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Draft For Discussion: Load Adjustment Request Implementation

PJM Resource Adequacy Planning Department
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Contents

Introduction and Overview

This document describes PJM's approach to implementation of load adjustment request submissions. Manual 19: Attachment B.

Methodology

PJM does not specify a particular methodology for forecasting large loads. Electrict Distribution Companies ("EDCs") or Load Serving Entities ("LSEs") may utilize historical data and/or experience to develop a statistically derived large load forecast that accounts for existing agreements, binding obligations under tariffs, as well as timing and likelihood of large load additions.

Demand vs. Capacity

The adjustment request should be provided in both capacity and demand values, and clearly labeled in order for PJM to have an indication of both concepts for the request. The long-term load forecast is a demand forecast so PJM will be using demand adjustments in the forecast. In the event a request is received only in capacity terms, PJM will apply a factor to convert that to expected demand. This factor would be based on observed historical data either in the requestor's area or elsewhere in PJM in the event that no data is available to try and best approximate this relationship. If an EDC or LSE can provide supporting data that demonstrates a higher factor, PJM will take it into consideration.

Rates and Agreements

Document and quantify the amount of load in each category.

Electric Service Obligation (ESO): The ESO reflects a binding commitment by a prospective retail customer to construct and operate facilities that will use electric services provided by the electric service provider in accordance with the forecast load. That customer obligation may be reflected in different forms, including but not limited to a contract between the customer and the EDC/LSE or in rates, terms, and conditions of service approved by a Relevant Electric Retail Regulatory Authority (RERRA) that control the relationship between an electric service provider and an end-use retail customer. The ESO should reflect a commitment to pay the charges associated with the requested load and can also outline the scope of work, fees, termination, and other relevant information.

Construction Commitment: (CC) A construction commitment is a legal obligation that a public utility must discharge in furtherance of its obligation to serve all load and involves constructing transmission system facilities necessary to serve both load being added by an end-use customer as well as existing load in a manner that continues to ensure safe, adequate and reliable service to all customers. Alternatively, a construction commitment could provide indication that corresponding work is in the public utility's capital project plan. It may describe what will be done, how it will be executed, and if there is any associated payment by an end-use customer.

Where there are other agreements between the EDC/LSE and the customer (e.g., an engineering study agreement, a construction agreement) or obligations of the EDC/LSE under filed rates (e.g., an obligation to study once a deposit is paid) the reporting EDC/LSE should describe what the specific agreement or obligation entails.

For large load coming online in 3 years or less: for those load projects that have the construction commitment or agreement to permit connection of the load within the electric service provider's territory, this load will be considered for inclusion in the PJM forecast.

For identified projects coming online in **more than three years but less than eight years**, arrangements without construction commitments will be considered for inclusion in the PJM forecast. These projects should either have cleared demonstrable project milestones to be considered certain or be de-rated by some amount to reflect its greater uncertainty. Load projections will be considered if information including, but not limited to, the following is shared: site control, financial commitments, offer certification, long-lead procurement, state support for the anticipated load growth and associated transmission upgrades. Requestors should provide a probability factor with supporting documentation, such as analysis showing that X% that have reached a threshold proceed to construction and materialize in actual metered load. Absent a EDC/LSE provided probability factor, PJM will use a *default factor of [50%[1]] probability* of projected loads in this horizon coming online.

For trends **eight years and beyond**, it is not expected that there will be a clear line towards future potential projects. Requestors may include additional load based on expected agreement flows or other extrapolation techniques, and should be prepared to explain.

	Electric Service Obligation	Construction Commitment	Other **with** EDC/LSE Supplied Probability Factor**	Other **without** EDC/LSE Supplied Probability Factor***		
EDC/LSE Total Capacity						
Near Term (< = 3 years)	300	200	100			
Mid-Range (4 - 8 years)		100	300	200		
Long-Range (> 8 years)			500	1000		
	300	300	900	1200	2700	**Total Requested Capacity**
PJM Accepted Capacity						
Near Term (< = 3 years)	300	200	75			
Mid-Range (4 - 8 years)		100	225	100		
Long-Range (> 8 years)			375	500		
	300	300	675	600	1875	**Total Accepted Capacity**
			** 75% EDC/LSE supplied probabilty	*** 50% PJM default probability		
PJM Accepted Demand						
Capacity to Demand Factor of 70%* applied	210	210	472.5	420	1312.5	**Total Accepted Demand**

NOTE: All percentages other than the default are for illustrative purposes only

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[1] NOTE TO DRAFT: PJM INVITES AND ANTICIPATES STAKEHOLDER ENGAGEMENT ON THIS POINT IN THE DRAFT

Financial Commitment

Document and quantify the customer's financial responsibility for each category. This may align with the Rates and Agreement section above or be reflected in the capital project plan of the requesting EDC/LSE.

For example:

- Under the ESO, the customer follows a "take or pay" model, which would obligate the customer to pay $X or X% of potential energy.
- Under the CC, the customer has paid $X for studies and is under obligation for construction costs for system upgrades.
- For other agreements, the customer pays $X for initial studies or has made non-refundable deposits of $X.

Size

50 MW or greater is the default threshold for requests.[NOTE TO DRAFT: NERC is actively discussing a definition that may impact this threshold. Further stakeholder engagement invited.]. Note that this size amount is tied to the fact that these large load adjustments are meant to capture trends that are not captured in the model and will ultimately be used to justify decisions to build. If an EDC or LSE believes a request below 50 MW is necessary PJM will consider on a case by case basis.

Ramp Rates

Document the amount of time expected for the customer to ramp up to full demand. Ramp rates are crucial in managing the speed of large changes in power demand and supply, ensuring stability in the grid.

Requestors should provide a ramp rate with supporting documentation. Absent a EDC/LSE provided ramp rate, PJM will use a default 3 year ramp rate.

Supplemental Projects

Include links to any supplemental projects that have been reviewed at TEAC meetings. Be sure to include the need number.

For example:

- The [MONTH.DAY.YEAR] TEAC meeting – need number [INSERT] ties to data center load adjustment request in [TO Zone].