



Summer Only Demand Response Senior Task Force Report
PJM Interconnection
Members Committee Webinar
July 23, 2018

The Markets and Reliability Committee (MRC) approved the formation of the Summer Only Demand Response Senior Task Force (SODRSTF) at its August 24, 2017 meeting to evaluate proposals to value summer-only Demand Response resources through the load forecasting process or other mechanisms that would serve as an alternative to supply-side participation in the capacity market.

The SODRSTF held its first meeting on December 13, 2017. PJM presented an overview of the origin and purpose of the SODRSTF including a review of the problem statement and issue charge. The draft charter was reviewed and later approved by the MRC at its February 22, 2018 meeting. PJM staff presented education on how summer-only Demand Response resources participate in the capacity and energy markets.

The second SODRSTF meeting was held on February 2, 2018. The draft work plan was reviewed and approved with a caveat to revisit it once proposals have been developed to identify any implementation conflicts. Education and analysis was provided on peak shifting and forecast sensitivities followed by an overview of winter resource adequacy and Loss of Load Expectation (LOLE) studies. Stakeholders then identified their interests related to summer-only Demand Response and began identifying design components and solution options.

The third SODRSTF meeting was held on February 14, 2018. PJM provided education on the relationship between LOLE and Temperature Humidity Index (THI) and presented additional examples of peak shaving and the impact on the VRR Curve. Stakeholders continued to identify design components and solution options.

The fourth SODRSTF meeting was held on March 9, 2018. Mr. Chenchao Lu from PJM's legal team summarized FERC's intent to discuss the concept of seasonal capacity markets at a future technical conference (EL17-32-000 & ER17-367-000) and the impact on the SODRSTF. PJM provided education summarizing the methodology behind the Short-Term Load Forecast and answered questions regarding how peak shaving programs impact dispatch decisions. BGE provided education on load curtailment programs (Direct Load Control and Behavioral Program) and what advanced signals are used to help determine when to activate. Stakeholders reviewed design components and solution options intending to finalize them at the next meeting.

The fifth SODRSTF meeting was held on April 13, 2018. C-Power provided an overview and summary of the PA Act-129 program followed by education and analysis put together by the Pennsylvania Public Utility Commission (PA PUC) on the historical performance of the PA Act-129 program. PJM presented a streamlined version of the design components and solution options and the reasons for the consolidation. Stakeholders offered additional solution options. A call for solution proposals was requested for the next meeting.



The sixth SODRSTF meeting was held on May 9, 2018. PJM provided an overview and summary of Load Forecast Error metrics for recent peak periods and analysis of peak shaving frequency based on historical zonal summer forecasts. PJM presented a draft solution proposal. This proposal included a new lower load forecast based on a modified load history that assumes perfect curtailment compliance back to 1998. The proposal suggests that each peak shaving event will be 6 hours in duration, occur any day between May and October, and trigger on non-holiday weekdays when a pre-determined Temperature-Humidity Index (THI) threshold is reached or exceeded. Capacity value would be reflected through a lower load forecast which reduces the Reliability Requirement. A second draft proposal was also submitted.

The seventh SODRSTF meeting was held on June 13, 2018. PJM led a discussion to condense the work plan to accommodate load forecast timelines and impacts to finalizing changes to Price Responsive Demand (PRD) that are on hold at the MRC until the SODRSTF reaches a conclusion. Additional half-day meetings will be added in both June and July to accommodate the condensed work plan. PJM summarized how their proposal would work using examples for peak-shaving trigger points, forecast impacts, and market value. Requests were made for questions and comments associated with the current proposals so the sponsors could work on them between meetings.

The eighth SODRSTF meeting was held on June 29, 2018. PJM led a discussion to address questions regarding what manual and governing document changes would be required to implement each of the three proposals. At this time the PJM proposal would require only manual changes whereas the other two proposals would require both manual and governing document (Tariff, OA, or RAA) changes. PJM reviewed updates to their proposal and additional education on design components within the proposal. Recent updates to proposals B and C were also reviewed. Requests were made for questions and comments associated with the current proposals so the sponsors could work on them between meetings.

The ninth SODRSTF meeting was held on July 9, 2018. PJM provided analysis on the impact of the THI threshold on the number of curtailments. Additionally, PJM provided a summary of the Measurement and Verification design component and an example to illustrate how this option would function within the proposal. Recent updates to proposal C since the last meeting were also reviewed. A new fourth proposal was submitted during the meeting and reviewed. Requests were made for questions and comments associated with the current proposals so the sponsors could work on them between meetings. PJM will target sending stakeholders a poll by July 13 and examine the results at the July 25 meeting. The poll results will help identify where further consensus can be gained on the proposals.

Next meeting: July 25, 2018

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