

Demand Side Response in the Synchronous Reserve Market

Operating Committee
August 7, 2012

The current PJM tariff limits:

- The amount of DR to 25% of the total amount of each Ancillary Service (day ahead scheduling reserves, synchronized reserves, regulation) requirement.
 - The amount of batch load DR resources to 20% of the Synchronized Reserve Requirement
 - Currently only the SR market is seeing participation near the 25% cap
-
- **Tariff and Manual References**
 - 25% DR Limit for SR:
 - Manual 11: Sections 3.2.7, 4.2.9, and 11.2.2
 - 20% Limit on Batch Load Resources:
 - Tariff: Attachment K – APPENDIX, Sections 1.5A.8, 3.2.3A, 3.2.3A.01
 - Manual 11: Section 4.2.9 and 11.2.2

- SR Performance Data was reviewed in the June and July Operating Committee Meetings
- Performance data indicated a portion of DR receiving Tier 2 assignments did not submit meter data
 - Lack of meter data results in 0 MW compliance, penalty assessed for >10 minute events
 - Concern lack of meter data could alter the overall performance rate of DR

	Issue	Proposed Change
1	DR performance not clear due to lack of load data provided by CSP	DR load data submission required by CSP for all SR events. Non-compliance results in investigation and possible exclusion from SR market
2	CSP may not upload load data because of communication issue	PJM to post all SR events on pjm.com within 1 business day. CSP load data submission deadline extended from 1 business day to 2 business days
3	DR is limited to providing 25% of SR Requirement and qualified resources may be excluded from market	Re-evaluate threshold after one year to determine impact of requiring data submission
4	Batch Load Resources limited to providing 20% of SR requirement	No proposed action, limited number of resources to evaluate. Re-evaluate when Batch Load Resource participation close to threshold