



DRAFT MINUTES
PJM Interconnection
Demand Response Subcommittee
Webex
May 13, 2011

Members Present:

Langbein, Peter (Chair)	PJM Interconnection
O'Neill, John (Secretary)	PJM Interconnection

Also in attendance:

Covino, Susan	PJM Interconnection
Souder, Richard	PJM Interconnection

Attended via teleconference / WebEx:

Feliks, Kent	Appalachian Power Company
McDaniel, John	Baltimore Gas and Electric Company
Urbini, Greg	Baltimore Gas and Electric Company
Kopon, Owen	Brookfield Burchett Stone Law Firm
Miller, John	Commonwealth Edison Company
Pengidore, Carolyn	Comperio Energy LLC d/b/a ClearChoice Energy
Kulzer, Steven	Comverge
Bloom, David	Constellation Energy Commodities Group, Inc
Price, Dann	Constellation NewEnergy, Inc.
Rutigliano, Tom	Constellation NewEnergy, Inc.
Gilkey, Rick	Customized Energy Solutions, Ltd.*
Schofield, Bill	Customized Energy Solutions, Ltd.*
Trott, Jed	Customized Energy Solutions, Ltd.*
Dorn, Andrew	Demand Response Partners, Inc.
Wiedl, Denise	Demand Response Partners, Inc.
Buttner, Sarah	Division of the Public Advocate of the State of Delaware
Flaherty, Dale	Duquesne Light Company
Peer, Nash	ENBALA Power Networks Inc.
Coulbeck, Rob	ENBALA Power Networks, Inc.
Campbell, Bruce	EnergyConnect, Inc.
Breidenbaugh, Aaron	EnerNOC, Inc.
Ainspan, Malcolm	Energy Curtailment Specialists, Inc.
Curran, Dan	EnerNOC, Inc.
Dosunmu, Ade	Enerwise Global Technologies, Inc.



Griffiths, Dan
Miyaji, Wendell
Scoglietti, Barbara
Swalwell, Brad
Lyke, Audrey
Stadelmeyer, Rebecca
Cohen, Tristan
Martin, Valerie
Ramirez, Suyapa
Decker, Jamie
Howley, Rachel
Kaplun, Andrew
McDermott, John
Lakhanpal, Manisha
Meridionale, Kevin
Wisersky, Megan
Mabry, Dave
Freeman, Al
Webster, John
Musilek, J
Mariam, Yohannes
Alston, Rick
Miles, Paul
Baker, Scott
Furey, Marie
Habre, Alex
McAnany, James
Ni, Hui
DeNavas, Joe
Erdman, Brandon
Lepchenske, Herb
O'Hern, Bill
Batta, Mike
Wilmoth, Emily
Wolfe, Samuel

Enerwise Global Technologies, Inc.
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Exelon Generation Co., LLC
Exelon Generation Co., LLC
Federal Energy Regulatory Commission (The)
Federal Energy Regulatory Commission (The)
FirstEnergy Solutions Corp.
Gridway Energy Partners, Inc.
Hess Corporation
Hess Corporation
Hess Corporation
Illinois Commerce Commission
Jersey Central Power & Light Company
Madison Gas and Electric Company
McNees, Wallace & Nurick, LLC
Michigan Public Service Commission
Monitoring Analytics, LLC
North Carolina Electric Membership Corporation
Office of the People's Counsel, District of Columbia
Old Dominion Electric Cooperative
Pennsylvania Electric Company
PJM Interconnection
PJM Interconnection
PJM Interconnection
PJM Interconnection
PJM Interconnection
Potomac Electric Power Company
PPL Electric Utilities Corp. d/b/a PPL Utilities
RPT Controls, Inc
SeverStal Sparrows Point LLC
Virginia Electric & Power Company
Virginia Electric & Power Company
Viridity Energy, Inc.

1. ADMINISTRATION

The DRS scheduled another future meeting for 8/5/11 and set up a special meeting on 5/27 to finalize the subzonal dispatch procedure used for '11/12 DY. During the review of the minutes, Mr. Breidenbaugh suggested an edit to include a note that "Some CSPs do not agree that PJM has the



right to dispatch on a sub zonal basis on a mandatory basis". The Chair indicated the minutes should reflect the discussion from that specific meeting and not the comments of the current meeting and did not recall that being stated.

The DRS Charter was approved by the MIC. PJM also reviewed the work plan and indicated CBL analysis recommendation were assigned by MIC to DRS and therefore will be added to the work plan in the future. A request was also made to discuss detail of penalty rates for the new products and Chair indicated that would be discussed under DR product specific dispatch item.

PJM also provided a quick update on short term operational items that included: Emergency Drill scheduled for 5/24, DR registration deadline of prior to 6/1, eLRS changes that will be included in production in early June to administer Load Management Test/Rest Test provisions (training scheduled for 6/2), and pending change in Load Management compliance load data format.

2. REVIEW PROPOSED PJM SUBZONAL DISPATCH PROCEDURE FOR '11/'12 DELIVERY YEAR

PJM outlined a proposed procedure for the 2011/2012 that does not require any tariff changes and will provide additional clarification on subzones prior to the DY. The proposal was very similar to what was discussed at prior meeting except it also included a refined list of current known subzones with a detailed list of zip codes for such subzones for ensure members know what to expect based on most current information. PJM outlined details of the dispatch communication method. Specific suggestions on the proposal included: dispatch by location and not by registration (PJM should come up with a proration process to assign registration nominations to each location),



prepare a presentation with example of how the communication process will work on ALL CALL, eDATA emergency messages, eLRS and eLRS emails, and provide a report template to represent what information would be provided to a CSP if they request detail on the registration dispatched during a sub zonal event.

Some CSPs disagreed with PJM interpretation of the tariff and believe that PJM should not measure compliance for any sub zonal event. Further, that Load Management resources are “zonal” resources and therefore not obligated to respond to any Emergency Load Management event dispatched on a basis lower than a zone for a specific lead time – even if under emergency situation to avoid a manual load dump. If PJM requires Load Management resources and intends to measure compliance then PJM should only call on a zonal basis (by lead time) because some CSPs feel that is the “product” that was sold to the market. Such CSPs agreed that market rules allow PJM to call a sub zonal Load Management event but would like governing document references that indicate compliance should be measured for sub zonal events.

CSP provided an alternative proposal (distributed 1 day prior to meeting) to address sub zonal dispatch for '11/'12 Deliver Year. The proposal includes no compliance obligation for any sub zonal events (whether the sub zone is defined before delivery year or not), energy settlements get paid for all sub zonal events, sub zonal dispatch is done at registration level and based on the specific location, emergency registration aggregation requirement be reduced from 100 kw to no minimum threshold (allow 1 location to be registered in all cases), voluntary compliance to a sub zonal event would “count” for test is desired by CSP, and voluntary compliance within subzone does not count toward the number of events. Please see posted proposal for details.



The Chair indicated that the proposal presented would require several tariff changes and would not meet the goal to clarify rules by June 1 for the '11/'12 Delivery year because the time it would take to discuss all the changes, go through the stakeholder process, file and receive approval from FERC would likely not occur until October. Further, the items proposed are focused on the longer term discussion which is already scheduled to be discussed once '11/12 DY clarification is finalized – this would in effect distract the effort by working on one set off tariff changes while at the same time working on another set of tariff changes for the same issue. One stakeholder suggested that PJM review the current tariff interpretation to determine whether or not PJM has flexibility to not measure compliance when an emergency load management event is dispatched. Another CSP indicated we should move forward with their proposal and apply changes when FERC approves even if after the summer. If PJM does not have flexibility in the current tariff then PJM can post the procedure that will be used for '11/'12. One CSP has indicated they intend to go to FERC and file under 206 that PJM's current interpretation of the tariff is unjust and unreasonable and that PJM should not measure compliance for any sub zonal emergency event at any time.

PJM set up a special meeting on 5/27 to follow up on outstanding items and finalize the sub zonal dispatch procedure that will be used for '11/12. The focus will be on whether or not compliance will be measured for sub zonal events based on the current governing documents and to finalize any remaining items regarding the dispatch procedure.

3. REVIEW DR REGULATION ISSUE CHARGE

The Chair reviewed the DR regulation charge which was approved by MIC and assigned to the DRS to discuss and propose solutions as necessary.



4. **DISCUSS FIRST DR REGULATION ISSUE: ALLOW MORE THAN 1 PJM MEMBER TO REPRESENT END USE CUSTOMER IN PJM MARKETS**

Mr. Coulbeck reviewed the issue proposed changes. The issue is focused on how to allow end use customer to participate in regulation is one member but do economic and/or emergency DR with another member. The Chair solicited the group's interests which included the following"

- Enable a member that is focused only on regulation services to get into the market quicker with more volume.
- Avoid interference with current CSP customer relationship and obligations
- Administrative costs
- Avoid Product conflict between regulation and other market productions (energy, SR, DASR)
- Increase EDC administration to infrastructure required to handle 2 CSPs to 1 customer in existing EDC systems
- More competition to reduce regulation prices for entire market
- Increase to ability for end use customers to participate in wholesale market and maximize their flexibility.

Many CSPs were specifically concerned about the potential for product conflict in the market and requested some general education from PJM on how DR participates in regulation market today. It was also mentioned that the MIC just approved a reduction in current aggregation threshold from 0.5 MW to 0.1 MW to help allow more resources to participate.

Enbala will follow up regarding DRS questions and concerns.



Possible high level solutions include creation of new regulation only registration which may be submitted by a different CSP or maybe pursuit of qualification process with no registration similar to energy efficiency resources.

5. FUTURE MEETINGS (SEE DEMAND RESPONSE SUBCOMMITTEE)

June 13, 2011	10:00 AM	Wilmington, DE
July 15, 2011	10:00 AM	Wilmington, DE
August 5, 2011	9:30 AM	TBD

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