



Additional detail on proposed CBL changes for FERC Order 745 Compliance filing

DRS

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- All registrations segmented into variable or non-variable designation
 - Non-variable load = Default CBL is high 4 of 5 with additive adjustment
 - Variable load = review and determine alternative CBL on case by case basis
- Continue to allow alternative CBLs if results are significantly more accurate, less bias and less variable.
- CBL basis window stays at 45 days but extension will be eliminated
- Current weather sensitivity adjustments eliminated (not used and results mediocre)

- The measurement of reductions in the energy market should be done on a consistent basis.
 - Economic and emergency energy settlements based on same CBL methodology.
- CSP to identify specific load reduction activity
 - Today many simply designate as “Other”
- Review and modify existing Registration and Settlement review process

- Interval data submitted for each customer at time of registration
 - 60 days of recent load data
 - CBL calculated and accuracy determines whether or not default CBL will be used
 - Relative root mean square error (RRMSE) $< 20\%$ - use default CBL
 - RRMSE $\Rightarrow 20\%$ - alternative CBL review process
 - If 60 days of hourly load data is not available then PJM will review

- Inter-day variability (Monday load is not like Tuesday load, etc.)
 - 3 day average where day type is each day of week or other variations as needed.
 - Positive experience with this approach in past
- Intra-day variability (hourly loads have significant random fluctuation)
 - Maximum base load
 - Regression