

DR Supporters Sub-Zonal Dispatch Proposal

Demand Response Subcommittee

5/13/11

Tariff Issues

- Penalty Provisions are Zone based. The Tariff does not address compliance for subzones. From DD, 11.(b):
 - [Compliance Penalty Charges] shall equal the lesser of (1/the number of load management events during the year, or 0.50) times the Weighted Annual Revenue Rate for such seller/provider, multiplied by the net under-compliance in such on-peak period, if any, for such seller/provider resulting from all resources it has committed and ILR it has certified for such Delivery Year for such Zone for each load reduction event called by the Office of the Interconnection.

Communications

- PJM Communications methods for SubZones is not clear
- A mock event is essential

PJM to Define Sub-Zones

1. PJM has identified 25 sub-zones for DY 2011/2012 (Pre-Defined)
 - 20 based upon state boundaries
 - 5 additional sub-zones (zip codes to be provided by May 15, 2011)
2. PJM may identify others during the Delivery Year

PJM Defined Sub-Zones

- CSP's use "best efforts" to comply with sub-zonal dispatch
- Energy settlements based upon:
 - Performance within the requested sub-zone
- Exception: Registrations that cross sub-zones are compensated based any site within the registration that responds (i.e. call AP WV and AP – PA responds, AP – PA account gets compensated.)

Registration Requirements

- Currently, minimum registration requirement is 100 kW
- Forced to aggregate small accounts (by zone and LSE today)
- Sub-zonal dispatch causes additional considerations
- Change registration requirement to eliminate the 100 kW minimum, so that:
 - 1 registration = 1 account, or
 - CSP may bundle as they desire
- Facilitates compliance/settlements when a single registration crosses sub-zones

Compliance

- Voluntary Response to subzone events – no compliance penalty assessed.
- Voluntary compliance within a sub-zone counts for the test
- Voluntary compliance within subzones does not count for the number of events
 - Compliance penalties are not assessed at the subzone
- Otherwise, compliance is based upon the zonal or defined LDA Subzone level

Comparison

Issue	PJM	Alternate
Event Counting	Registration specific count – only events for which the specific registration is desired are counted	Zonal Count – Only zonal events are counted
“Capacity” (predefined) SubZones	<ul style="list-style-type: none">• Limited to 5• Identified by May 15	Same as PJM
SubZone Compliance	Treated as Zones for compliance	<ul style="list-style-type: none">• No compliance penalty assessed.• Voluntary

DR Supporters

- ClearChoice Energy
- Energy Connect
- Energy Curtailment Specialists
- EnerNOC
- Hess