NEMSTF
Member and Affiliate Option Voting
Package/Proposal Completion Effort
May 11, 2012

Proposal Development

Developing options for each component

Option Generation

1. Group Brainstorming
2. Multi-Member Proposals
3. PJM at Direction of Members (or own initiative). PJM (prior to development of straw proposal) should say if it has strong views on particular approach to address issue, and what they are

4. Individual Members (if first 3 are insufficient)
5. MMU
6. Non-member proposals-OPSI, state regulators

Joint Option Evaluation and Analysis –Explicitly compare options against upfront problem/evaluation criteria/identified concerns

Collectively prioritize among options, narrow to extent possible (considering joint option evaluation)

Develop a comprehensive package

Package options into comprehensive solutions

Explicate similarities and differences among packages

Collectively prioritize packages. Narrow if possible (considering joint option evaluation)

Further refinement and consolidation, where possible
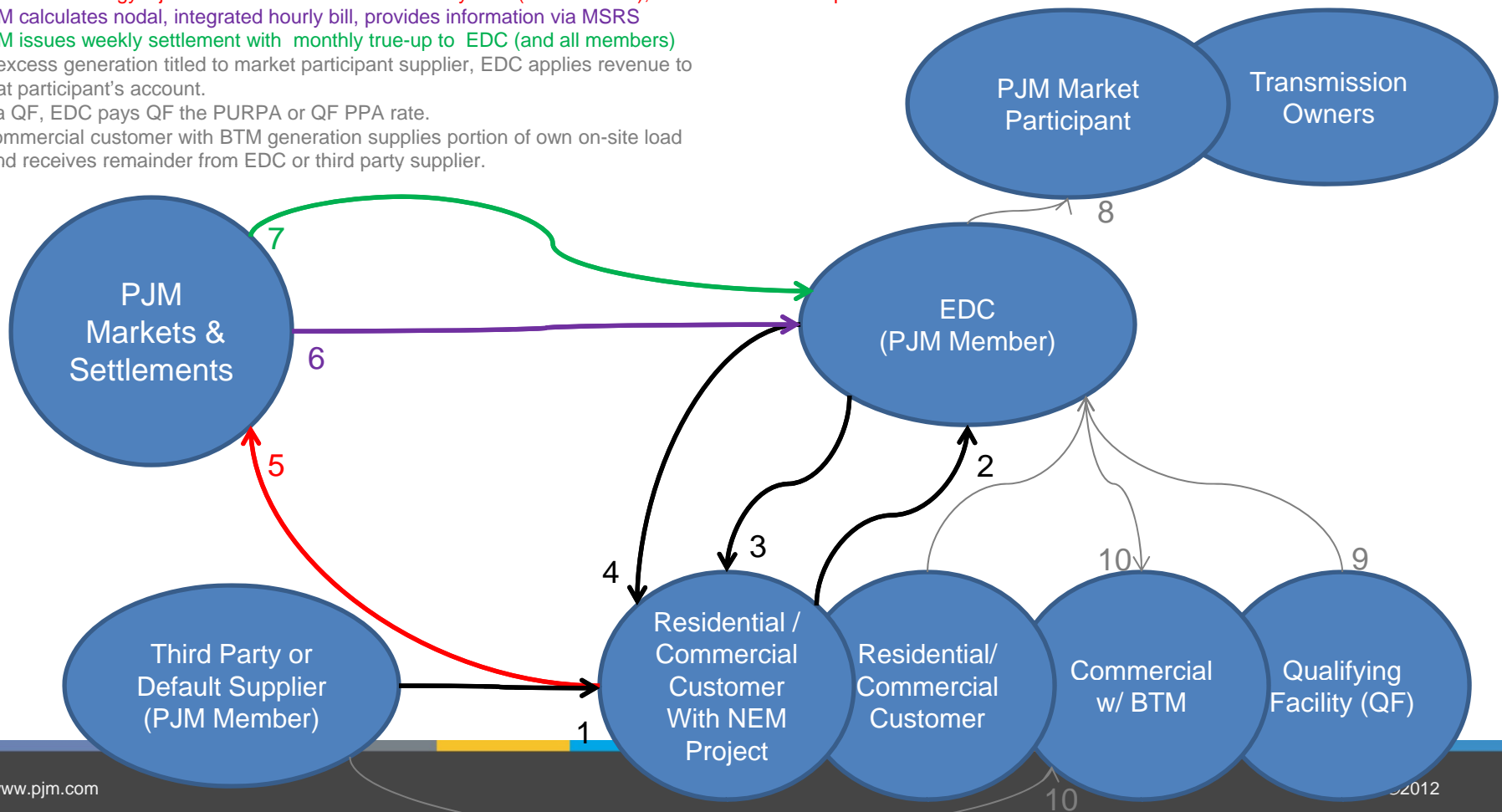
Today's Focus (May 11, 2012)
1. Present Voting support and non-support for Packages and options
2. Present apparent Tier 1 Proposal
3. Discuss select number of options achieving potential consensus
4. Determine Tier 1 or Tier 2 NEMSTF Proposal
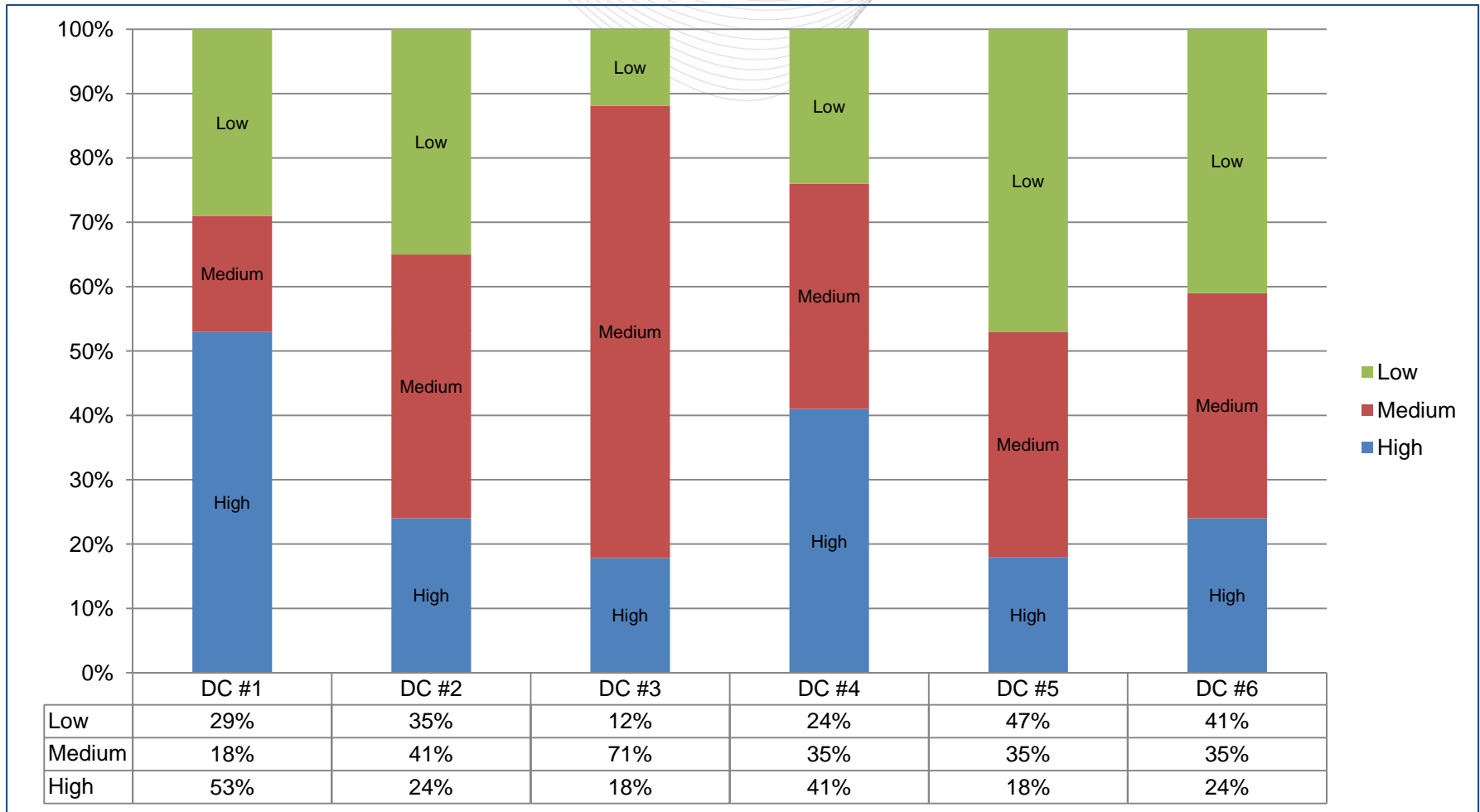5. Time permitting – review of Responsibilities and Report Outline

A NEM Case – Background to this case

1. Customer receives normal residential/commercial service from either :
   i) alternative third-party retail choice supplier or
   ii) from EDC through default service supplier.
2. Customer submits application to attach NEM Project to distribution / transmission system to self-supply own (and possibly others' loads), and potentially inject excess net generation to the distribution / transmission system.
3. EDC registers application, studies and approves NEM installation; supplies metering.
4. EDC obligated by state jurisdiction to pay customer for net excess. Injections into distribution / transmission system at approved retail rate.
5. Net excess energy injection flows to the transmission system (unscheduled); it flows to the PJM spot market at the real-time LMP rate.
6. PJM calculates nodal, integrated hourly bill, provides information via MSRS
7. PJM issues weekly settlement with monthly true-up to EDC (and all members)
8. If excess generation titled to market participant supplier, EDC applies revenue to that participant's account.
9. If a QF, EDC pays QF the PURPA or QF PPA rate.
10. Commercial customer with BTM generation supplies portion of own on-site load and receives remainder from EDC or third party supplier.
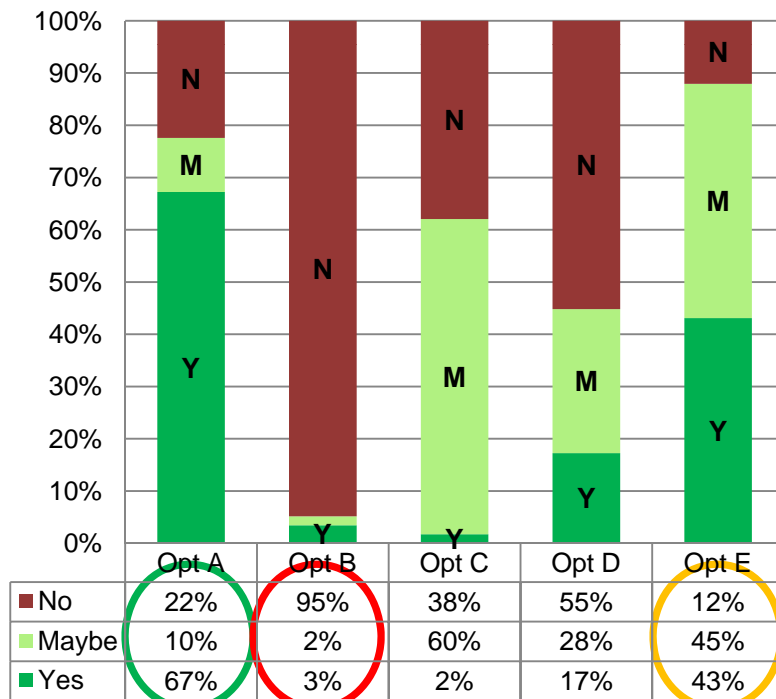

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ID	Design Component	Component Solution Options				
		Option A (*Status Quo*)	Option B	Option C	Option D	Option E
1	(Modeling) Resolve net negative MWh load buses (pnodes) in order to accurately model NEM "generation".	Periodic checks by PJM to avoid gross modeling errors that cause large negative MWh attributed to load buses	Establish a fixed 10 MWh threshold	Establish average MWh threshold (PJM to conduct analysis to determine value)	Establish a conditional MWh threshold (i.e. the greater of: a percentage or a fixed MWh threshold)	PJM conducts analysis and provides results to this body. This body interprets the information and then determines how to establish a threshold, if needed.
2	(Business Process) PJM must be notified of NEM generators rated in excess of a given MW capability threshold.	PJM has reviewed OATT Schedule 15. All generators are reported to PJM except for retail BTM and NEM.	Establish a fixed 1 MW threshold	Establish average MW threshold (PJM to conduct analysis to determine value)	Establish a conditional MW threshold (i.e. the greater of: a percentage or a fixed MW threshold)	Establish a fixed xxx threshold TBD.
3	(Business Process) Update Manual 14D Exhibit 4 (page 25) to include specific NEM guidance	Existing PJM Manual 14D	Establish metering and communication requirements threshold (ICCP, DNP3, etc.) for NEM generators.			
4	(Settlements) Adjust the load obligations of LSEs to reflect a net injection of energy / net consumption offset during a NEM billing cycle (reflecting EDC materiality threshold, as applicable).	LSE load obligations may be adjusted on a two-month lag via the existing load reconciliation process (Settlement B). EDCs also have the ability to have PJM perform a subsequent load reconciliation within a two year window if all affected LSEs agree to it (Settlement C). While individual load responsibility eSchedules may carve out negative load MWh, the total load carved out to a given LSE must result in a positive value. Negative MWh of load for an LSE account will not flow through the PJM settlement calculations.	Employ approach similar to Settlement B and/or C	Modify eSchedules to allow negative load for an LSE.		
5	(Settlements) Creation of aggregate pnode to allow aggregation of hourly, interval metered NEMs that are below a certain threshold.	Generation MWh values submitted to eMTR must be attributed to a single pnode in the PJM network bus model, not an aggregate. Aggregated NEM generation may be able to be calculated and attributed across multiple individual pnodes or attributed to a representative pnode on a case by case basis.	EDCs may modify their own applications to account for this.	Modify eMtr to allow aggregation of NEMs.	-	
6	(Settlements) Allow financial adjustment mechanism for non-hourly, non-interval metered NEMs, similar to the existing monthly meter correction process (reflecting EDC materiality threshold as applicable).	EDCs may submit generation meter correction MWh in the first three business days of the following month. For each generation correction, the financial true-up uses a monthly generation-weighted average LMP at that generator's location. Note that the EDC and generator may also calculate and submit a mutually agreed to financial adjustment to PJM any time to pass through a billing adjustment in the PJM billing statements.	Modify existing end-of-month meter correction process to accommodate NEM "generation" true-ups	Create an additional monthly meter correction process to accommodate separate NEM "generation" true-ups.	Create a single longer term meter correction process for NEM billing true-up. This process would use a longer term (annual) rate.	

	DC #1	DC #2	DC #3	DC #4	DC #5	DC #6
Low	29%	35%	12%	24%	47%	41%
Medium	18%	41%	71%	35%	35%	35%
High	53%	24%	18%	41%	18%	24%

- Majority prefers status quo (Option A) – Periodic PJM assessment
- Notable: Option E may be a potential consensus position – Periodic PJM assessment, NEMSTF considers if and how to adopt a threshold
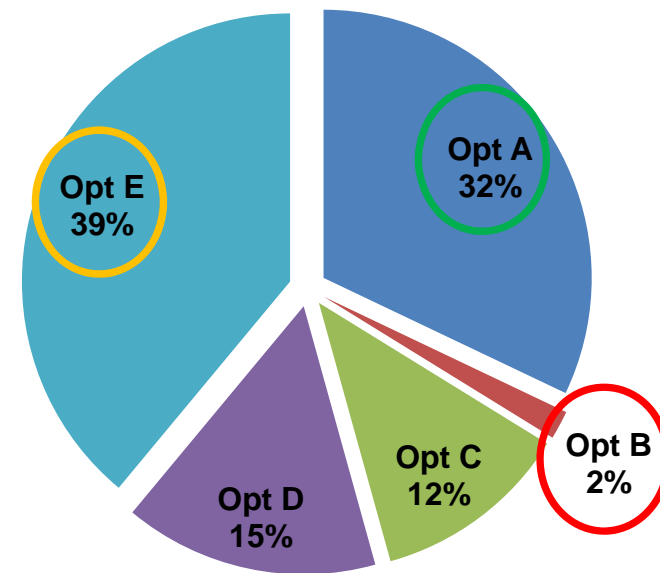- Virtually unanimous position to not support Option B

Yes/Maybe/No Votes

N=58

	Opt A	Opt B	Opt C	Opt D	Opt E
■ No	22%	95%	38%	55%	12%
■ Maybe	10%	2%	60%	28%	45%
■ Yes	67%	3%	2%	17%	43%

Points-based Voting Results
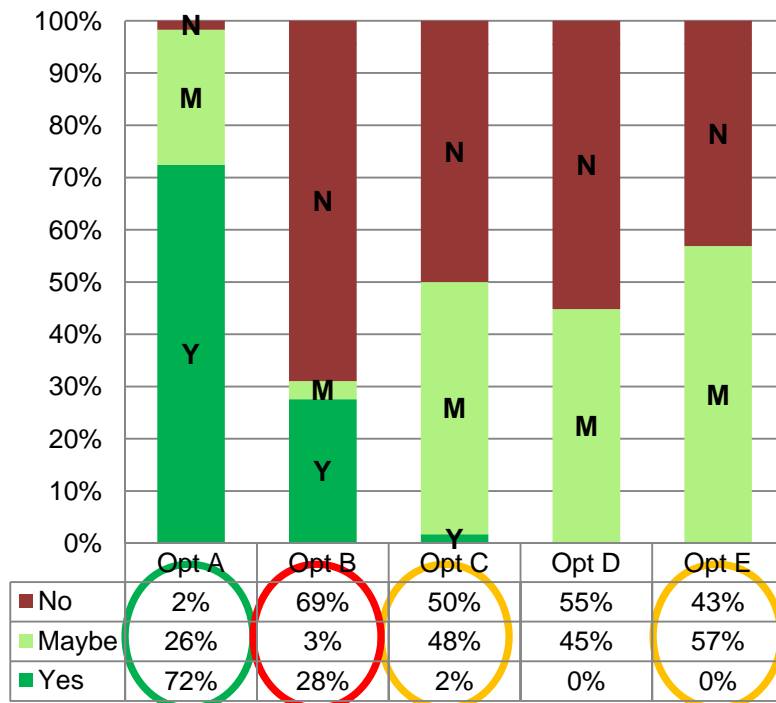
Total Points Assigned: 580

Opt E 39%
Opt A 32%
Opt B 2%
Opt C 12%
Opt D 15%

- Overwhelming support for Status Quo (Option A)
- Nominal potential for consensus positions on Options C and E
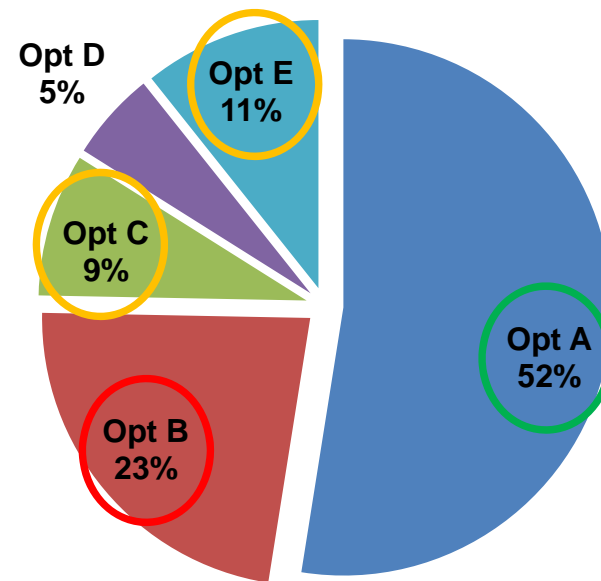- Considerable opposition for Option B

Yes/Maybe/No Votes

N=58

	Opt A	Opt B	Opt C	Opt D	Opt E
■ No	2%	69%	50%	55%	43%
■ Maybe	26%	3%	48%	45%	57%
■ Yes	72%	28%	2%	0%	0%

Points-based Voting Results

Total Points Assigned: 579

Opt D 5%
Opt E 11%
Opt C 9%
Opt A 52%
Opt B 23%

- Dominant choice is to maintain the Manual as is (Status Quo)

Yes/Maybe/No Votes
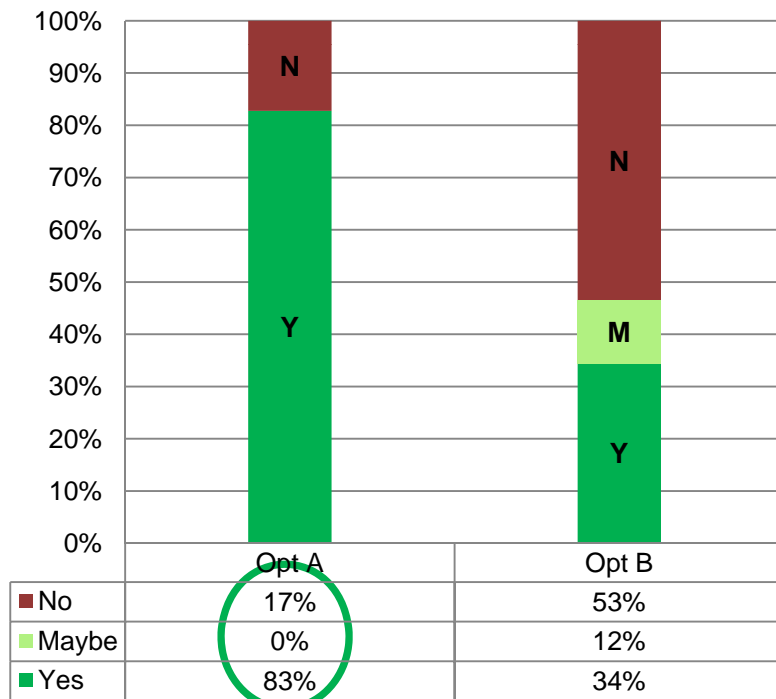
N=58

	Opt A	Opt B
■ No	17%	53%
■ Maybe	0%	12%
■ Yes	83%	34%

Points-Based Voting Results

Total Points Assigned: 580

Opt B 34%

Opt A 66%
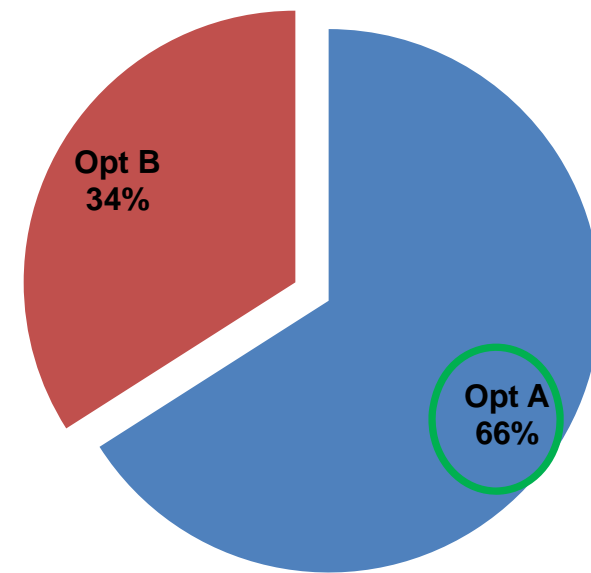
- Option A-Majority opinion is to maintain current PJM process for timing and reconciliation(s), use of eSchedules, no negative values flow through PJM Settlements
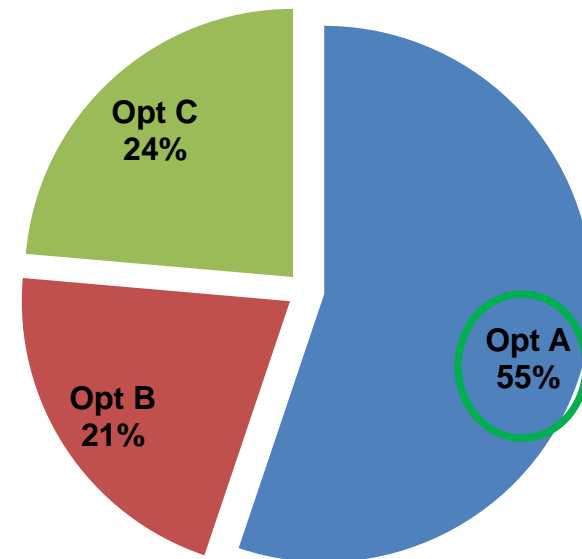
Yes/Maybe/No Votes
N=58
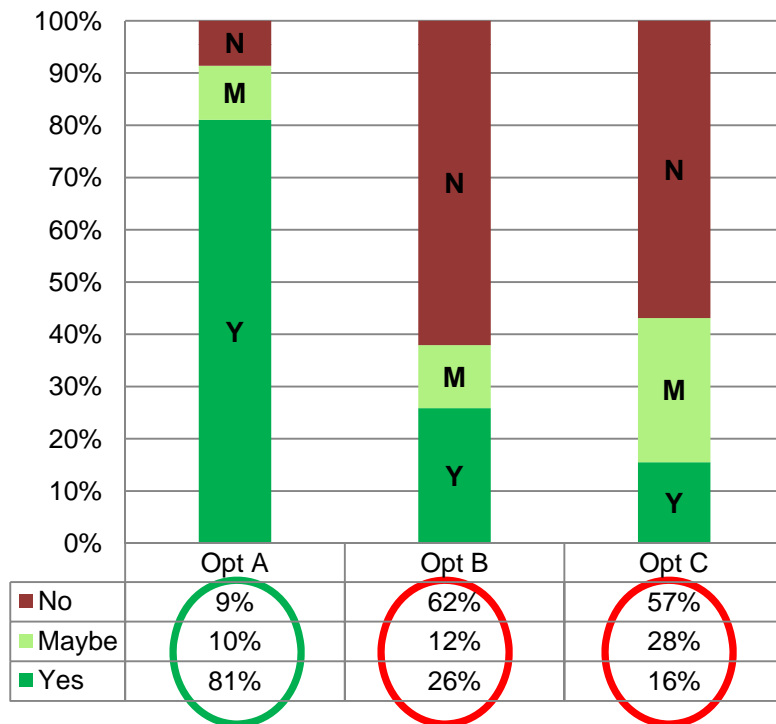
	Opt A	Opt B	Opt C
No	9%	62%	57%
Maybe	10%	12%	28%
Yes	81%	26%	16%

Points-based Voting Results
Total Points Assigned: 580

Opt C 24%

Opt A 55%

Opt B 21%

- Considerable support for Status Quo (Option A)
- Option B represents potential consensus position
- Option C has very little support

Yes/Maybe/No Votes
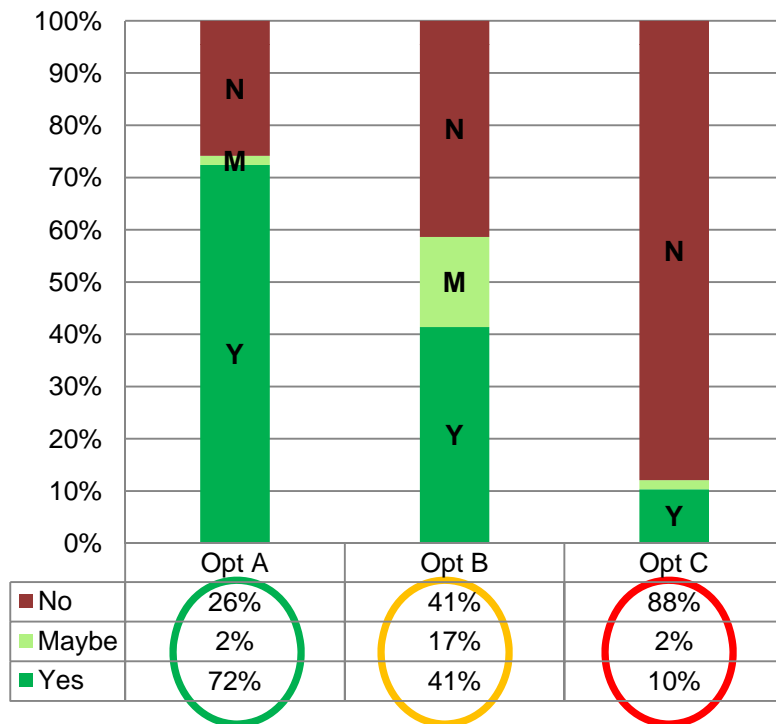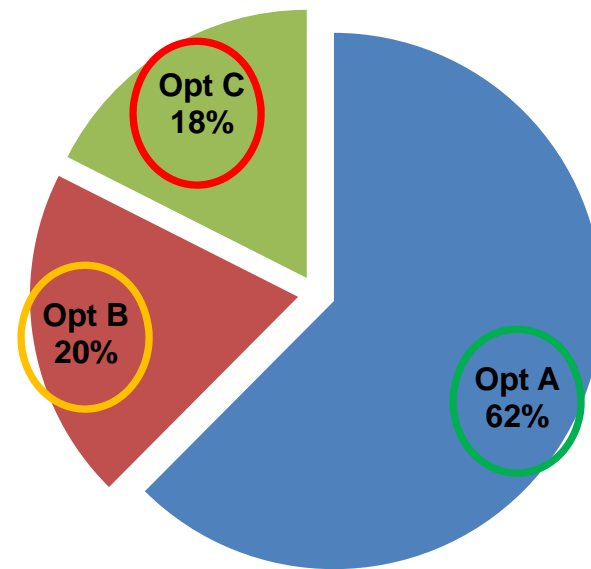
N=58

	Opt A	Opt B	Opt C
No	26%	41%	88%
Maybe	2%	17%	2%
Yes	72%	41%	10%

Points-based Voting Results

Total Points Assigned: 580

- Opt A 62%
- Opt B 20%
- Opt C 18%

- Almost unanimous support for Option A (Status Quo)
- Slightly more than half (51%) are willing to support Option B
- Options C and D had limited support

Yes/Maybe/No Votes

N=58

	Opt A	Opt B	Opt C	Opt D
■ No	2%	48%	78%	79%
■ Maybe	10%	41%	12%	10%
■ Yes	88%	10%	10%	10%

Points-based Voting Results

Total Points Assigned: 580

Opt C 5%
Opt D 9%
Opt B 15%
Opt A 71%

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- Introduction/Background/Basic Terms
- Executive Summary
  - Senior Task Force formation, summary of problem statement, Charter, process
  - Table of Compliance/Completion of Charter
  - Recommendation(s) and any items for MRC Vote
- Issues and Considerations
  - Jurisdiction of physical interconnection and energy sales
  - Metering, Modeling, Settlements
  - PJM Agreement to implement ongoing periodic analysis to monitor load buses that "inject"
  - Any future or foreseeable considerations
- Design Components & Solution Options
  - Matrix Table
- Consensus Package(s) and Final Proposal
  - Package Table
- Summary
  - NEMSTF Recommendations
  - MRC Actions
  - MRC Items for Vote