



Capacity Senior Task Force Final Proposal Report

August 21, 2014

Issue Summary

FERC directed PJM under order ER14-822 (DR capacity operational flexibility), to develop a transition mechanism that would allow curtailment service providers that are no longer able to deliver amounts of demand response previously cleared in PJM's capacity auctions because of the new 30 minute lead time requirement to be relieved of part, or all of, their obligation and have their capacity payments commensurately reduced accordingly.

1. Recommended Proposal

Allow CSPs to designate previously cleared MW as non-viable MWs due to rule change (required 30 minute lead time unless qualify for tariff defined exception) 1 week prior to planning parameters. If CSP declares non-viable MWs the CSP's commitment will be reduced by that amount and the CSP capacity revenue will also be reduced accordingly. This is similar process develop for Generation Testing transition process. CSP that declares non-viable MWs may not offer MWs for sale into IA for any product for same Delivery Year. The final details of the IA restriction are being finalized.

2. Alternate 1 Proposal

3. Alternate 2 Proposal

4. Comparative Summary

5. Standing Committee Results

Polling will be done at CSTF before next meeting. To date no one at CSTF has objected to proposed changes and believe there is consensus on everything except final detail of IA restriction. The final detail of IA restriction will be finalized or potentially offered as second proposal.

Appendix I: Proposals Not Meeting the Threshold

Appendix II: Supplemental Documents

Appendix III: Stakeholder Participation

Please see CSTF minutes (5/23, 6/30, 7/18, 8/1, 8/14/14)