



Energy Efficiency education follow up

Pete Langbein

MIC

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High level load resource type comparison

	Retail Peak Shaving	BTMG & NRBTMG	DR	EE
Meet reliability requirement (RPM/FRR)	No	No	Yes	No
Capacity Benefit	Reduction in PLC results in lower capacity cost for LSE	Reduction in PLC results in lower capacity cost for LSE	Nominated ICAP based on PLC – firm service level. (Cannot receive benefit of lower PLC and participate as supply resource)	Nominated ICAP (savings during performance hours) + reduction in PLC results in lower capacity cost for LSE (like peak shaving)
Forecast	Historic activity embedded in forecast	Historic activity embedded in forecast	Addback for PJM dispatched load reductions to PLC and to metered load used in forecast. If reduced load on their own then see “peak shaving” process.	Total nominated ICAP added to forecast to ensure Reliability Requirement is met.
PAI Performance	None but if load is high then PLC goes up in subsequent DY	Required to respond with same amount used to net or receive an “add back” as a penalty. Add back is used to increase PLC in subsequent year	Load must be below firm service level or receive a PAI penalty (same as gen).	n/a (but receive “higher of” for daily deficiency and PAI penalty).

- Peak Shaving
 - 5 MW PLC, proactively reduces load 1 MW during PJM 5 CP in DY.
 - Benefit = 1 MW reduction in PLC in DY+1. No add backs since this activity occurs outside the PJM wholesale market.
- DR
 - 5 MW PLC, 1 MW nominated ICAP. PJM dispatches load during PJM 5 CP in DY.
 - Benefit = 1 MW capacity payment in DY. Addback in DY+1 = 1 MW and therefore PLC = 4MW + 1 MW addback (5 MW). Received benefit as supply resource in wholesale market instead of capacity savings in retail market (like peak shaving customer)
 - PLC represents capacity allocation to customer and therefore the reference point for capacity amount eligible in the wholesale market
- EE
 - 1 MW nominated EE ICAP (5 MW ICAP but not part of the process). Load is reduced 1 MW during PJM 5 CP in DY.
 - Benefit 1 = 1 MW capacity payment in DY. 1 MW add back to forecast to avoid reliability issue and to collect money from load for revenue
 - Benefit 2 = 1 MW reduction in PLC in DY+1. No addback to specific customer. Handled similar to peak shaving

Presenter:
Pete Langbein,
peter.Langbein@pjm.com

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Member Hotline

(610) 666 – 8980

(866) 400 – 8980

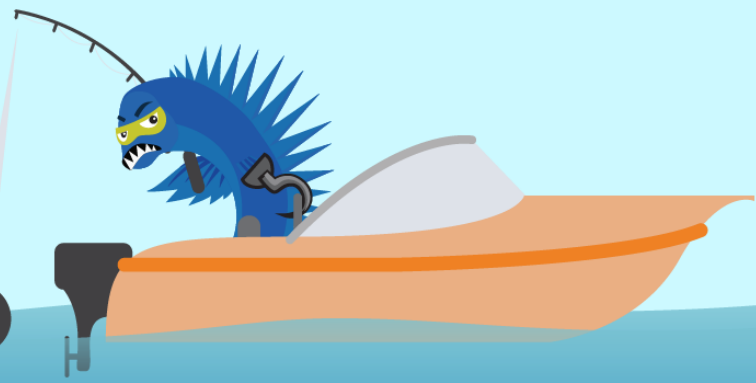
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