



Load Management Task Force (LMTF) Minutes from 3/26/10 meeting

Charter

The LMTF primarily discussed the addition of 4 items to the Charter. There was consensus to add all 4 items to the Charter. Please note the addition of an item to the Charter simply means there will be a discussion regarding a detailed future proposal at the group – it does not mean the group will endorse changes.

Work plan

The work plan was updated to reflect new items on the Charter and additional time required to finish discussion on guaranteed load drop measurement and verification.

Meter malfunction

There is consensus support for the business rules.

M&V for Guaranteed Load Drop

The LMTF discussed whether or not it is appropriate to require the GLD method to be selected at the point of registration. PJM emphasized this will help address the issue of a CSP calculating performance based on multiple methods and then simply picking the most advantageous method instead of the most accurate method. Further, that the CSP should already understand the load that has been contracted and how much will be reduced. Some CSPs felt they will not know which method is accurate until after the test is conducted. PJM emphasized that the required test (assuming no event occurs) does not determine accuracy since the method should estimate what the load would have been absent the test and the best way to do that is to “back test” against days where the load was not reduced. One CSP was concerned with the compressed ILR deadline and PJM indicated a potential solution would be to allow ILR registration to change GLD method prior to start of the delivery year to allow additional time but still require the method to be locked in before the delivery year.

The LMTF also discussed the provision added by PJM based on a member suggestion at the prior LMTF to cap over compliance by end use customer at the PLC. This change will address the issue where a customer that has managed their PLC down in the prior summer does not receive double credit for their activity. For example, if a 10 MW end use customer does a great job at managing their PLC down to 0.1MW and then the CSP nominates the end use customer for 0.1MW of capacity they should not be allowed to receive credit for a 9.9 MW reduction within their portfolio since the end use customer already received this credit in the form of a low PLC. This is consistent with the way the GLD nominated capacity is determined and with the way FSL nomination and compliance works. Some members disagreed with this approach and



felt the example outlined above was a perfectly reasonable outcome and that the entire current construct regarding PLC should be examined.

The LMTF discussed the PJM proposed approach to Comparable Day calculation. Members all agreed with approach to make more objective and transparent but could not agree with specific mechanics. Members outlined different issues with PJM approach and one CSP indicated this is the exact reason why the economic CBL in conjunction with one of the existing adjustments is the best approach. Further, that other ISOs/RTOs have all dropped this approach due to the shortcomings of trying to pick just one day to represent what the load would have been. PJM emphasized it will be infeasible to have the comparable day approach contain all the possible logic to model all the different loads – if members would like to account for these variations the current economic CBL coupled with one of the adjustment mechanisms does a much better job (accuracy, bias and variability). Issues mentioned include: load reduction done in response to price when on an index retail rate, potential load reduction in response to Act 129 in PA, use of THI instead of temperature and impact on existing commercial contracts. PJM indicated it is a violation of the current rules to pick a comparable day based on hot weather where the test event has significantly milder weather since this will show a reduction when no actions to reduce load were taken by the customer. Several stakeholders indicated they will provide alternative proposals at the next LMTF.

The LMTF briefly discussed the PJM proposed Same Day calculation. The group discussed whether or not to simply eliminate due to potential overestimation issue when load is ramped up right before the event/test for actions such as pre-cooling a building. One member indicated it is currently consistent with the way emergency energy is paid and another indicated they do utilize this approach but would like to use hours before and after the event. PJM indicated concern with using hours after the event since AC load may have rebound effect. One stakeholder indicated they will bring a proposal to the next LMTF.

System Changes

This item was pushed to next meeting due to lack of time.