

WeatherBug Home SCRSTF Proposal E Summary

The WeatherBug Home seasonal capacity proposal addresses the seasonal capacity problem in two ways: by returning consistency to demand response measurement and verification, and by allowing all resources to participate in aggregations. The key components of our proposal are:

1. **Use Firm Service Level to measure demand response year-round.** Loads that commit to using less capacity than they are being charged for should receive demand response credits equal to their unused capacity.

Stakeholders have declined to consider seasonal cost allocation in RPM. That means that all loads are billed for annual capacity based on their Peak Load Contribution (PLC). Simple fairness says that loads should be able to avoid capacity charges on the same basis that they incur them. We propose that demand response be measured relative to the customer's PLC year round.

2. **Expand PJM's aggregation proposal to include all resource types.** Currently, only renewables, DR, and EE can participate in Capacity Performance aggregation. We see no reason for that. Our proposal expands aggregation to all resources. Any RPM resource may offer its excess seasonal capacity into aggregations. We define excess seasonal capacity as any capacity a resource has once it has satisfied its RPM must offer requirement. E.g., a CC unit that has a higher winter rating may offer the difference between its winter rating and its must-offer requirement as winter-period capacity.
3. **Extend Base Capacity until the winter CIR problem is solved.** Under current rules, Capacity Injection Rights (CIRs) are allocated annually. That means that there is no way for any generation resource to have excess capacity to offer into aggregations. Aggregation rules are an empty shell until this problem is fixed. PJM staff have stated that this problem cannot be fully resolved in time for the 2020/21 BRA, and the SCRSTF has not attempted to address the issue.

PJM has proposed an interim solution to allocate winter-period CIRs for the 2020/21 delivery year. However, details are vague, and it is not clear that the interim solution will allow meaningful aggregation in the 2020/21 auction. To avoid this problem, our proposal extends base capacity until rules for seasonal CIRs are developed.

Questions and comments are welcomed. Contact:

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