

Price Responsive Demand: Treatment of Customer Switching

DRS

June 14, 2017



- LSE will be required to register price responsive load in a PJM software application to meet the Nominated PRD Value committed.
- LSE needs to separate customers participating in PRD from other customers being served by the LSE.
- LSE has the obligation to meet both the PRD Commitment and Maximum Emergency Event Compliance or incur the appropriate penalties.
- LSE receives the PRD Credit associated with the Nominated PRD Value of the PRD customers being served.
- LSE may transfer all or part of the PRD obligation to another market participant anytime.

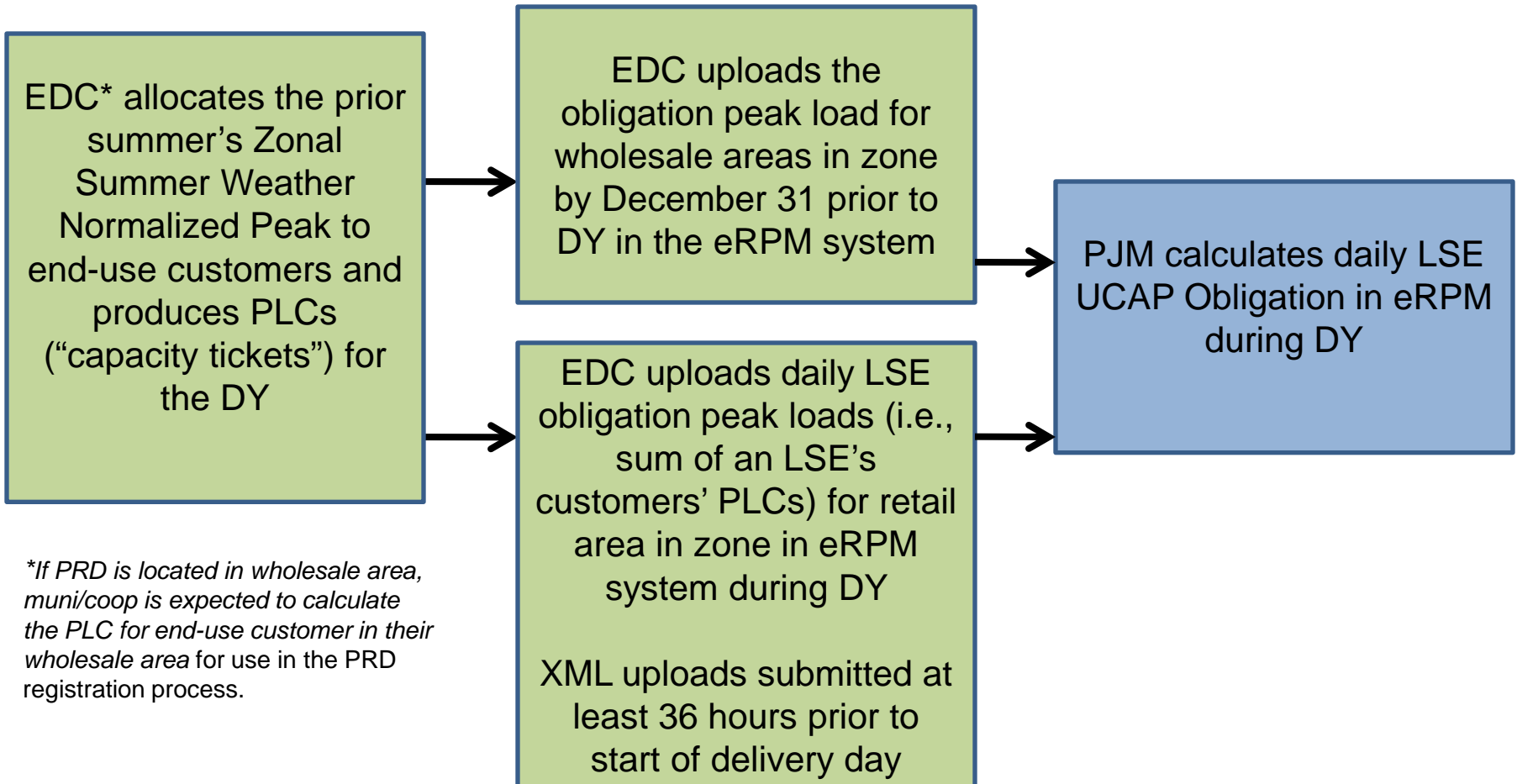
- PRD Provider will be required to register price responsive load in a PJM software application to meet the Nominated PRD Value committed.
- The customers participating in PRD and registered by the PRD Provider may be served by multiple LSEs. LSE needs to be identified for each customer in the registration.
- PRD Provider has the obligation to meet both the PRD Commitment and Maximum Emergency Event Compliance or incur the appropriate penalties.
- Each LSE receives the PRD Credit associated with the Nominated PRD Value of the PRD customers being served by the LSE.
- PRD Provider may transfer all or part of the PRD obligation to another market participant anytime.

- LSE A serves 300 MW load with 200 MW MESL and 100 MW Nominated PRD Value. LSE A registers 100,000 customers each with 1 kW Nominated PRD Value to meet the obligation. LSE A receives PRD Credit based on 100 MW PRD. During the Delivery Year, 20,000 customers (20 MW Nominated PRD Value) switch to LSE B.
- **Scenario 1:** The customers switching to LSE B continue to participate in LSE A PRD program. LSE A keeps the 20,000 customers in the PRD registration to continue to meet the full PRD obligation. LSE B receives PRD Credit based on 20 MW PRD. LSE A receives PRD Credit based on 80 MW PRD.
- **Scenario 2:** The customer switching to LSE B discontinue participation in LSE A PRD program. LSE A terminates the 20,000 customers in PRD registration and registers new customers to meet the full PRD obligation. LSE A continues to receive PRD Credit based on 100 MW PRD.
- **Scenario 3:** The customers switching to LSE B discontinue participation in LSE A PRD program. LSE A transfers 20 MW PRD obligation to LSE B bilaterally. LSE B registers new customers or switched customers that are participating in LSE B PRD program to meet the 20 MW PRD obligation. LSA A and LSE B receive PRD Credit based on 80 MW and 20 MW PRD, respectively.

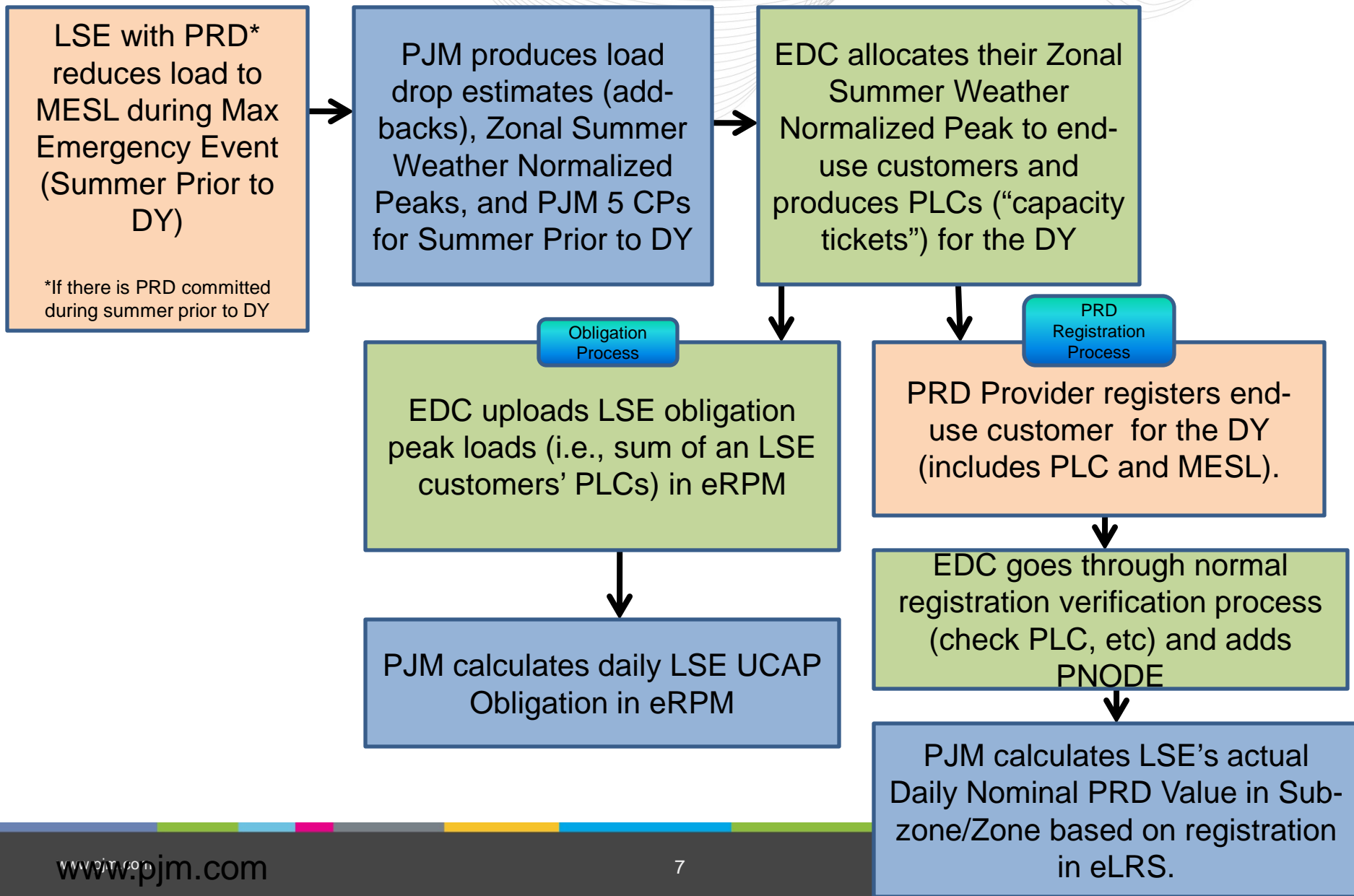
Slides Previously Presented



No change in the LSE UCAP Obligation Process



**If PRD is located in wholesale area, muni/coop is expected to calculate the PLC for end-use customer in their wholesale area for use in the PRD registration process.*



PJM calculates Daily Nominal PRD Value for each LSE PRD Registration.

Nominal PRD Value = Expected Peak Load – MESL

*Expected Peak Load = PLC * Zonal Peak Load Forecast Scaling Factor*

Zonal Peak Load Forecast Scaling Factor = DY Final Zonal Peak Load Forecast / Zonal Summer Weather Normalized Peak for summer prior to DY

PJM aggregates the Daily Nominal PRD values for all PRD Provider PRD registrations in a Sub-zone/Zone to calculate LSE's Daily Nominal PRD Value in Sub-zone/Zone.

PJM compares PRD Provider's Daily Nominal PRD Value in Sub-zone/Zone to PRD Provider's Committed Nominal PRD Value in Sub-zone/Zone

If LSE's Daily Nominal PRD Value < Daily Committed PRD Value, LSE will be assessed a Daily PRD Commitment Penalty