M-19 Updates

John Reynolds
Sr. Lead Economic Analyst, Resource Adequacy Planning
Markets & Reliability Committee
September 28, 2017

Summary of Changes

- Revision to the method used to forecast Price Responsive Demand, making it consistent with the current Demand Response forecast method, and associated DR forecast change.
- Conforming changes to clarify when load drop estimates are produced and the definitions of calculations used, stemming from transition to Capacity Performance.
- Miscellaneous revisions as a result of the periodic review of the Manual. None of these impact current processes.

PRD Forecast

Because there has been no cleared Price Responsive Demand previously, the forecast will initially be based on one year's cleared PRD. Over time a three-year average of cleared PRD will be developed, making the PRD forecast consistent with the treatment of DR.

For Price Responsive Demand (PRD), forecasted values for each zone on or after Delivery Year 2020/21 are computed based on the procedure below. The forecast is based on the amount of Cleared PRD in Base Residual Auctions on or after Delivery Year 2020/21. The PRD forecast for Delivery Years prior to 2020/21 shall be equal to zero because no PRD has cleared in those years' Base Residual Auctions.

1. Compute the final amount of Cleared PRD for the most recent three Base Residual Auctions targeting Delivery Years 2020/21 or afterwards. Express the Cleared PRD amount as a percentage of the zone's 50/50 forecast summer peak for the corresponding Delivery Year from the most recent PJM Load Forecast Report.

2. Compute the most recent three year average Cleared PRD percentage for each zone. If there is less than three years' worth of Cleared PRD data, compute the most recent one or two-year average Cleared PRD percentage.

3. The PRD forecast for each zone shall be equal to the zone's 50/50 forecast summer peak multiplied by the corresponding result from Step 2

DR Forecast

For Demand Resources (DR), forecasted values for each zone are computed based on the following procedure. The forecast is based on the PJM final summer season Committed DR amount, where the Committed DR means all DR that has committed through RPM, Base Residual Auction and all Incremental Auctions, or a Fixed Resource Requirement plan.

The forecast for new DR products will be phased in over three years, using committed DR.

To prevent double counting, the DR forecast will be adjusted for PRD that was previously a DR resource.

3. The DR forecast, by DR product, for each zone shall be equal to the zone's 50/50 forecast summer peak multiplied by the corresponding result from Step 2 minus the amount of the PRD forecast (described below) that in previous years committed as a different DR product.

Load Drop Estimates

Requirements for Production of Load Drop Estimates

Reason for Load Drop		PJM-Initiated Emergency or Pre-Emergency Event or CSP-Initiated Test	Economic Event	EDC- or CSP-Initiated Event
Program Registration	Emergency/Pre-Emergency Full (DR) or Emergency/Pre-Emergency Capacity Only (DR)	Load Drop Estimates must be produced for any interruptions that occurs during a product-type registration's required availability window set forth in PJM Manual 18 or any interruption outside the required availability window for which such registration received Bonus MWs in the Performance Assessment Hour ~~from June 1 through September 30~~.	Load Drop Estimates must be produced for any settled interruptions ~~from June 1 through September 30~~.	No Load Drop Estimates required.
	Emergency Energy Only	Load Drop Estimates must be produced for any interruptions during Emergency/Pre-Emergency hours ~~from June 1 through September 30~~.	No Load Drop Estimates required.	No Load Drop Estimates required.
	Economic	No Load Drop Estimates required.	No Load Drop Estimates required.	No Load Drop Estimates required.

In the transition to Capacity Performance, addbacks are done based on the resource's program registration.

Stakeholder Review Schedule