Can Demand Resources be used in Duke’s FRR plan?

Yes – CSP needs to contact Duke to determine specific arrangements. Demand Resources used for 12/13 Delivery Year and forward will need to comply with all associated PJM requirements. Demand Resources may also be used for the 1/1/12 through 5/31/12 (“Partial Year”) subject to the following:

1) CSP must contact RPM team and request set up of RPM resource in eRPM and must designate the amount of available installed capacity through the submittal of a DR Modification. Once the DR Mod is provisionally approved, the CSP may transfer the available capacity to Duke for use in Duke’s partial 11/12 DY FRR Capacity Plan. The resource must be transferred to Duke through a unit-specific capacity transaction in eRPM system from January 1, 2012 to May 31, 2012 prior to the start of the 2011/2012 DY. Once the resource is transferred to Duke the CSP has made a firm commitment for the entire 2011/2012 DY.

2) CSP registers DR in eLRS and gets approved by EDC, LSE and PJM before 6/1/2011. CSP must also link registrations to a Duke FRR Capacity Plan DR resource. The total nominated capacity value on registration(s) linked to a Duke FRR Capacity Plan DR resource must be equal or greater than ICAP amount transferred to Duke for such DR resource to avoid penalty.

a) CSP must have contract/agreement with all locations on any registration (normal process)

b) CSP submission of registration in Duke zone will certify that location has been approved as LMR in MISO to offset an LSE obligation as a designated Planning Resource Credit and will be committed through 12/31/11 to MISO for LMR. Further, nominated capacity amount will be based on PJM protocol.

i) Duke will need to provide estimated PLC based on prior summer’s activity (summer 2010) for each location to support the DR registration process in eLRS for the Duke zone.

ii) Effective 1/1/12 resources located in Duke zone are required to fulfill all Demand Resource requirements under the PJM rules. Resources located in Duke zone will be considered committed to PJM from 1/1/12 through 5/31/12 and committed to MISO from 6/1/11 through 12/31/11.

iii) Resources located in Duke zone will not be required to perform a test under PJM requirements and therefore not subject to a PJM test penalty. CSP will send MISO test results to PJM for review.

iv) Measurement and verification for 6/1/11 through 12/31/11 will be done based on MISO protocols and coordinated with MISO. Effective 1/1/12, any necessary measurement and verification will be done based on PJM protocols and coordinated with PJM.

c) CSP that registers DR in other PJM zones has a commitment effective 6/1/2011 – 5/31/2012 and such registrations will be required to respond to emergency events or test if no event is called during the summer 2011 period (June –September).
i) Penalties for non-performance will apply

3) CSP may sell a Duke FRR Capacity Plan DR resource not located in the Duke zone for use as replacement capacity from 6/1/2011 through 12/31/2011 or keep as resource within CSP’s portfolio – CSP will maintain commitment through summer period.

4) Compliance notes

If a CSP has RPM DR resource and Duke FRR Plan DR resources registered in the same zone, they will be responsible for testing all sites at the same time. Compliance will continue to be netted by zone, however because the penalty rate is different between RPM and FRR, the resulting shortfall will be allocated pro-rata to registrations contributing to the shortfall.

For example, if the net performance in a zone is under compliant, the shortfall will be allocated to all registrations that under-complied. Similarly, if the net performance in a zone is over compliant, the shortfall will be allocated to all registrations that over-complied.

The individual registration allocated shortfalls will be netted by resource (RPM or Duke FRR) to determine the associated RPM or FRR penalties. RPM penalties will be billed by PJM, FRR penalties will be assessed by Duke.