

Economic DR participation in the DA energy market and LSE impact through negative decs

2/6/2023

- CSP is responsible to maintain accurate LSE on the registration and terminate the registration as soon as the LSE stops serving the account's load.
 - CSP must verify the LSE with the customer and make sure it is always accurate on the registration
- LSE should review registration approval task in DRHUB and reject if not their customer.
 - LSE should set email preferences on the DRHUB “Account and Users” tab to “All tasks and dispatches” to at least few users on their team in order to be timely informed when registration request is awaiting their approval. This can be done by LSE’s CAM.
 - PJM is considering to update the default email preference from “None” to “All tasks” for all new LSE users and for certain exiting users which companies have all “None” designations.
- LSE should on periodic basis check the registration where they are listed as an LSE.
 - Login DRHUB under each active subaccount and click on the “Registrations” tab.

PJM will create negative DEC bids for the LSE for a DR that clears in Day-ahead Market for registrations based on the amount that cleared in Day-ahead Market. A negative DEC bid is the same as an offer to sell which is done to minimize the impact of the load reduction on the LSE’s Day-ahead Energy Market position.

#	Scenario	Registration	Load Reduction Capability (MW)	CSP DA Cleared offer (MW)	DA LMP (\$/mwh)	LSE DA Cleared bid (MW)	PJM negative dec (MW)	LSE Position in DA market (MW)	LSE Actual Load (MW)	LSE Position in RT market (MW)	RT LMP (\$/mwh)	Outcome	Billing line item		Total charge		
													1200	1205			
1	LSE hedges entire load in DA market, no PJM negative dec and CSP performs 100%	Joe Building	0.6	(0.40)	\$85.00	100.00	-	100.00	99.60	0.40	\$125.00	LSE long and sells excess back in RT market.	Day-ahead Spot Market Energy (charge)	Balancing Spot Market Energy (charge)	\$8,450.00	\$ (50.00)	\$8,450.00
2	LSE hedges entire load in DA market, PJM does neg.dec and CSP performs 100%.	Joe Building	0.6	(0.40)	\$85.00	100.00	(0.40)	99.60	99.60	-	\$125.00	LSE position is not changed	\$8,466.00	\$ -	\$8,466.00		

Notes:

- o Negative dec bid is really same as offer to sell.
- o LSEs automatically get negative dec for all DR DA offers that clear in DA market.
- o The examples do not include BOR charges
- o Column names and signs are not exactly the same as in the settlement reports

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