

DRS Proposed changes for DR in regulation market

MRC

January 26, 2015

- MIC approved charge to investigate 3 specific regulation issues:
 - Allow more flexibility for multiple PJM Members (CSP) to represent the same customer in PJM markets
 - Allow equipment specific load data for regulation compliance
 - Review and consider changes for regulation aggregation rules for participation, bids, AGC signal and compliance

Expand opportunities to have multiple CSPs to facilitate DR regulation market participation

- Current process is modeled similar to a generator
- Stakeholder key identified issues:
 - Customers that want to participate in Regulation can not if:
 - current CSP does not offer opportunity
 - current CSP with Emergency registration not willing to forgo potential emergency energy revenue & register as Capacity Only
 - Increase resources & competition in regulation market
 - Ensure DR participation is effectively administered and avoid undue complexity

Current rules only allows 2 CSPs when 1 manages economic activity (energy & AS) and other manages Emergency Capacity Only

Economic Reg Only CSP

- Allow separate CSP to provide regulation

Emergency & Economic CSP

- Fully responsible for capacity and energy (no SR/DASR participation)

This will expand current customer opportunities to participate in AS markets
-80% of MIC endorsed this proposed change-

- Regulation load data may be based on equipment specific load data (instead of load data for entire facility)
 - This will allow PJM to measure response to regulation signal when equipment load is small relative to total facility load
- Create a new Economic Regulation Only registration which does not require LSE approval
 - This will allow CSP to aggregate more locations onto a registration to reach 100 kw minimum requirement
 - Simplifies administration in competitive retail market where LSEs may change frequently

-71% of MIC endorsed this proposed change-