

# DRS Proposals: Load Management Product specific dispatch & sub zonal dispatch

MC

1/26/2012

- PJM may dispatch Annual DR and Extended Summer DR **prior to Limited DR** to reserve Limited DR capability for other potential system emergencies based on following schedule:

Period	# of zonal (all Load Management products) events
Before 7/1 of DY	2
Before 8/1 of DY	4
Before 9/1 of DY	7

- Weighted average revenue rate will reflect weighted average revenue for product(s) dispatched
- Event penalty billing for Extended and Annual product will occur after Delivery Year because PJM needs to know # of events to bill the penalty

- Current market rules allow zonal, lead time and sub-zonal dispatch
  - DR must respond or receive event penalty
    - DLC requirement based on operational capability (PJM coordinates directly with CSP)
  - DR that was not required to respond must perform mandatory test
- Successful implementation sub-zonal dispatch:
  - State by Zone implementation in summer 2010.
    - Penalties assessed for non-performance
  - Collection of Zip codes implemented in summer 2011.
    - Event was in May prior to compliance period (no penalties)
- PJM worked with stakeholders and published operational procedures to ensure transparent process

# Sub zonal dispatch Proposal – 12/13 and 13/14 DY (change from mandatory to voluntary approach)

- Change existing sub zonal dispatch rules to the following:
  - If DR is dispatched on sub zonal basis it will respond on a voluntary basis and no performance penalties will be assessed
  - DR that is dispatched on a sub zonal basis and that responds with amount equal to or greater than nominated amount will not be required to test.
- Maintain the following existing rules
  - DR paid for energy based on higher or full LMP or strike price plus shutdown cost (make whole payment)
  - Subzones will continue to be based on zip codes (instead of pnode)
  - Dispatch will be done by registration instead of underlying location for simplicity.
  - DLC only required to respond where there is operational capability. PJM to coordinate with associated CSP.
- PJM and CSP to implement electronic notification in addition to ALL CALL
  - PJM to include list of registrations in the notification to CSP to facilitate CSP notification of customers.

This is based on MRC endorsed alternative proposal

- Revert back to existing market rules
  - If DR is dispatched it must respond or receive emergency event penalty
  - If DR is not dispatched it must test
- Event penalty only applies if PJM establishes subzone prior to operating day.
  - PJM to provide advance notice as possible if new subzone may be utilized.

- Product definitions
- Product requirements
- Sub zonal dispatch – current compliance process
- Sub zonal dispatch – current test process

- Effective with the 2014/2015 DY, a load management resource (i.e., demand resource) may be one of three product types:
  - ❖ **Limited Demand Resource**
  - ❖ **Extended Summer Demand Resource**
  - ❖ **Annual Demand Resource**

Requirement	Limited DR	Extended Summer DR	Annual DR
Availability	Any weekday, other than NERC holidays, during June – Sept. period of DY	Any day during June-October period and following May of DY	Any day during DY (unless on an approved maintenance outage during Oct. - April)
Maximum Number of Interruptions	10 interruptions	Unlimited	Unlimited
Hours of Day Required to Respond <i>(Hours in EPT)</i>	12:00 PM – 8:00 PM	10:00 AM – 10:00 PM	Jun – Oct. and following May: 10 AM – 10 PM Nov. – April: 6 AM- 9 PM
Maximum Duration of Interruption	6 Hours	10 Hours	10 Hours
Notification	Must be able to reduce load when requested by PJM All Call system within 2 hours of notification, without additional approvals required		
Registration in eLRS	Must register sites in Emergency Load Response Program in Load Response System (eLRS)		
Event Compliance	Must provide customer-specific compliance and verification information within 45 days after the end of month in which PJM-initiated LM event occurred.		
Test Compliance	In absence of the PJM-initiated LM event, CSP must test load management resources and provide customer-specific compliance and verification information.		

- Number of events used to determine event multiplier based on number of events the registration has been dispatched
  - PEPCO DC dispatched twice
  - PEPCO zone dispatched once
  - 33% for PEPCO DC registrations (since they were actually dispatched 3 times) and 50% for non DC PEPCO resources (since they were actually only dispatched once and need to take min of 50% or 1/# events)
- Sub-zonal commitment based on registrations that were dispatched:
  - ILR = nominated capacity of registrations dispatched
  - DR = DR commitment \* (nominated value of DR registrations dispatched/Total nominated value of DR registrations in zone).
  - CSP may not use other zonal registrations to substitute sub-zonal registrations that are dispatched.
  - Registrations dispatched based information submitted by CSP for location in eLRS.
    - PJM will use zip codes in eLRS just prior to event to determine exactly which registrations are required to respond.

- If registrations not dispatched then still required to perform annual test.
  - For example in 2010:
    - APS (WV, VA and MD) dispatched and therefore not required to Test
    - APS (PA) NOT dispatched and therefore required to Test
      - If test already conducted it is not necessary for CSP to submit the results.
- Sub-zonal commitment based on registrations that were NOT dispatched:
  - ILR = nominated capacity of registrations NOT dispatched
  - DR = DR commitment \* (nominated value of DR registrations NOT dispatched/Total nominated value of DR registrations in zone).
  - CSP may not use other zonal registrations that were dispatched to substitute registrations that are required to test.