Demand resource emergency energy measurement and verification

MIC
2/10/16
Stakeholder process background

• Proposed changes approved at 9/23/14 DRS and were scheduled for first read at 10/8/14 MIC

• Proposed changes postponed based pending outcome of EPSA case.
  – DR participation in energy market not clear

• Supreme Court ruling maintain current market rules
  – DR will continue to participate in energy market
Existing Process – Emergency Energy settlements

• Emergency Full DR registrations are compensated for energy load reductions when dispatched by PJM
• Energy load reductions based on:
  – If only an emergency registration then “hour before” event is CBL
  – If there is economic registration at time of settlement submission then use economic CBL

Current rules established to balance administration with load reduction accuracy
• High volume of PJM dispatches
  – 11 days in 13/14 DY
  – $90 million
• DR dispatch during non-summer months
• DR dispatch during early morning hours
• Multiple dispatches in same day
• DR dispatch of several hours
• Hour before CBL methodology is not very accurate (use 1 hour to estimate load)
  – We had issues when used during 2014 Polar Vortex, especially for early morning hours.
• Cumbersome administrative process required if CSP would like to use a different CBL
  – Must go through the economic registration process which requires an EDC review.
• “After the fact” selection of CBL to use for settlements and process used to determine which registrations require settlement.
• Use of max base load economic CBL from economic registration when customer primarily participates in ancillary service market may under represent load reductions.
Solution

• Change emergency energy CBL from “hour before” to default economic CBL
  – 3 daytype (Sat, Sun/Holiday, Weekday) with Symmetric Additive Adjustment
• CSP may use alternative CBL subject to existing alternative CBL rules
• CBL on Economic registration used if economic registration approved prior to event (and is not MBL)
• CSP must validate that customers did reduce load for events outside the mandatory availability window before settlement submission
  – Mass market customer need to either submit all or none based on PJM approval
• CSP should only submit energy settlement if load data also submitted for capacity compliance.

Energy load reduction more accurate and consistent with non-summer CP capacity compliance calculation.