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## FIRST 'SMALL SCALE' DEMAND-SIDE PROJECTS IN PJM PROVIDING FREQUENCY REGULATION

*New PJM Rules Open Market to Smaller-Scale Demand-Side, Distributed Technologies*

(Valley Forge, Pa. – Nov. 21, 2011) – [PJM Interconnection](#) today received the first frequency [regulation services](#) from small-scale demand resources under new rules allowing smaller projects to participate in PJM's Regulation Market. The two western Pennsylvania projects use diverse technologies.

To provide regulation service to PJM, demand resource provider Enbala Power Networks uses water pumps at a wastewater treatment facility in Washington County, Pa., adjusting its water pumps up or down to match PJM's regulation signal. The other project from Viridity Energy uses building load and a behind-the-meter battery in New Castle, Pa. The battery responds to the PJM signal—either charging or discharging as appropriate.

"We've long seen the value of demand-side resources in our markets, so expanding the opportunities for demand response to participate in the regulation service market makes sense and offers a faster and potentially more accurate response," said Andrew L. Ott, PJM senior vice president – Market Services. "Our new minimum level for participation allows demand-side resources and other innovative technologies to cost-effectively enhance grid reliability."

Regulation service corrects for short-term changes in electricity use that might affect the stability of the power system. It helps match generation and load and adjusts generation output to maintain the desired frequency. Previously, system operators have relied on flexible generating resources to vary output to balance system frequency.

In October, the Federal Energy Regulatory Commission [approved](#) rule changes that reduced the minimum required amount of resources to 100 kW, from the previous minimum of 500 kW.

*PJM Interconnection, founded in 1927, ensures the reliability of the high-voltage electric power system serving 58 million people in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia. PJM coordinates and directs the operation of the region's transmission grid, which includes 61,000 miles of transmission lines; administers a competitive wholesale electricity market; and plans regional transmission expansion improvements to maintain grid reliability and relieve congestion. Visit PJM at [www.pjm.com](http://www.pjm.com).*

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