

Economic DR energy settlement and SR event performance review processes

DRS Meeting
November 16, 2018

- PJM identifies registrations based on settlement activity and prior review outcome.
 - High frequency, holidays, offers much higher than capability, etc.
- PJM notifies CSP which identifies specific settlement activity and request supporting information
 - Details of load reduction activity, communication with customer, agreement
 - DR Hub settlements put “On Hold” during review process.
- CSP provides supporting information ~ 2 weeks.
- PJM analyzes information to determine outcome ~ 2 weeks. PJM may extend if complex and there are any scheduling issues.

- PJM completes review and notifies the CSP
 - If all settlement activity conforms with market rules then all settlements move forward and registration remains effective.
 - If CBL is not accurate then terminate registration and re-register location under accurate CBL (all future activity settled under new CBL). Prior activity settled under prior CBL or new CBL depending on situation (load reductions represent ineligible activity).
 - If settlements submitted for ineligible activity or indication of market manipulation, then prior settlements are denied, the registration is terminated and the location may not re-register until matter is resolved. Issue is referred to IMM and/or FERC Office of Enforcement for investigation.

See OA Schedule 1 Sec 3.3A



Load reduction for normal operations do not qualify for economic DR energy settlements

- Load reductions must be in response to PJM’s wholesale energy market price and must follow PJM’s dispatch instructions. Load management that would occur regardless of PJM dispatch, or that would have occurred absent PJM energy market compensation (including load management that occurs for other economic reasons, such as peak shaving or cost avoidance) does not provide a compensable benefit to PJM loads since it would have occurred without such compensation from PJM loads (and is therefore considered part of “normal operations”)

See Economic DR training material for On-Site Generation examples

- PJM reviews registration SR performance on semi-annual basis. In the case of low performance (<70%) we schedule a phone call with the CSP, find out why their performance is low and what actions they will take to improve results in the future.
 - PJM sends out CSP specific report which provides all the performance details to help make sure there is no confusion
- If CSP did not improve the results ($\geq 70\%$) during following evaluation period then:
 - PJM notifies CSP of results and communicates with IMM
 - CSP to be re-evaluated again in 3 months

- 3 Month Re-evaluation for previous low results
 - Improvements achieved ($\geq 70\%$ Performance, Meter data complete, accurate, timely)
 - a) PJM notifies CSP of results, if performance goes back down over the next 2 years, then the escalation process will be resumed at this point.
 - No improvement
 - Refer to IMM and/or FERC OE for future investigation.

For more details see Economic Demand Resource in Ancillary Service Market training