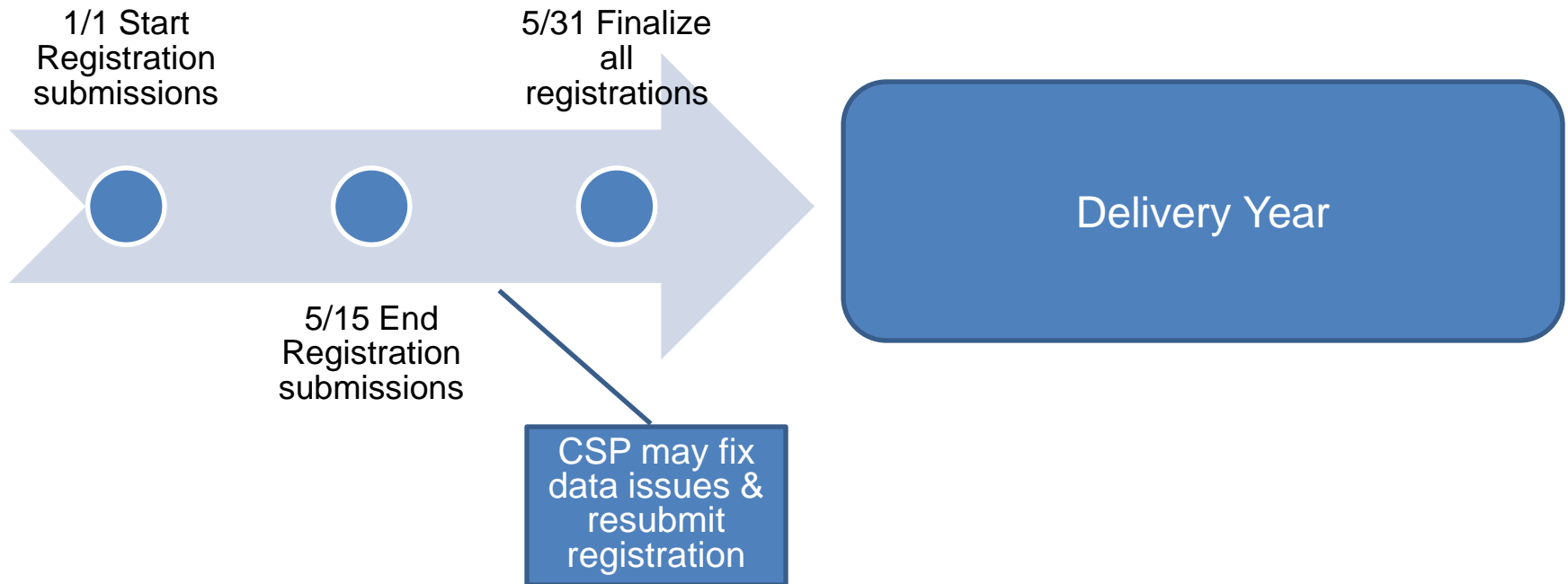


Review 2 LMTF recommendations for Demand Response

MRC

8/16/2011

- CSP submission of registrations up to “approval” deadline
 - Must be approved prior to start of Delivery Year.
- EDC/LSE do not receive normal 10 business days to review.
- Last minute rush of DR registration activity.
- Registrations not approved by deadline are terminated by PJM.



7/13/11 MIC results: 97% In Favor, 3% Against, <1% Abstention

- Status of all Registrations must be finalized before start of delivery year
- Registrations must be submitted 1 day prior to 10 business days before the delivery year (“registration submission deadline”).
 - No new registrations may be submitted after the registration submission deadline.
 - Registrations submitted prior to submission deadline that are denied by EDC or LSE may be resubmitted to correct data issues before registration approval deadline and will be reviewed as time permits.
- Registration will be terminated by PJM if not finalized before 6/1 (same rule as today)
- All registrations must be finalized (approved, denied or terminated) prior to start of deliver year.

- Load Management Event penalties are billed in lump sum after the summer season
- Under specific conditions a CSP may pay penalties before receiving revenue (cash flow risk for CSP)
 - Provide no reductions on 2 or more events.
- Inconsistent with Test penalty bill timing/process
 - Bill for all penalties accrued for initial bill and then monthly for balance of Delivery Year

Bill month	Revenue	Current Penalty (timing)	Proposed Penalty (timing)
June, 2011	\$1,000		
July, 2011	\$1,000		
August, 2011	\$1,000		
September, 2011	\$1,000		
October, 2011	\$1,000		
November, 2011	\$1,000		
December, 2011	\$1,000	\$12,000	\$7,000
January, 2012	\$1,000		\$1,000
February, 2012	\$1,000		\$1,000
March, 2012	\$1,000		\$1,000
April, 2012	\$1,000		\$1,000
May, 2012	\$1,000		\$1,000
Total	\$12,000	\$12,000	\$12,000

- Make Emergency Event penalty bill timing for Limited DR similar to Test penalty bill timing
 - Charges (CSP that under complied) and Credits (CSP that over complied) will be billed in ~ December as a lump sum and then residual for each month thereafter.

8/9/11 MIC Results: Consensus support for proposal