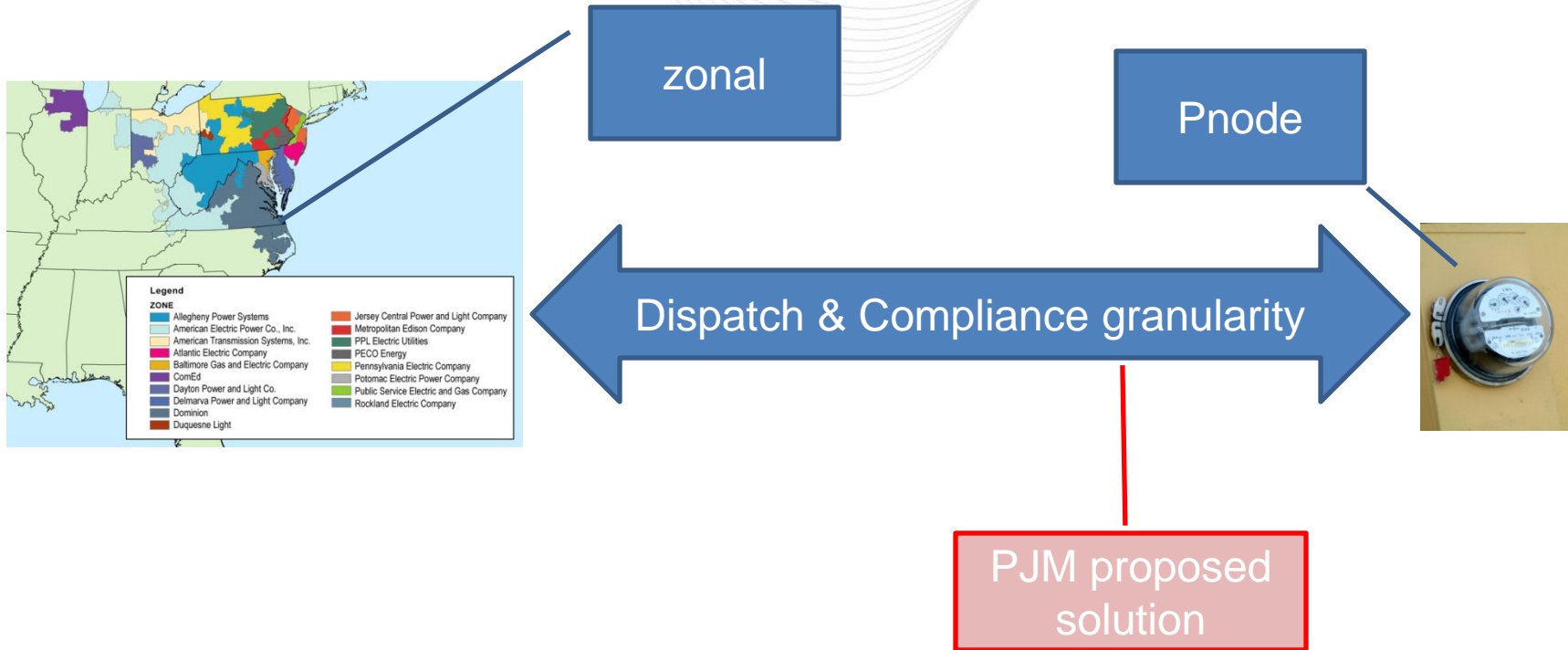


PJM proposed sub-zonal dispatch for '12/'13 Delivery Year and beyond

DRS (Demand Response
Subcommittee)

9/27/2011

- Current market rules allow zonal, lead time and sub-zonal dispatch:
 - Key limitation based on use of ALL CALL technology
- Successful implementation of sub-zonal dispatch summer 2010 and summer 2011.
- Existing sub zonal procedure documented and communicated to stakeholders to eliminate any confusion



- Leverage existing process & enhance to make easier to execute
- Improve transparency and expand language in Manual(s)
- Balance system need for granularity/flexibility with CSP concerns
- Continue to expect zonal dispatch by lead time to be typical action and sub zonal event to be atypical

Identified interest	Solution
Sub zones defined in advance to enable CSP to easily dispatch their customers.	Subzones created 1 day in advance AND PJM will send electronic notification with list of all registrations that must comply to enable CSP downstream notification of customers.
Transparency of rules from Dispatch to Settlements (clear communication for customer expectations)	Clearly documented rules that will remain fairly consistent with existing process (no significant transition for customer)
Flexibility to manage the system based on unpredictable conditions	Enables PJM flexibility to effectively manage system when under emergency conditions & understand what will show up for operators
No mandatory compliance for sub zonal event	Does not change existing responsibility of resource and therefore must respond during emergency event
More effective notification solution	Implement electronic notification system that will provide CSP list of registrations that must respond to event and enable CSP downstream notification of customers
Electronic message instead of ALL CALL	Yes – see above
Operational feasibility for DLC	Residential DLC deployment will be based on operational feasibility of CSP at time of deployment. If not capability to deploy zonally then PJM to provide explicit instruction
Normally all included on 1 registration	Yes – PJM will dispatch at the registration level to avoid confusion and eliminate complexity of developing prorated location level nomination
Minimize member administration (eg: pnode identification and maintenance)	PJM will base on zip codes and not require pnodes by CSP and EDC. See electronic message above.
More effective test plans since only part of zone may actually get dispatched	Similar situation to zonal dispatch. Since CSP does not know if zone will be dispatched or not until after September 30 there is no significant difference between test plans for a zone or a subzone.

- Compliance process
- Test process
- Governing Documents and expected impact

- Number of events used to determine event multiplier based on number of events the registration has been dispatched
 - PEPCO DC dispatched twice
 - PEPCO zone dispatched once
 - 33% for PEPCO DC registrations (since they were actually dispatched 3 times) and 50% for non DC PEPCO resources (since they were actually only dispatched once and need to take min of 50% or 1/# events)
- Sub-zonal commitment based on registrations that were dispatched:
 - ILR = nominated capacity of registrations dispatched
 - DR = DR commitment * (nominated value of DR registrations dispatched/Total nominated value of DR registrations in zone).
 - CSP may not use other zonal registrations to substitute sub-zonal registrations that are dispatched.
 - Registrations dispatched based information submitted by CSP for location in eLRS.
 - PJM will use zip codes in eLRS just prior to event to determine exactly which registrations are required to respond.

- If registrations not dispatched then still required to perform annual test.
 - For example in 2010:
 - APS (WV, VA and MD) dispatched and therefore not required to Test
 - APS (PA) NOT dispatched and therefore required to Test
 - If test already conducted it is not necessary for CSP to submit the results.
- Sub-zonal commitment based on registrations that were NOT dispatched:
 - ILR = nominated capacity of registrations NOT dispatched
 - DR = DR commitment * (nominated value of DR registrations NOT dispatched/Total nominated value of DR registrations in zone).
 - CSP may not use other zonal registrations that were dispatched to substitute registrations that are required to test.

- OATT
 - Market Operations
 - Attachment DD
 - Attachment DD-1
- OA
- RAA
- M13
- M18
- M10

A blue oval callout box with a white border and a drop shadow. It contains the text "Updates Expected to be required" in white. Two blue arrows originate from the left side of the oval and point towards the "M13" and "M18" items in the list above.

Updates
Expected
to be
required