

## Demand Response - Plan Enhancements

### Problem / Opportunity Statement

PJM Transmission Planning has identified concerns regarding the lack of information available for planned Demand Response (DR) resources cleared in the Reliability Pricing Model (RPM) auctions. The current requirements for DR plans do not provide sufficient information for PJM to adequately understand the quantity and location of DR to include in the reliability-based planning analyses.

PJM staff has also observed that zonal DR (existing and planned) offered in the 2015/16 Base Residual Auction as a percentage of the Preliminary Zonal Peak Load Forecast has exceeded 20% for some zones. PJM is concerned that such high levels of zonal DR offered may reflect a practical level of DR penetration because DR providers may be depending on acquiring the same resources.

Providers of Planned DR must submit a DR Plan prior to an RPM Auction. Currently, plan submissions are inconsistent with regard to supporting analysis and documentation. Plan requirements should be more clearly documented to avoid potential confusion and provide clear and consistent guidelines to receive similar supporting analysis in all DR plans.

PJM stakeholders should consider enhancements to the DR Plan requirements that will not present unreasonable barriers to entry, but will provide sufficient assurance that a provider's planned DR MWs are viable, provide sufficient information for reliability-based planning analysis and are reasonably expected to be delivered for the future Delivery Year.

### Issue Source

PJM Staff recommends that PJM stakeholders discuss enhancements to the PJM manuals to increase DR plan requirements while not creating unreasonable barriers to DR offers.

### Stakeholder Group Assignment

Market Implementation Committee (MIC)

### Key Work Activities

1. Enhance requirements for DR Plan documentation in order to provide sufficient assurance that a provider's planned DR MWs are viable and reasonably expected to be physically delivered for the future Delivery Year, without presenting unreasonable barriers to entry. Guidelines for DR Plan documentation are currently posted at <http://www.pjm.com/markets-and-operations/rpm/~media/markets-ops/rpm/rpm-auction-info/planned-demand-resource-rpm-auction-participation-information.ashx>.
2. Incorporate enhanced requirements for DR Plan documentation in Manual 18.

### Expected Deliverables

1. Updates to Manual 18 which include enhanced requirements for DR Plan documentation.



## Problem Statement/Charge

### **Expected Overall Duration of Work**

3 months with expected implementation of enhanced DR Plan requirements for 2016/17 BRA

### **Decision-Making Method**

Identify the decision-making method adopted for this issue: Tier 1, consensus (unanimity) on a single proposal (preferred default option), or Tier 2, multiple alternatives.