

Background: In PJM's original compliance filing on FERC Order 745, PJM proposed to eliminate compensation to demand response (DR) activity below the Net Benefits Test (NBT) price. PJM staff reported the following at the January 11, 2012 MIC regarding FERC's response to PJM's initial compliance filing in this area:

- [PJM must] Reinstate existing compensation (LMP – G&T) and cost allocation (to LSE of record for end use customer) rules when $LMP < NBT$
 - FERC indicated while this is outside the scope PJM may wish to pursue under a section 205 filing.

Motion for consideration:

“The MRC endorses PJM submitting a Section 205 filing requesting that FERC approve the elimination of the existing demand response energy market compensation for activity below the Net Benefits Test (NBT) price. The Section 205 filing would consist of those portions of the previous compliance filing which were not accepted by the FERC.”