

Opportunities to recognize and value summer-only Demand Response resources

Includes Problem/Opportunity Statement

Issue Source

A commitment to continue stakeholder discussions on seasonal resources was noted in PJM's enhanced aggregation filing (November 17, 2016; ER17-367-000). PJM Staff is bringing this problem/opportunity statement and issue charge to stakeholders for consideration. The problem statement and issue charge are focused on summer-only DR resources because those were the seasonal resources that had a significant volume offered, but not cleared, in the 2020/21 BRA.

Stakeholder Group Assignment

New senior task force

Key Work Activities

The key work activities are focused on better understanding summer-only DR operations and how it is valued within the PJM marketplace. These key work activities will not reconsider those fundamental issues which were discussed in the Seasonal Capacity Resources Senior Task Force, including Capacity Performance requirements which have already been debated and upheld by the courts.

1. Review analysis conducted by PJM's Resource Adequacy department which simulates the impact of summer peak shaving resources on the load forecast used in RPM.
 - a. As applicable, recommend alternative assumptions and/or modified analysis procedures.
2. Education and discussion on specific aspects of certain types of Demand Response resources, or specific market rules, which prevent participation in RPM.
3. Explore mechanisms, including the load forecast, to value Demand Response resource flexibility for those resources that may not be able to clear in the capacity market.

Out of Scope

By way of this Issue Charge, the following items are deemed out of scope. Additional out of scope items may be added to this list by the stakeholder group ultimately addressing this Issue Charge through that group's Charter.

1. Seasonal capacity procurement / seasonal capacity market
2. Re-establishing non Capacity Performance Capacity products such as Base Capacity or Limited DR
3. Loss of Load Expectation studies or business rules

Expected Deliverables

1. Report to MRC summarizing discussion and any proposed alternatives to valuing summer-only Demand Response.

2. If necessary, manual and/or tariff language associated with any approved proposals.

Expected Overall Duration of Work

12 months. If there is stakeholder consensus on items that would impact the 2021/2022 BRA, those items will be advanced in the stakeholder process for approval such that they may be in place prior to the 2021/2022 BRA.

Decision-Making Method

Preferred: Tier 1, consensus (unanimity) on a single proposal