



# Load Management and PRD Review

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# Demand Response Opportunities in PJM Wholesale Market

Wholesale Service	Demand Response (DR)	Price Responsive Demand (PRD)	Peak Shaving Adjustment (PSA)	Distributed Energy Resources (Order 2222)
Capacity	Yes	Yes	Yes	Yes
Energy	Yes			Yes
Secondary Reserves (30 min)	Yes			Yes
Synchronized Reserves (10 min)	Yes			Yes
Regulation	Yes			Yes

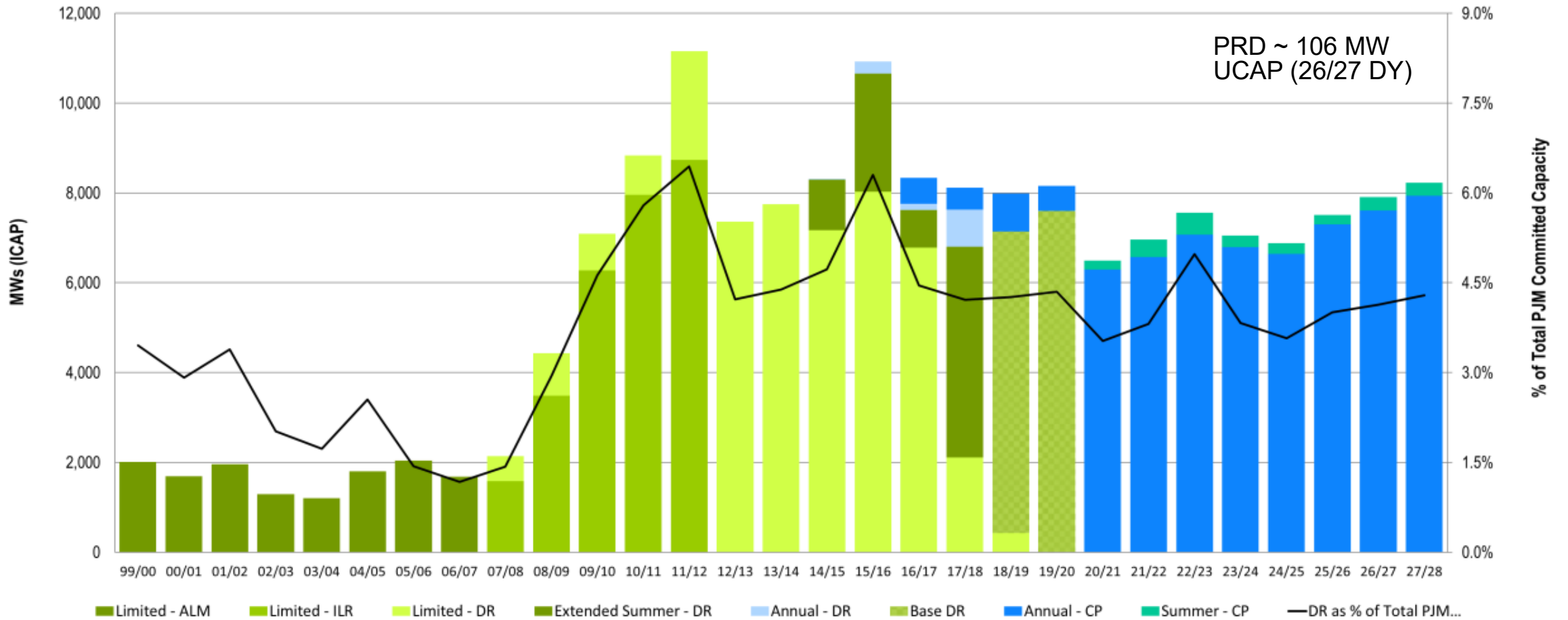
**Economic DR**  
**Load Management (Emergency DR)**

Work in progress

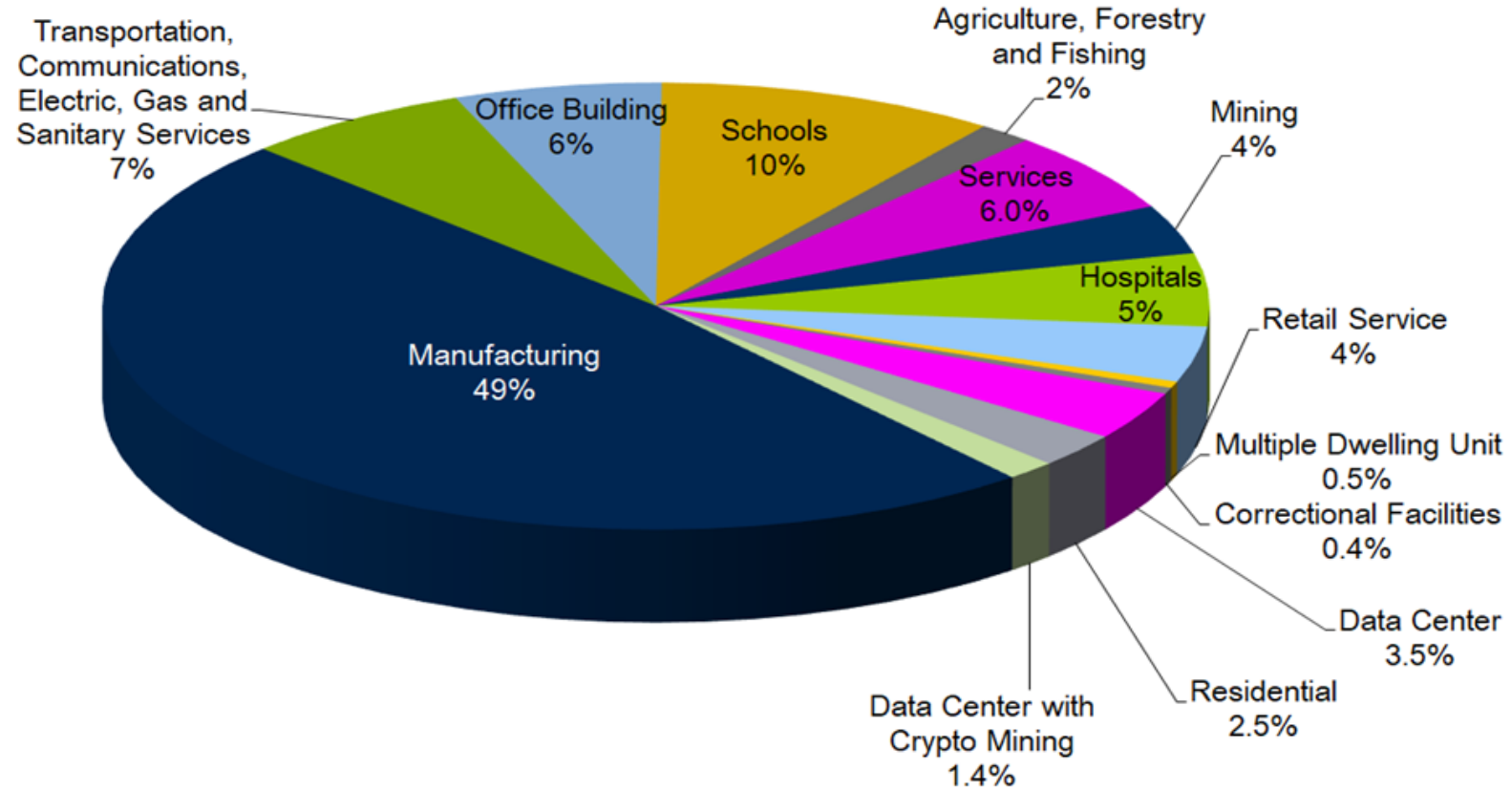
DR is another type of resource that competes to provide (or reduce need for) wholesale market service



# DR evolution and capacity commitments over time



# Business segments that provide capacity



Majority of DR is provided by Curtailment Service Provider that is not the EDC or LSE

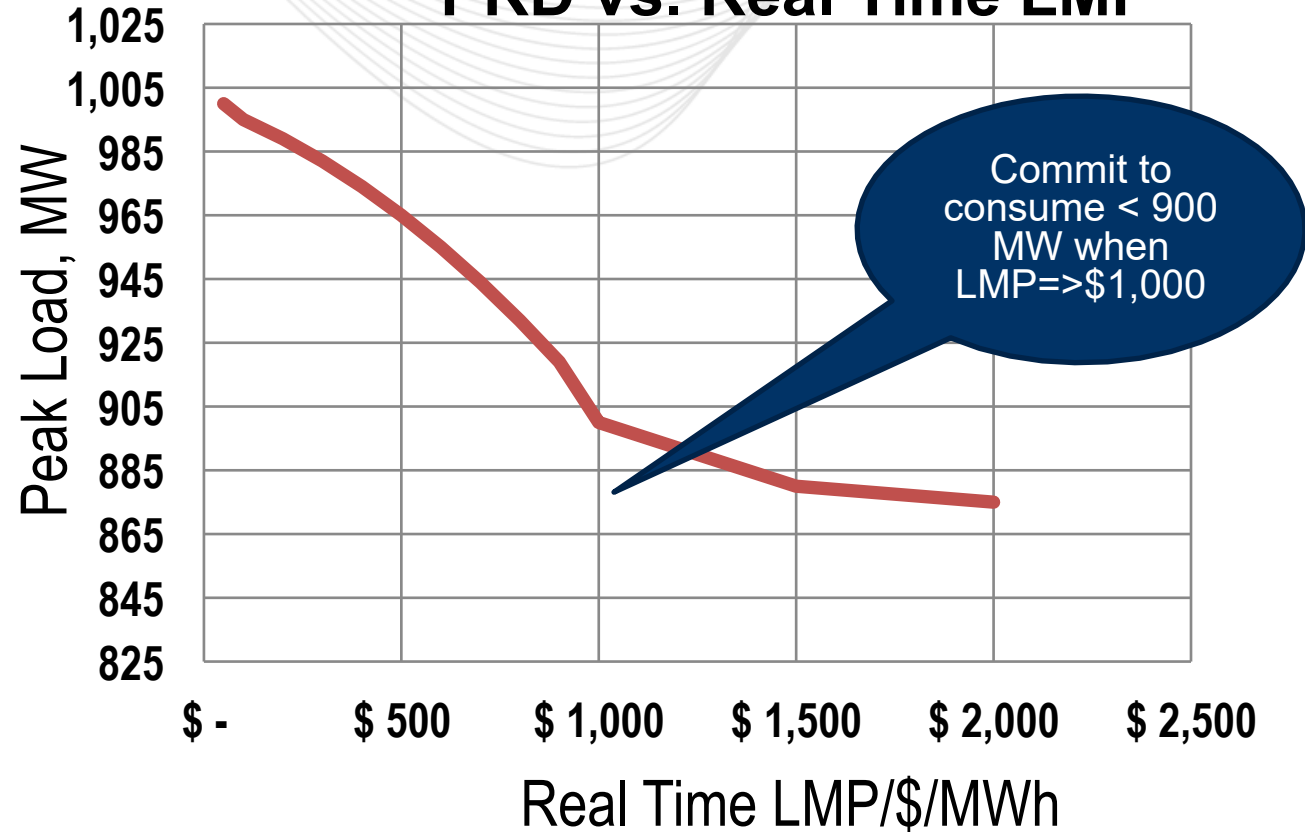
# Load Management (Capacity and Energy) requirements

- Load Management = Emergency DR + Pre-emergency DR
  - Emergency DR = behind the meter generator with permit that requires an EEA2 to be issued in order to operate
  - Pre-Emergency DR = everything except Emergency DR
- Offer in auction up to 3 years in advance similar to all other capacity resources
- Load must be reduced within 30 minutes unless it qualifies for an exception (60 or 120 minutes)
  - Safety, potential damage, generation startup
- Availability - Load reductions must be available in all hours
- Each location (retail electricity customer) must be registered.

# Load Management (Capacity and Energy) requirements

- Load must be at or below a firm service level (“FSL”) after lead time when dispatched by PJM or receive penalty
  - Capacity "Load reduction" based on peak load contribution (“PLC”) assigned by utility in the summer and Winter Peak Load (“WPL”) in the winter
- Required to report retail time Expected Load Reductions to help PJM dispatch decisions
- Performance is measured based on sum of CSP capacity load reductions in emergency action area
- Paid for energy based on LMP and offer price.
  - Load reduction based on expected real time load (customer baseline or “CBL”) minus load
- Required to test if not dispatched by PJM (if short then issued a penalty)
  - PJM initiated 2 hour test (effective 6/1/23)
- Hourly metering by location (premise)

### PRD vs. Real Time LMP



Price Responsive Demand (PRD) – load that will automatically respond to energy prices and be off the grid during PJM emergency in exchange for a reduction in the capacity requirement.

- Dynamic retail rates
- Supervisory Control (remote control to reduce load)
- Registrations by EDC account number by pnode
- Capacity Revenue based on Final Zonal Clearing Price (not BRA clearing price)
  - No energy revenue
- Submission of PRD curves
- Penalties (commitment, PAI and test)
- PRD commitments can only be replaced by other PRD commitments

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## Load Management and PRD Review



### Member Hotline

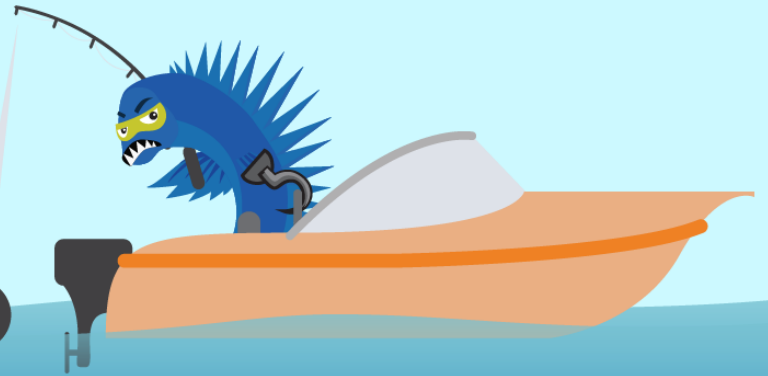
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