



Demand Response Subcommittee Final Proposal Report

August 29, 2013

Efficiency of the Demand Registration Registration Process [Issue Tracking](#)

Within Demand Response, the current process of determining the Load Serving Entity (LSE) for a customer site has been identified as an area that can be time consuming and lead to multiple validations of the same registration by reviewers. The Demand Response Subcommittee examined key areas to determine if modifications should be made to alleviate administrative process by the Curtailment Service Provider (CSP), LSE and Electric Distribution Company (EDC) and/or modifications to the eLRS application. The resulting proposals are as follows: The Emergency Demand Response Consensus Proposal and the Proposals for Economic Demand Response: 1) Retain LSE on Registration with Administrative Changes, and 2) Remove LSE Role.

I. Emergency DR Registration Consensus Proposal

Demand Response **Emergency** Registrations are currently reviewed by the LSE identified by the CSP on the registration. The verification consists of 1) confirm the LSE is the supplier to the customer 2) confirm there are no contractual obligations that might prevent participation in Demand Response and 3) review Relevant Electric Retail Regulatory Authority (RERRA) evidence. Under the existing rules if the EDC is large then after 10 business days the registration will be approved with the LSE identified by the CSP if the LSE takes no action. Many of the LSEs to date do not actually review the registrations and therefore they are approved after 10 business days.

Consensus was reached to remove the role of the LSE from the Emergency Registration Review process. The LSE will no longer be notified of the participation of their customers in the emergency demand response program. The EDC, who normally reviews the RERRA evidence, will continue to provide that review. The LSE will no longer review registrations for contractual obligations.

There were no objections to this change.

II. Economic DR Registrations: 2 Proposals

Demand Response **Economic** Registrations are currently reviewed by the LSE named by the CSP on the registration. The verification consists of 1) confirm the LSE is the supplier to the customer 2) confirm there are no contractual obligations that might prevent participation in Demand Response and 3) review RERRA evidence. In addition, if the registration participates in the Day-Ahead market, PJM places a negative dec on behalf of the LSE for any cleared bids. Under the existing rules if the EDC is large then after 10 business days the registration will be approved with the LSE identified by the CSP if the LSE takes no action. Many of the LSEs to date do not actually review the registrations and therefore they are approved after 10 business days.



In an unofficial poll:

No objections to Retain LSE on Registration with Administrative Changes, two votes to Remove LSE Role

2A: Economic DR Registration: Retain LSE Role with Administrative Changes

To increase the efficiency of the registration process, it is proposed to **retain the role of the LSE in the Economic Registration review process and make Administrative Changes to make the process for efficient**. The EDC, who normally reviews the RERRA evidence, will continue to provide that review. PJM will continue to place the negative dec on behalf of the LSE. The LSE and EDC registration review will be independent of each other. Re-work because of an incorrect LSE will no longer force the registration to be re-submitted to both parties. PJM will have small to moderate amount of eLRS application enhancements.

This proposal addresses re-work during the registration review process issues identified by the DRS. It does not address the issues of an inaccurate or incorrect negative dec.

There are no manual or tariff changes required.

2B: Economic DR Registration Proposal: Remove LSE Role

To increase the efficiency of the registration process, it is proposed to **remove the role of the LSE in the Economic Registration review process**. The LSE will no longer be notified of the participation of their customers in the economic demand response program. The EDC, who normally reviews the RERRA evidence, will continue to provide that review. The LSE will no longer review registrations for contractual obligations. PJM will eliminate the negative dec to the LSE and treat the CSP offer in DA market similar to a generator but this will create settlement timing issues for the CSP and create potential BOR issues. This occurs because of the timing difference between a CSP providing customer meter data and going through the settlement process (this may occur up to 3 months after event) and PJM settlement process of DA market activity (look at net interchange day after operating day and include on weekly settlement). This would mean that the CSP would receive a credit of debit based on no MW delivered in RT market and associated BOR in initial settlement and then true up during a secondary settlement when the CSP provides the meter data. Currently, PJM does not have a mechanism to true up the BOR portion of this timing mismatch which would require PJM to implement a new process to true up the associated BOR charges which could in turn impact other members. PJM will have significant effort with changes to the settlements process and a small to moderate of eLRS application enhancements. This proposal fulfills all the issues identified by the DRS

There are tariff and manual changes required.

III. Comparative Summary

The Emergency Demand Response Consensus Proposal



PROS: Solves the following Issues/Interests:

1. Difficult to identify correct LSE by CSP
2. Keep status quo or reduce work for EDC
3. Takes significant amount of time to set up LSE in eLRS so CSP can use on registration
4. LSE confusion regarding responsibilities in registration review process
5. Confusion over “contractual obligation” provision in tariff
6. Fragments aggregation by LSE for small customers

CONS:

1. Will not allow duplicative review by LSE for RERRA
2. LSE would need to work with their customer to manage their contract and any impact from DR activity.
3. Potential workaround for EDC that has LSE do RERRA reviews.

Proposals for Economic Demand Response:

2A Retain LSE Role and Make Administrative Changes

Pros

1. Solves the following Issues/Interests:
 - a. Keep status quo or reduce work for EDC
 - b. Simplifies registration process by making registration denial by LSE or EDC independent of each other

Cons

1. Registrations must still be aggregated by LSE (and EDC, Zone and Pricing Point)
2. Will not allow duplicative review by LSE for RERRA
3. Does not solve the following Issues/Interests:
 - a. Difficult to identify correct LSE by CSP
 - b. Takes significant amount of time to set up LSE in eLRS so CSP can use on registration
 - c. Inaccurate neg dec for LSE
 - i. Avoid neg dec for incorrect LSE
 - ii. Avoid incorrect neg dec for correct LSE
4. Fragments aggregation by LSE for small customers

2B Remove LSE Role

Pros

1. Eliminate incorrect Neg Dec against incorrect LSE
2. Eliminate incorrect Neg Dec against correct LSE
3. Simplifies registration process and solves the following Issues/Interests:
 - a. Difficult to identify correct LSE by CSP\



- b. Keep status quo or reduce work for EDC
- c. Takes significant amount of time to set up LSE in eLRS so CSP can use on registration
- d. Inaccurate neg dec for LSE
 - a. Avoid neg dec for incorrect LSE
 - b. Avoid incorrect neg dec for correct LSE
- e. LSE confusion regarding responsibilities in registration review process
- f. Confusion over “contractual obligation” provision in tariff
- g. Fragments aggregation by LSE for small customers

Cons

- 1. CSP will have an initial settlement and then a final settlement once meter data is submitted which could also impact final BOR rate.
- 2. LSE will need to forecast DR activity as part of load forecast to manage DA position
 - a. Will not allow duplicative review by LSE
 - b. Significant effort for settlement changes.

IV. Appendix I: Supplemental Documents

[Educational Presentation on Proposals](#)

[Problem Statement/ Issue Charge](#)

V. Appendix II: Stakeholder Participation / August 14, 2013 Demand Response Subcommittee:

VI. Members Present:

Langbein, Peter (Chair)	PJM Interconnection, LLC	Not Applicable
Rutigliano, Tom	Achieving Equilibrium, LLC	Other Supplier
Bloom, David	Baltimore Gas and Electric Company	Transmission Owner
Mancuso, Maria	Baltimore Gas and Electric Company	Transmission Owner
Gilkey, Richard	Customized Energy Solutions, Ltd.*	Not Applicable
Campbell, Bruce	EnergyConnect, Inc.	Other Supplier
Breidenbaugh, Aaron	EnerNOC, Inc.	Other Supplier
Desmarias, Michael	EnerNOC, Inc.	Other Supplier
Guerry, Katie	EnerNOC, Inc.	Other Supplier
Meier, Mariko	EnerNOC, Inc.	Other Supplier
Nie, David	EnerNOC, Inc.	Other Supplier
Stadelmeyer, Rebecca	Exelon Business Services Company, LLC	Transmission Owner
Pratzon, David	GT Power Group	Not Applicable
Webster, John	Icetec.com, Inc.	Other Supplier
Brodbeck, John	Potomac Electric Power Company	Electric Distributor



Schmatz, Peter
Wolfe, Samuel
Yeaton, Andrea (Secretary)

PSEG Energy Resources and Trade LLC
Viridity Energy, Inc.
PJM Interconnection, LLC

Transmission Owner
Other Supplier
Not Applicable

Also in Attendance:

Griffiths, Daniel
Mabry, David
Anders, David
Bruno, Patrick
Ford, Adrien
Habre, Alex
Horowitz, Shira
Walker, Bill
Shadle, David

Comverge
McNees Wallace & Nurick LLC
PJM Interconnection, LLC
PJM Interconnection, LLC
PJM Interconnection, LLC
PJM Interconnection, LLC
PJM Interconnection, LLC
PJM Interconnection, LLC
PJM Interconnection, LLC
Power Advance LLC

Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable

Attended via WebEx / Teleconference:

Cerveney, Philip
McAlister, Lisa
Norton, Chris
Mancuso, Maria
Bassett, Jeffrey
Kopon, Owen
Zenopoulos, Damon
Grooms, Craig
Miller, John
Carangi, Mark
Louis, Justin
Price, Dann
Urbain, Greg
Filomena, Guy
Schofield, William
Horstmann, John
Farber, John
Nowell, Cynthia
Erbick, Michael
Price, Ruth

Allegheny Electric Cooperative, Inc.
American Municipal Power, Inc.
American Municipal Power, Inc.
Baltimore Gas and Electric Company
BP Energy Company
Brickfield, Burchett, Ritts, and Stone, PC
Brickfield, Burchett, Ritts, and Stone, PC
Buckeye Power, Inc.
Commonwealth Edison Company
Comverge
Concert.com
Constellation NewEnergy, Inc.
Constellation NewEnergy, Inc.
Customized Energy Solutions, Ltd.*
Customized Energy Solutions, Ltd.*
Dayton Power & Light Company (The)
Delaware Public Service Commission
Delmarva Power & Light Company
DHastCo
Division of the Public Advocate - State of Delaware
Dominion Energy Marketing, Inc.
Dominion Virginia Power
Duke Energy Carolinas, LLC
Duke Energy Kentucky, Inc.
ENBALA Power Networks Inc.
Energy Curtailment Specialists, Inc.
Enerwise Global Technologies, Inc.
Enerwise Global Technologies, Inc.

Transmission Owner
Electric Distributor
Electric Distributor
Transmission Owner
Other Supplier
Not Applicable
Not Applicable
Electric Distributor
Transmission Owner
Not Applicable
Not Applicable
Other Supplier
Other Supplier
Not Applicable
Not Applicable
Transmission Owner
Not Applicable
Electric Distributor
Not Applicable
End User Customer

Generation Owner
Not Applicable
Other Supplier
Transmission Owner
Other Supplier
Other Supplier
Other Supplier
Other Supplier
Other Supplier

Feierabend, Richard
Wilmoth, Emily
Sailers, Bruce
Pach, Darcy
Gassner, Andy
Ainspan, Malcolm
Bash, David
Warner, Robert



Moss, James B. (Skip)	EVP Dynamics	Not Applicable
Icart, Eric	Federal Energy Regulatory Commission (The)	Not Applicable
Lindeman, Tony	FirstEnergy Solutions Corp.	Transmission Owner
Marton, David	FirstEnergy Solutions Corp.	Transmission Owner
Stein, Ed	FirstEnergy Solutions Corporation	Transmission Owner
Borgatti, Michael	Gable and Associates	Not Applicable
Fitch, Neal	GenOn Energy Management, LLC	Generation Owner
Polakowski, Ray	Hess Corporation	Other Supplier
Powers, Sean	Linde Energy Services, Inc.	End User Customer
Marzewski, Megan	Madison Gas and Electric	Other Supplier
Mosier, Kevin	Maryland Public Service Commission	Not Applicable
Wehr, Chris	Metropolitan Edison Company	Transmission Owner
Dugan, Bill	Monitoring Analytics LLC	Not Applicable
Marzewski, Skyler	Monitoring Analytics, LLC	Not Applicable
Moss, James	Monitoring Analytics, LLC	Not Applicable
Gowrishankar, Vignesh	Natural Resources Defense Council	Not Applicable
Harvey, Colby	Negawatt Business Solutions, Inc.	Other Supplier
Ris, Monica	Negawatt Business Solutions, Inc.	Other Supplier
G, Tom	NetPeak Energy Group LLC	Other Supplier
Nowicki, Linda	New Jersey Board of Public Utilities	Not Applicable
Kirkpatrick, Roger	New York ISO	Not Applicable
Garcia, Edgar	Noble Americas Energy Solutions	Other Supplier
Goddard, Daniel	Noble Americas Energy Solutions	Other Supplier
Ornelas, Jon	Noble Americas Energy Solutions, LLC	Other Supplier
Maye, Shelly-Ann	North America Power Partners LLC	Other Supplier
Musilek, James	North Carolina Electric Membership Corporation	Electric Distributor
Nguyen, John	Northern Virginia Electric Cooperative	Electric Distributor
Korczykowski, Ryan	NuEnergen, LLC	Other Supplier
Mariam, Yohannes	Office of the Peoples Counsel - Dist of Columbia	End User Customer
Dodson, Gloria	Pepco Holdings	
DeNavas, Joe	Potomac Electric Power Company	Electric Distributor
Shadle, Dave	Power Advance	Not Applicable
Knapp, Stephen	Power Generation Services, Inc.	Other Supplier
Citrolo, John	PSEG Energy Resources and Trade LLC	Transmission Owner
Schmatz, Peter	PSEG Energy Resources and Trade, LLC	Transmission Owner
Prendergast, Michael	Public Service Electric & Gas Company	Transmission Owner
Heizer, Fred	Public Utilities Commission of Ohio	Not Applicable
Sudhakara, Raghu	Rockland Electric Company	Transmission Owner
Trevino, Rita	Siemens Industry, Inc.	Other Supplier
Swalwell, Brad	Tangent Energy Solutions, Inc.	Other Supplier
Staska, Stephanie	Twin Cities Power, LLC	Other Supplier
Currier, Jeff	Virginia Electric & Power Company	Transmission Owner
Hewett, Christopher	Virginia Electric & Power Company	Transmission Owner
Horstman, Andrew	Wabash Valley Power Association, Inc.	Other Supplier