

# Parity Between DR/DER and Other Supply for BYONC in CAM

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CAMSTF MEETING: 5/7/26



# Introduction

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We strongly support the inclusion of demand response as eligible supply in the Connect and Manage BYONC framework

Demand response and DERs can be deployed quickly and provide real flexible capacity in the near-term. These assets should be treated comparably to other supply in the CAM framework

Asset-backed demand response and DERs require similar investment as front-of-the-meter generation



# Executive Summary

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**Issue #1:**  
Continuous  
Demonstration

DER/DR supply should have the same obligations as other BYONC supply under the Connect and Manage proposal and should not be required to demonstrate UCAP after the initial delivery year.

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**Issue #2:**  
Clarifications on  
Portfolios and  
Partial BYONC

There are important clarifications that need to be made to ensure (1) portfolios of supply resources are counted as BYONC and (2) BYONC can partially cover a Connect and Manage obligation

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**Issue #3:**  
DR/DER  
Eligibility

Expansions and reactivations at existing or past DR/DER locations should be eligible supply for BYONC, consistent with eligibility for uprates and repowering for other types of supply

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# Issue #1a: Continuous Demonstration for DR/DERs

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We strongly support the initial year check of UCAP for determining BYONC quantity

- Knowable, clearly-defined criteria for determining BYONC and Connect and Manage risk creates stronger bilateral opportunities

Generation and storage are evaluated based on UCAP in year 1 and subject to must offer requirements in all future years

- Must offer requirements for storage and generation are based on installed capacity not UCAP

PJM is proposing that DR/DER be evaluated based on UCAP in year 1 but then demonstrate equivalent UCAP in all subsequent years because DR/DER does not have a must-offer requirement

- Exposes load to Connect and Manage risk if DR/DER ELCC declines

**Proposed Solution:** To maintain DR/DER BYONC quantity, DR/DER must offer the initial delivery year installed Capacity (not UCAP) into future auctions, consistent with storage and generation must-offer requirements.

# Issue #1b: Continuous Demonstration and Contract Terms

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PJM has not prescribed the length of a BYONC contract

- PJM has indicated that contracts for BYONC could be for as short as one-year

However, PJM has proposed that BYONC DR/DER be required to offer into the market for the perpetuity of the load

- PJM has not imposed the same requirement on generation and storage. Generation and storage expected to offer for their full useful life, independent of the expected life of the load

**Option 1:** To maintain BYONC quantity, supply (DR/DER, generation, and storage) must offer ICAP into future auctions for the duration of the contract, otherwise load is subject to Connect and Manage.

**Option 2:** To maintain BYONC quantity, supply (DR/DER, generation, and storage) must offer ICAP into future auctions for the duration of the contract, otherwise load is subject to Connect and Manage.

Require a minimum contract term for all BYONC supply (e.g. 5-10 years).

# Issue #2a: Clarifying Eligibility for Portfolios of Supply

Our understanding is that PJM has indicated that this would be allowed under their proposal

Expect that large loads, particularly very large loads, will seek to use a portfolio of resources to BYONC

We are proposing specific language in the solution options/proposal packages to capture this concept (see solution options slide)

Example		
Load (+ FPR%): 100 MW		
Generator A	Generator B	Demand Response
ICAP: 50 MW	ICAP: 50 MW	ICAP: 50 MW
UCAP Year 1: 25 MW	UCAP Year 1: 40 MW	UCAP Year 1: 35 MW
Total BYONC Quantity: 100 MW		
Total CAM Allocation: 0 MW		

# Issue #2b: Clarifying Eligibility of Partial Connect and Manage

Our understanding is that PJM has indicated that this would be allowed under their proposal

Some loads may not be able to or may not seek to BYONC for their entire load obligation

Large loads should still get credit for partially bringing supply through BYONC to reduce the EDC's allocation of connect and manage obligation

Large loads would still have the opportunity to introduce additional UCAP in a subsequent Delivery Year to cover their CAM-exposed load

We are proposing specific language in the solution options/proposal packages to capture this concept (see solution options slide)

Example	
Load (+ FPR%): 100 MW	
Generator A	Demand Response
ICAP: 50 MW	ICAP: 50 MW
UCAP Year 1: 25 MW	UCAP Year 1: 35 MW
Total BYONC Quantity: 60 MW	
Total CAM Allocation: $(1 - 60 / 100) * 100 = 40$ MW	

# Issue #3: Uprates and Reactivation of Load Management Locations

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There should be parity between new BYONC supply from generators and energy storage and supply from DR/DERs

- Our understanding of PJM's proposal is that they are allowing new supply from uprates and reactivations of existing generation and energy storage

DR/DER resources may similarly seek to:

- 1. Add new capability at an existing location.** For example, a 50 MW load is participating as 25 MW of load curtailment-backed DR today but could participate as 50 MW of total DR with an additional investment in BTM generation or storage, 25 MW of which would be considered “new”
- 2. Begin participating in DR again.** For example, a location used to participate as part of an aggregation but has since dropped out and is not part of any current or future commitments for DR. With additional investment, that load could participate in DR again as a “new” capacity resource.

**Proposed Solution:** Explicitly allow DR “uprates” and “reactivations” at existing locations as eligible supply for BYONC.

# Solutions Options Summary

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#	Design Components	Solution Option
3a	Definition of new Demand Response	<p>New Emergency, Pre-emergency DR, or DER Aggregations, from new locations, updated/expanded service at existing locations, and reactivated locations that have previously registered as Load Management but are not registered as Load Management for the delivery years 2025/2026 and 2026/2027.</p>
5	BYONC Quantity (Initial and Maintaining eligibility)	<p>The BYONC quantity is the UCAP of a resource or the cumulative UCAP from a portfolio of resources from the initial year. To be fully exempt from Connect and Manage designation, BYONC UCAP from a single resource or a portfolio of resources must be <math>\geq</math> load (FPR% of load). Load can be partially exempt from connect and manage allocation based on the ratio between their BYONC quantity, from a single resource or a portfolio of resources, and load (FPR% of load) from the initial delivery year.</p> <p>For the duration of the contract term, BYONC must continue to offer into the capacity market based on their installed capacity offered in the initial year.</p>