

CPower CIPF Comments –

DR participation in Reliability Backstop Process

Design elements

- Element 8 – Product Term
- Element 11c – DR Eligibility
- Element 18a - Replacement

PJM's Proposal needlessly precludes participation of viable capacity from DR in the backstop auction. The requirement for a 15-year term with locations and contracts, combined with the prohibition on replacement activity is not a framework that end use customers will sign up for.

However, shorter, near-term durations are viable. Developers and customers are engaged in construction of generators behind customer load meters and are seeking ways to justify more of these smaller resources. These can be built on shorter timeframes than large generators. Since many generators may need years to achieve in-service status, PJM can expect that the early years of the RBA may not be fully subscribed. Demand Response can fill this gap.

Recommendation:

Revise DR eligibility requirements to enable DR offers of 2 to 5 years for the first 5 years of the RBA window. These could be stand alone or matched with a generator with a later in-service date.

Proposed change:

Element 11c

New Annual Demand Resources and DER Capacity Aggregation Resources are eligible, with locations that have not previously participated in PJM's RPM or new demonstrated capability from generation or storage at a previous site. DR Sell offer for the RBP would be required to provide identified locations & contracts of participating assets for length of fixed 15 year term, **or for 2 to 5 years for the first 5 years of the RBA window**. Stringent gating criteria will be applied to ensure site-specific viability (no "marketing plan" projects).

The No replacement rule undermines DR aggregation principles and flies in the face of customer flexibility to change DR providers.

Recommendation:

Permit replacement registrations for DR locations.