



Advanced Energy Management Alliance

PJM Implementation of Capacity Market MOPR Order

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PJM MIC
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Advanced Energy Management Alliance

Empowering consumers through distributed energy resources, including demand response and advanced energy management.

We are providers and consumers united to overcome barriers to nationwide use of distributed energy resources. We advocate for and educate on policies that empower and compensate consumers to have cost-effective, efficient, resilient, reliable, and environmentally-sustainable choices.

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AEMA Summary Recommendations on PJM Implementation

- **Auction Timing**
 - As soon as practical following FERC acceptance of compliance filing.
- **“State Subsidy” Definition**
 - Docket history does not reference examples of DR subsidy.
 - FERC precedent is to not include state peak shaving programs as subsidy.
 - PJM’s definition should be limited and uniform to avoid unnecessarily adverse impacts.
- **MOPR Unit of Application for Demand Response**
 - Existing grandfathered based on CSP previously cleared MW.
 - PJM implementation should occur at zonal Resource level.
 - Additional clarity is needed on the information and process of requesting a Unit-Specific Exemption for DR resources below the default offer price floor.
- **New and Existing Values**
 - AEMA available to support Net CONE, ACR and unit-specific exemption analyses; ISO-NE tariff offers useful precedent.
 - We note PJM’s observation that no clear method exists today and ACR values likely near zero.
- **Further DR Participant Input**
 - AEMA recommends DRS or other PJM venue to discuss DR-specific compliance items.

AEMA Detailed Recommendations

Topic(s)	FERC Order	AEMA Position
BRA Timing and Process	FERC seeks updated timelines	<ul style="list-style-type: none"> AEMA strongly supports auctions to occur as soon as practical after FERC compliance filing acceptance.
MOPR Application to DR Forms of DR subsidy	“MOPR should apply to ... demand response, unless they qualify for one of the exemptions described in this order” (at 54).	<ul style="list-style-type: none"> AEMA finds no examples identified in the FERC docket of DR subsidies impacting capacity market. AEMA recommends that PJM’s forthcoming definition of DR subsidy should be reasonably limited to avoid unnecessary adverse impacts on demand response. Clarity required to ensure uniform application of MOPR.
Existing DR Exemption Unit Specific Exemption	Cleared auction; or completed registration or have M&V plan; or re-enter market (at 208, 209).	<ul style="list-style-type: none"> AEMA recommends PJM implement a clear procedure to establish exemption for DR at zonal Resource level; Previously MW cleared by CSP at zonal resource level should be existing. Additional clarity is needed on the information and process of requesting a Unit-Specific Exemption for DR resources below the default offer price floor (at 216).
MOPR floor for planned DR	FERC seeks avg of last 3 years DR offers (at 145).	<ul style="list-style-type: none"> No AEMA comments at this time.
MOPR floor for existing DR	FERC seeks Net ACR value for non-behind-the-meter generation DR (at 144).	<ul style="list-style-type: none"> AEMA supports PJM existing analysis and statement on October 2, 2018: “there is no clear method to determine (ACR) for (DR) in practice today. Further... PJM could not identify any meaningful avoidable costs that would be incurred by an existing Demand Resource that would result in a MOPR Floor Offer Price greater than zero” (at p 47). AEMA is available to assist in any further analysis required.
DR with behind-the-meter generation	FERC seeks Net CONE /Net ACR values for specific forms of generation (at 144).	<ul style="list-style-type: none"> AEMA wishes to work with PJM on any analysis required Method should recognize distinction between existing and new distributed. AEMA highlights that resilience value of behind-the-meter generators should be included as offset in Net CONE.
Mechanics of implementing MOPR	FERC refers to “demand response resource” throughout	<ul style="list-style-type: none"> AEMA strongly supports implementation at the zonal Resource level.



Questions?

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