

# Definition of DR Commitment in Auctions

MRC

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# DR commitment

- **The IMM raised the issue of whether DR is committed to providing a physical resource when it offers in the BRA**
- **The RAA indicates that:**
  - **Planned DR must be a specific, physical resource that is scheduled to be able to provide the identified reduction**
  - **The entity offering Planned DR must demonstrate its DY capability prior to BRA**



# DR Resources Must be Know, Capacity May be Planned

## RAA § 1.13 Demand Resource ...

- “may be an existing demand response resource or a Planned Demand Resource.”

## RAA § 1.69 Planned Demand Resource:

- “Planned Demand Resource shall mean a Demand Resource that does not currently have the capability to provide a reduction in demand or to otherwise control load, but that *is scheduled to be capable of providing such reduction or control on or before the start of the Delivery Year* for which such resource is to be committed, as determined in accordance with the requirements of Schedule 6” [emphasis added].

## RAA Schedule 6 § A.5:

- **“An entity offering for sale, designating for self-supply, or including in any FRR Capacity Plan any Planned Demand Resource must demonstrate, in accordance with standards and procedures set forth in the PJM Manuals, that such resource *shall have the capability to provide a reduction in demand*, or otherwise control load, on or before the start of the Delivery Year for which such resource is committed. Providers of Planned Demand Resources must provide a timeline including the milestones, which demonstrates to PJM’s satisfaction that the Planned Demand Resources will be available for the start of the Delivery Year, 15 business days prior to a Base Residual Auction or Incremental Auction. PJM may verify the Provider’s adherence to the timetable at any time.” [Emphasis added.]**



# Actual Compliance

- **Zonal adjustments should reflect actual compliance in a zone**
- **Example:**
  - **Zone A has compliance of 100 MW, and actual compliance of 85%**
  - **Zone A should reflect 85 MW commitment rather than 100 MW commitment.**
- **DR should be subject to an EFORd adjustment to reflect actual compliance**



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