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May 30, 2019

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E. Room 1A
Washington, D.C. 20426

*Re: PJM Interconnection L.L.C., Docket Nos. ER19-511-002
Compliance Filing Concerning Peak Shaving Adjustment*

Dear Secretary Bose:

Pursuant to the May 3, 2019 Order of the Federal Energy Regulatory Commission (“Commission”) in the above referenced proceeding,¹ PJM Interconnection, L.L.C. (“PJM”) submits this compliance filing containing modifications to PJM’s Open Access Transmission Tariff (“Tariff”).

I. BACKGROUND

In the May 3 Order, the Commission accepted PJM’s proposed revisions to the Reliability Assurance Agreement Among Load Serving Entities in the PJM Region (“RAA”), Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. (“Operating Agreement”), and Tariff to reflect load reductions from summer-period demand response resources in load forecasts for PJM’s capacity market.² In accepting the filing, the Commission directed PJM to submit a compliance filing that incorporates the PJM Manual provisions pertaining to the terms and conditions of Peak Shaving Adjustment into the Tariff.³ Specifically, the Commission found that “PJM’s proposed Manual 19, Attachment D: Peak Shaving

¹ *PJM Interconnection, L.L.C.*, 167 FERC ¶ 61,114 (May 3, 2019) (“May 3 Order”).

² *PJM Interconnection, L.L.C.*, Transmittal Letter, Docket No. ER19-511-000 (Dec. 7, 2018).

³ May 3 Order at P 55.

Adjustment Plan and Performance Rating, Section 2: Peak Shaving Adjustment Plan Template, Sections A through E should be included in PJM's Tariff."

II. SATISFACTION OF THE COMPLIANCE REQUIREMENTS OF THE MAY 3 ORDER.

In accordance with the Commission's April 29 Order, PJM incorporates the Commission specified provisions of PJM Manual 19 in a new Tariff, Attachment DD-2. This new Tariff section specifies the requirements necessary to participate under the Peak Shaving Adjustment program. Specifically, the new section details the requisite information that are required to be specified in a Peak Shaving Adjustment plan, including the details of the program, historic program impacts, and timelines for procuring end-use customer sites. All details contained in this new Tariff section are consistent with and based on PJM Manual 19, Attachment D, sections A through E, which was submitted to the Commission as part of PJM's initial filing on December 7, 2018.⁴

III. COMMUNICATIONS

Correspondence and communications with respect to this filing should be sent to the following persons:

Craig Glazer
Vice President – Federal Government Policy
PJM Interconnection, L.L.C.
1200 G Street, N.W.
Suite 600
Washington, D.C. 20005
(202) 202-423-4743
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⁴ Many of the requirements contained in PJM Manual 19 pertaining to Peak Shaving Adjustments and now being incorporated into the Tariff are derived from the Commission approved requirements for Demand Resources. *See* Tariff, Attachment DD-1.

IV. SERVICE

PJM has served a copy of this filing on all PJM Members and on all state utility regulatory commissions in the PJM Region by posting this filing electronically. In accordance with the Commission's regulations,⁵ PJM will post a copy of this filing to the FERC filings section of its internet site, located at the following link: <http://www.pjm.com/documents/ferc-manuals.aspx> with a specific link to the newly-filed document, and will send an e-mail on the same date as this filing to all PJM Members and all state utility regulatory commissions in the PJM Region⁶ alerting them that this filing has been made by PJM today and is available by following such link.

V. CONCLUSION

PJM respectfully requests that the Commission accept this compliance filing, with an effective date of February 5, 2019, consistent with the Commission's acceptance of the Peak Shaving Adjustment program.

Respectfully submitted,



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*On behalf of
PJM Interconnection, L.L.C.*

⁵ See 18 C.F.R §§ 35.2(e) and 385.2010(f)(3).

⁶ PJM already maintains, updates, and regularly uses e-mail lists for all PJM members and affected commissions.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Audubon, this 30th day of May 2019.



Chenchao Lu
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Attachment A

Revisions to the PJM Open Access Transmission Tariff

(Marked / Redline Format)

ATTACHMENT DD-2

PROCEDURES FOR PEAK SHAVING ADJUSTMENT

As detailed in Manual 19, the Office of the Interconnection will develop a load forecast adjustment to capture the impact of Peak Shaving Adjustments. The requirements to participate in the Peak Shaving Adjustment program are provided in this Attachment DD-2.

A. Peak Shaving Adjustment Plan. A Peak Shaving Adjustment plan shall be submitted to the Office of the Interconnection no later than 10 Business Days prior to September 30 to be effective for the next PJM load forecast update. For the 2019 load forecast, the Peak Shaving Adjustment plan shall be submitted to PJM by February 1, 2019. The Peak Shaving Adjustment plan shall include the following information:

- (1) Company name;
- (2) Company contact information;
- (3) Expected peak shaving value in MWs by Zone;
- (4) Copy of tariff or order demonstrating approval of Peak Shaving Adjustment program by the Relevant Electric Retail Regulatory Authority;
- (5) The applicable Delivery Year and Base Residual Auction or Incremental Auction for which the plan applies; and
- (6) Officer certification confirming the veracity of the Peak Shaving Adjustment plan and that the MW quantity is reasonably expected to be physically delivered through customer registrations for the relevant summer period.

A total peak shaving value in MWs will be calculated by the Office of the Interconnection for each Zone as the addition of the peak shaving value of existing peak shaving plus the peak shaving value of planned peak shaving. The total peak shaving value represents the maximum MW amount that the Peak Shaving Adjustment program administrator intends to offer for the Zone.

B. Peak Shaving Plan Details.

(1) Description and Key Assumptions of Peak Shaving Adjustment Program. The Peak Shaving Adjustment program administrator shall describe the program(s) to be employed to achieve the peak shaving value indicated on the Peak Shaving Adjustment plan. The Peak Shaving Adjustment plan shall describe key program attributes and assumptions used to develop the peak shaving value. Specifically, the description shall include, but is not limited to:

- (a) Method(s) of achieving load reduction at customer site(s);
- (b) Equipment to be controlled or installed at customer site(s), if any;
- (c) Plan and ability to acquire customers;
- (d) Types of targeted customers;
- (e) Support of market potential and market share for the target customer base, with adjustments for existing peak shaving customers within this market and the potential for CSPs targeting the same customers;
- (f) Evidence to support regulatory approval that the Peak Shaving Adjustment program(s) will be in place as of the relevant Delivery Year, if applicable; and

(g) If offering a Legacy Direct Load Control (LDLC) program, the following additional LDLC program details shall be provided:

• Description of the cycling control strategy;

• A list of all load research studies (with study dates) used to develop the estimated nominated ICAP value (kW) per customer (i.e., the per-participant impact). A copy of all studies shall be provided with the Peak Shaving Adjustment plan. If the LDLC program employs a radio signal, the Peak Shaving Adjustment program administrator may elect to either submit a load research study to support the estimated nominated ICAP value per customer or utilize the per participant impacts contained in the “Deemed Savings Estimates for Legacy Air Conditioning and Water Heating Direct Load Control Programs in the PJM Region” Report; and

• Assumptions regarding switch operability rate (%).

(2) Peak Shaving Value by End-Use Customer Site. The Peak Shaving Adjustment program administrator shall provide the following information when the End-Use Customer is known at the time of the submittal of the Peak Shaving Adjustment Plan. This section shall also be completed for peak shaving quantities identified in the Peak Shaving Adjustment plan as requiring site-specific information, since this identified quantity should reflect planned peak shaving associated with specific End-Use Customer sites for which the Peak Shaving Adjustment program administrator has a high degree of certainty that it will physically deliver for the relevant summer period. The Peak Shaving Adjustment program administrator shall provide the following information:

(a) Customer EDC account number (if known);

(b) Customer name;

(c) Customer premise address;

(d) Zone;

(e) Customer segment;

(f) Actual value (if known) or estimate of current PLC and estimate of expected PLC in kW; and

(g) Estimated peak shaving value in kW.

In the event that Peak Shaving Adjustment program administrators identify the same End-Use Customer site, the MWs associated with such site will not be approved for offering into the RPM auction or inclusion in the peak shaving adjustment by any of the Peak Shaving Adjustment program administrators, unless it can be supported by evidence, such as a letter of support from the End-Use Customer indicating that they have been in contact with the Peak Shaving Adjustment program administrator and are likely to execute a contract with that Peak Shaving Adjustment program administrator for the relevant summer period. In the event that multiple letters of support indicating different Peak Shaving Adjustment program administrators are provided from the end use customer, the MWs associated with the End-Use Customer site will not be approved for inclusion in the load forecast by any of the Peak Shaving Adjustment program administrators.

(3) Planned Peak Shaving Value by Customer Segment. For those planned peak shaving values for which an End-Use Customer site is not identified in this section B(2) of the Peak Shaving Adjustment plan details, the Peak Shaving Adjustment program administrator shall identify the planned peak shaving values by Zone and by End-Use Customer segment. End-Use Customer segments include residential, commercial, small industrial (less than 3 MW), medium industrial (between 3 MW and 10 MW) and large industrial (greater than 10 MW). If known, the Peak Shaving Adjustment program administrator may identify more specific customer segments within the commercial and industrial category. The Peak Shaving Adjustment program administrator shall provide estimates of the following information by Zone and by End-Use Customer segment:

- (a) Number of End-Use Customer to be registered for each summer period;
- (b) Average Peak Load Contribution (PLC) per End-Use Customer in kW; and
- (c) Average peak shaving value per customer in kW.

Based on the above provided information, a total peak shaving value in MW will be calculated for each End-Use Customer segment and for each Zone. The total peak shaving value identified by customer segment and aggregated for each Zone of the Peak Shaving Plan details plus the total peak shaving values identified by End-Use Customer site(s) and aggregated for each Zone of the Peak Shaving Plan details shall equal the total peak shaving value for each Zone as identified in the Peak Shaving Adjustment plan.

C. Peak Shaving Adjustment Program Details. The Peak Shaving Adjustment program administrator shall provide a brief description of each submitted program, the temperature heat index (THI) threshold at which Peak Shaving Adjustment program shall be operated, the hours over which the program will operate once triggered, the total peak shaving value (consistent with the Peak Shaving Plan Details), and a table of program impacts over a range of hours and THI, showing the impact for the hour/THI combination as a percentage of the total peak shaving value.

D. Historic Program Impacts. The Peak Shaving Adjustment program administrator shall provide estimated hourly load impacts for each Peak Shaving Adjustment program for every implementation back to January 1, 1998.

E. Schedule. The Peak Shaving Adjustment program administrator shall provide an approximate timeline for procuring End-Use Customer sites in order to physically deliver the total peak shaving value (existing and planned peak shaving) by Zone in the Peak Shaving Adjustment plan. For each Zone and for each customer segment, the Peak Shaving Adjustment program administrator shall specify the cumulative number of customers and the cumulative peak shaving value associated with that group of customers that the Peak Shaving Adjustment program administrator expects to have under contract by the beginning of each of the summer periods in the PJM load forecast horizon.

Attachment B

Revisions to the
PJM Open Access Transmission Tariff

(Clean Format)

ATTACHMENT DD-2

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