

4.3.3 Demand Resources

Both Existing and Planned Demand Resources may participate in RPM Auctions, provided the resource resides in a party's portfolio for the duration of the Delivery Year. A Demand Resource is added to a party's portfolio through the creation of a Demand Resource Modification transaction in eRPM. More information on Demand Resource Modification transactions is available in the next section.

Existing Demand Resources are those MWs on a demand resource identified in a pre-registration process in the eRPM system prior to the RPM Auction. The Nominated DR Values (in MWs) associated with end-use customer sites that the Curtailment Service Provider (CSP) has under contract for the current Delivery Year (i.e., end-use customer sites registered in PJM eLRS system for the current Delivery Year)¹ and that the CSP intends to have under contract for the auction Delivery Year are considered Existing MWs. A CSP may request an adjustment to the Nominated DR Value (in MWs) associated with an end-use customer site and used in the determination of a CSP's Existing MWs if the following three criteria are satisfied:

- o The original Nominated DR Value for the end-use customer was determined based on one registration in eLRS.
- o The peak load contribution (PLC) reported in the eLRS registration for the end-use customer is at least 2 MW lower than it should have been due to an anomaly. An anomaly is a condition at the end-use customer site that resulted in significantly low usage that is not expected to occur in the future, such as a lighting strike or a major mechanical failure to an end use device.
- o The CSP provides supporting information including historical load data to support an adjustment to the Nominated DR Value for the end-use customer.

A CSP request for an adjustment to the Nominated DR Value of an end-use customer and supporting information must be submitted via email to rpm_hotline@pjm.com at least five business days prior to the opening of the pre-registration window in the eRPM system for an RPM Auction. PJM will notify the CSP of the approval or rejection of their request prior to the opening of the pre-registration window in the eRPM system for an RPM Auction.

Planned Demand Resources are defined as resources that do not currently have the capability to provide reduction in demand or to otherwise control load in PJM, but that is scheduled to be capable of providing such reduction or control on or before the start of the Delivery Year. Planned Demand Resources are those MWs on a demand resource that the CSP intends to offer in the RPM Auction in excess of the CSP's Existing MWs on such demand resource.

¹ For a Base Residual Auction and a Third Incremental Auction, end-use customer sites registered in the PJM eLRS system for the subsequent Delivery Year may also be considered as existing DR provided the registrations are in "Confirmed" status by specified deadlines established by PJM and communicated to CSPs in advance of the DR Sell Offer Plan submittal deadline.

Planned Demand Resources must establish an RPM Credit Limit prior to an RPM Auction. Credit requests should be made to PJM's Treasury Department at least two weeks prior to an RPM Auction.

A resource provider may offer Demand Resources (Planned or Existing) associated with Behind the Meter Generation for an entire Delivery Year into the Base Residual or Incremental Auctions. If the DR offer clears in an RPM auction for a given Delivery Year, the Behind the Meter Generation cannot be netted from load for the purposes of calculating the Peak Load Contributions for that Delivery Year. Requests for Behind the Meter changes for capacity obligations must be received by PJM by December 1 prior to the start of the Delivery Year as outlined in ***PJM Manual 14D: Load Generator Operational Requirements***.

If offering as a Demand Resource in the Base Residual Auction or Incremental Auction, a sell offer must be submitted in the Base Residual Auction or Incremental Auction. Demand Resources offered and cleared in a Base Residual or Incremental Auction will receive the corresponding LDA Resource Clearing Price determined by the optimization algorithm. However, prior to 2013/2014, if a resource provider cannot provide Demand Resource data on individual LDA basis in a Zone with multiple LDAs, Demand Resources will be paid a Weighted Zonal Resource Clearing Price based on the resource provider's distribution of registered sites in each LDA that are approved before June 1st of the Delivery Year. Effective 2013/2014, resource providers must offer DR resources in the lowest level LDA in order to receive proper payment. No Weighted Prices will be calculated effective 2013/2014.