:30am to 3:30pm at PJM's Conference and Training Center (and WebEx/Conference call). The workplan was reviewed and it was suggested that docket numbers should be included (where applicable) and one member requested clarification on stakeholder process of product specific M&V. PJM indicated this is 1 of 4 items where PJM is required to provide an informational filing to FERC as part of Capacity M&V order and MIC is likely place for this topic. PJM provided an update on DR activities in stakeholder process which include: PC covering DR in planning studies, CDS regarding DR shutdown costs, LAS looking at add backs and OC looking at SR limit. PJM also discussed the shortage pricing filing and that some DR items would be included in that filing (for example, strike prices in the LMP calculation).

**2. DR PARTICIPATION IN SYNCHRONIZED RESERVE MARKET**

PJM reviewed the participation of DR in the SR market and advised that the OC would pick up this item to determine if the 25% limit should be changed. At the next OC meeting there will be an education presentation and a performance review.

**3. PJM DUPLICATE REGISTRATION RESOLUTION**

DRS continues to examine this issue and potential solutions. PJM presented and discussed a high level flow chart showing the major decision points in a proposed duplicate process that was based on previous discussions. The proposed process would rely on the one of the two CSPs with a duplicate registration to withdraw their registration if the customer did not select them. If neither CSP withdrew the registration then one of the registrations would automatically be withdrawn based on contract date to resolve.

One of the CSP proposed that this process should be modified to require the CSP that was selected by the customer to affirm that they were selected instead of putting the responsibility on the CSP that was not selected to withdraw the registration. The DRS was supportive of making this change which left the question of what to do if i) both CSPs indicate that customer selected them for the registration or ii) neither CSP indicates they were selected by the customer in a timely manner.

Options included: 1) keep the registration with the oldest contract date (customer signed first), 2) keep the registration with the newest contract date (customer signed last), 3) terminate both registrations until customer resolves and then appropriate CSP may resubmit, 4) don't allow duplicates to be input in the first place 5) treat registrations closer to the deadline differently.

For Next Steps, it was decided that PJM would create a decision matrix of the decision points where there were more than one way of handling that had gained support by the stakeholders. PJM would also update the flowchart with some of the feedback from this meeting. PJM will check with Legal regarding possible tariff issue with regard to sharing of CSP information.

The DRS also reviewed comments submitted by ECS and ECS was supportive of process laid out by PJM because it did not disclose the identity of the CSP with a duplicate registration to the other CSP. The sharing of the CSP identity was proposed in an effort to expedite the duplicate resolution process. ECS indicated that the CSP identity should not be disclosed (ie: don't tell CSP 1 that CSP 2 also has a registration with the same customer) and should be held confidential under the existing PJM OA.

#### **4. DR ADD BACK PROCESS**

PJM outlined the add back rules in effect for 12/13 DY. The load drop used to determine capacity compliance will also be used to determine the add back.

#### **5. CONSIDER FSL ADJUSTMENT ISSUE STATEMENT**

BGE presented 3 proposed solutions regarding a DR FSL adjustment which would allow the FSL amount to go up when weather conditions are hotter than those used to determine the forecast which set the zonal PLC and overall reliability requirement. The DRS had several questions and issues regarding the 3 proposals. The DRS needs to further examine the details of the components. The following are some specific questions/comments: 1) Chart did not appear to include all the emergency events, 2) presentation was focused on HE17 when compliance is averaged over the entire event period window, 3) request to see compliance calculations for each proposal with explicit example that show impact to customer and associated FSL amount, 4) concern regarding administration burden and more clarification around roles and responsibilities, 5) Reliability concerns with only adjusting FSL up but never adjusting down 6) comments about impact on reserves and applicability of FPR factor, 7) core issue regarding with using 50/50 forecast for reliability requirement instead of something more like 90/10 and 8) current FSL approach provide simple static target which is easy to understand for customers.

One stakeholder asked PJM if this issue was already addressed with FERCs order around Capacity measurement and verification (~3 year process). PJM indicated they only reason this is different is to the extent PRD M&V and DR M&V should be reasonably consistent. An FSL adjustment mechanism that is different than the PRD MESL adjustment will quickly get back into what FERC has already decided in the Capacity M&V order. PJM mentioned that it may not a productive discussion (or use of time) if the FSL adjustment looks to recreate the GLD M&V rules that were recently changed.

#### **6. ORDER 745 IMPLEMENTATION UPDATE**

PJM presented an update in Order 745 implementation. The update included details on eMKT tasks, changes with the production release, update on electronic notification and a summary of RT dispatch issues encountered and addressed in the first weeks of post-745 operations. Although provided with the meeting materials, there was no request to review the continually updated 745 draft business rules. PJM mentioned that the next step will be to convert these rules to manual changes and then submit to the stakeholder process for review and approval. It is expected that this will occur at the June MIC.



## 7. FUTURE MEETING DATES

5/29/12	1:00 pm. – 5:00 p.m.	Conference call
7/9/12	1:00 pm. – 5:00 p.m..	Conference call
8/16/12	9:30 am -- 3:30 pm	PJM CTC, Valley Forge

### Anti-trust:

You may not discuss any topics that violate, or that might appear to violate, the antitrust laws including but not limited to agreements between or among competitors regarding prices, bid and offer practices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that might unreasonably restrain competition. If any of these items are discussed the chair will re-direct the conversation. If the conversation still persists, parties will be asked to leave the meeting or the meeting will be adjourned.

### Code of Conduct:

As a mandatory condition of attendance at today's meeting, attendees agree to adhere to the PJM Code of Conduct as detailed in PJM Manual M-34 section 4.5, including, but not limited to, participants' responsibilities and rules regarding the dissemination of meeting discussion and materials.