

Summary of recent compliance filing on demand side response economic and emergency participation and impact on PJM DSR registration process



Disclaimer:

PJM has made all efforts possible to accurately document all information in this presentation. The information seen here does not supersede the PJM Operating Agreement or the PJM Tariff both of which can be found by accessing:

<http://www.pjm.com/documents/agreements/pjm-agreements.aspx>

Nor does the information seen here supersede the compliance filing submitted to the FERC by PJM on November 20, 2009 in Docket Nos. RM07-19-001 and ER09-701-000, -001, which can be found by accessing: <http://www.pjm.com/~media/documents/ferc/2009-filings/20091120-er09-701-000.ashx>

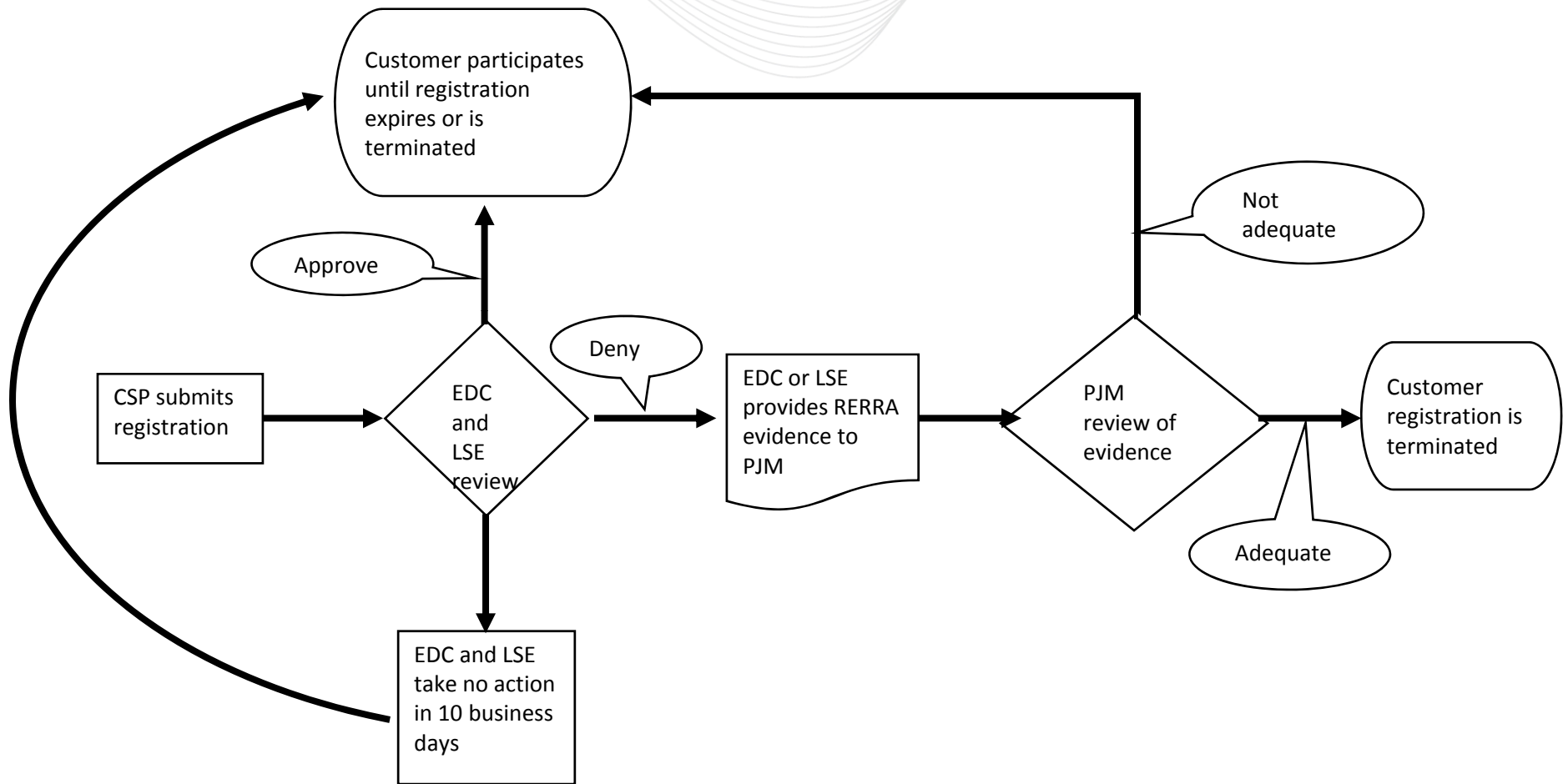
For additional detailed information on any of the topics discussed, please refer to the appropriate PJM manual which can be found by accessing: <http://www.pjm.com/documents/manuals.aspx>

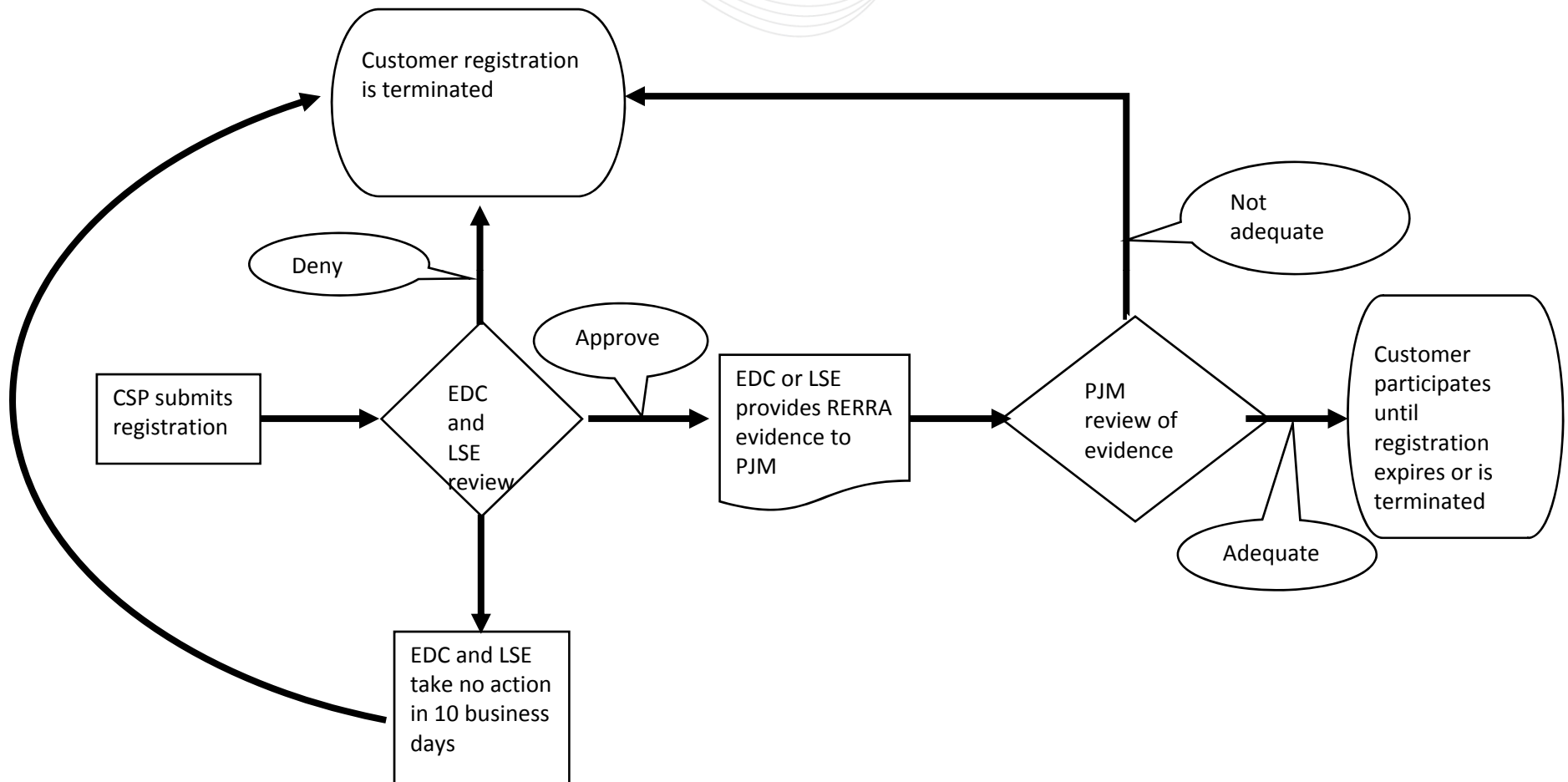
- On November 20, 2009, PJM submitted a Compliance filing pursuant to the Commission's July 16, 2009 order ("Order 719-A") in Docket No. RM07-19-001, and the Commission's September 14, 2009 order ("September 14 Order") in Docket No. ER09-701-000, -001
- This presentation is focused on communicating the impact of these tariff changes on demand side response participation through the registration process in PJM.

Please review new tariff pages for additional detail

- Existing EDCs available in eLRS:
 - PJM will classify all existing EDCs
 - “Large” (=>4 million mwh) or
 - “Small” (<4 million mwh)
- EDCs will be “set up” and therefore available in eLRS system to select during time of registration if:
 - EDC is Large (PJM believes all are currently “set up” and available in eLRS)
 - EDC is Small AND RERRA permits participation (PJM will not “set up” additional small EDCs in eLRS unless necessary)
- If an EDC is not “set up” and available in eLRS no registrations may occur in that zone (CSP is unable to select the EDC during the registration process)
- PJM intends to enhance eLRS system to improve administration of these new rules in 2010.

- Following slides are focused on current economic registrations and emergency ILR/DR registrations for '10/'11 and future deliver years.
 - Existing DR/ILR registrations for '09/'10 will remain in effect and therefore NOT impacted.
- Default approval process
 - Large EDC (Opt Out) – 10 business days for EDC/LSE to review, no action will result in automatic approval of registration (same as current process)
 - Small EDC (Opt In) – 10 business days for EDC/LSE to review, no action will result in termination of registration





- If RERRA prohibits or conditions participation then:
 - New Registrations: PJM expects that EDC or LSE would deny registration as part of the normal registration review process (10 business days) where necessary and provide reference to one of below types of “evidence” in eLRS comments for denial reason AND send copy of evidence to PJM
 - an order, resolution or ordinance of the RERRA prohibiting or conditioning end-use customer participation, or
 - an opinion of the RERRA’s legal counsel attesting to the existence of a regulation or law prohibiting or conditioning end-use customer participation, or
 - an opinion of the state Attorney General, on behalf of the RERRA, attesting to the existence of a regulation or law prohibiting or conditioning end-use customer participation
 - Existing Registration: EDC/LSE should notify and provide evidence to PJM if previously approved registrations should now be terminated by PJM due to new RERRA regulation or law that prohibits or qualifies participation
 - CSP may resubmit registration upon approval by RERRA subject to all other PJM registration requirements, including verification by the EDC/LSE
 - Include reference to RERRA approval, where required in eLRS comments
 - CSP may still settle any activity that occurred prior to registration termination date according to PJM rules.

- If RERRA permits participation then:
 - New Registrations: PJM expects that the EDC or LSE would approve registration as part of the normal registration review process (10 business days) and provide reference to one of below types of evidence in eLRS comments for acceptance reason AND send a copy of evidence to PJM. If RERRA does not permit participation then PJM expects that the EDC or LSE would deny registration.
 - an order, resolution or ordinance of the RERRA permitting or conditionally permitting end-use customer participation, or
 - an opinion of the RERRA's legal counsel attesting to the existence of a regulation or law permitting or conditionally permitting end-use customer participation, or
 - an opinion of the state Attorney General, on behalf of the RERRA, attesting to the existence of a regulation or law permitting or conditionally permitting end-use customer participation
 - Existing Registrations: All registration will be terminated by PJM unless the RERRA permits or conditionally permits participation and EDC or LSE provides evidence to PJM
 - PJM will terminate existing registrations by 12/18/09 at 1pm EPT if EDC or LSE does not provide PJM evidence (order, resolution or ordinance) as indicated above
 - CSP may resubmit registration upon approval by RERRA subject to all other PJM registration requirements, including verification by the EDC/LSE
 - Include reference to RERRA approval in eLRS comments
 - CSP may still settle any activity that occurred prior to registration termination date according to PJM rules.



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 - an opinion of the RERRA’s legal counsel attesting to the existence of a regulation or law prohibiting or conditioning end-use customer participation, or
 - an opinion of the state Attorney General, on behalf of the RERRA, attesting to the existence of a regulation or law prohibiting or conditioning end-use customer participation
 - Existing Registration (10/11 DY and forward):
 - If RERRA prohibits before registration deadline then EDC should notify and provide evidence to PJM if previously approved registrations should now be terminated by PJM due to new RERRA regulation or law that prohibits or conditions participation.
 - If RERRA prohibits on or after registration deadline (3/1/10 for 10/11 DY) then registration for next delivery year remains in effect for the delivery year.
 - CSP may resubmit registration upon approval by RERRA subject to all other PJM registration requirements, including verification by the EDC/LSE
 - Include reference to RERRA approval in eLRS comments



Emergency Registrations|DR – Large EDC (=>4 million mwh)

- If RERRA prohibits or conditions participation then:
 - New Registrations: PJM expects that EDC or LSE would deny registration as part of the normal registration review process (10 business days) where necessary and provide reference to one of below types of “evidence” in eLRS comments for denial reason AND send copy of evidence to PJM
 - an order, resolution or ordinance of the RERRA prohibiting or conditioning end-use customer participation, or
 - an opinion of the RERRA’s legal counsel attesting to the existence of a regulation or law prohibiting or conditioning end-use customer participation, or
 - an opinion of the state Attorney General, on behalf of the RERRA, attesting to the existence of a regulation or law prohibiting or conditioning end-use customer participation
 - Existing Capacity Commitments (10/11 DY and forward):
 - If RERRA prohibits before 6/1 then EDC should notify and provide evidence to PJM if previously approved registrations should now be terminated by PJM due to new RERRA regulation or law that prohibits or conditions participation
 - If CSP has executed contract with end use customer dated prior to RERRA evidence that prohibits or conditions participation and CSP cleared in RPM auction prior to RERRA prohibit/conditional approval effective date then CSP registration will remain in effect for such delivery year.
 - If RERRA prohibits on or after 6/1 then registration remains in effect for the delivery year.
 - CSP may resubmit registration upon approval by RERRA subject to all other PJM registration requirements, including verification by EDC/LSE
 - Include reference to RERRA approval in eLRS comments

Emergency Registrations|EnergyOnly

- Large EDC (\Rightarrow 4 million mwh)

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 - CSP may resubmit registration upon approval by RERRA subject to all other PJM registration requirements, including verification by EDC/LSE
 - Include reference to RERRA approval, where required in eLRS comments
 - CSP may still settle any activity that occurred prior to registration termination date according to PJM rules.

- If RERRA permits participation then:
 - New Registrations: PJM expects that the EDC or LSE would approve registration as part of the normal registration review process (10 business days) and provide reference to one of below types of evidence in eLRS comments for acceptance reason AND send a copy of evidence to PJM. If RERRA does not permit participation then PJM expects that the EDC or LSE would deny registration.
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 - an opinion of the RERRA's legal counsel attesting to the existence of a regulation or law permitting or conditionally permitting end-use customer participation, or
 - an opinion of the state Attorney General, on behalf of the RERRA, attesting to the existence of a regulation or law permitting or conditionally permitting end-use customer participation
 - CSP may resubmit registration upon approval by RERRA subject to all other PJM registration requirements, including verification by EDC/LSE
 - Include reference to RERRA approval in eLRS comments

- If RERRA allows participation then:
 - New Registrations: PJM expects that the EDC or LSE would approve registration as part of the normal registration review process (10 business days) and provide reference to one of below types of evidence in eLRS comments for acceptance reason AND send a copy of evidence to PJM. If RERRA does not permit participation then EDC or LSE would deny registration.
 - an order, resolution or ordinance of the RERRA permitting or conditionally permitting end-use customer participation, or
 - an opinion of the RERRA's legal counsel attesting to the existence of a regulation or law permitting or conditionally permitting end-use customer participation, or
 - an opinion of the state Attorney General, on behalf of the RERRA, attesting to the existence of a regulation or law permitting or conditionally permitting end-use customer participation
 - CSP may resubmit registration upon approval by RERRA subject to all other PJM registration requirements
 - Include reference to RERRA approval in eLRS comments
 - Existing Capacity Commitments (10/11 DY and forward):
 - CSP registration will be approved if CSP has executed agreement the earlier of August 28, 2009 or the date the Demand Resource cleared the applicable Reliability Pricing Model Auction

- If RERRA permits participation then:
 - New Registrations: PJM expects that the EDC or LSE would approve registration as part of the normal registration review process (10 business days) and provide reference to one of below types of evidence in eLRS comments for acceptance reason AND send a copy of evidence to PJM. If RERRA does not permit participation then PJM expects that the EDC or LSE would deny registration.
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 - PJM will terminate existing registrations by 12/18/09 at 1pm EPT if EDC or LSE does not provide PJM evidence (order, resolution or ordinance) as indicated above
 - CSP may resubmit registration upon approval by RERRA subject to all other PJM registration requirements, including verification by the EDC/LSE
 - Include reference to RERRA approval in eLRS comments
 - CSP may still settle any activity that occurred prior to registration termination date according to PJM rules.

- What happens if Large EDC denies a registration but does not provide PJM evidence that RERRA prohibits or conditionally approves participation?
 - PJM will approve the registration.
- What happens if Small EDC approves a registration and does not provide evidence to PJM?
 - PJM will manually terminate the registration
- What happens if RERRA requires conditional approval for Large EDC and CSP has received approval by RERRA:
 - CSP should include reference to evidence in comments on registration and provide to EDC. PJM expects that the EDC would approve registration and forward evidence to PJM.
- What happens if EDC accidentally does not review end use customer registration?
 - If Large EDC then after 10 business days the registration will be approved.
 - If Small EDC then after 10 business days the registration will be terminated.
- What happens if EDC accidentally denies a registration and subsequently learns the end use customer may participate?
 - EDC should contact CSP to resubmit the registration.

- Small EDCs – terminate existing economic registration where no RERRA evidence has been provided by 12/18
- Enhancements to eLRS to better administer the process in 2010
 - Auto terminate small EDC registrations
 - Change workflow to include PJM review where appropriate
 - Include explicit denial reason for RERRA
 - Make EDC designation visible under Orgs and Users similar to current EDC account number specifications
- Continue to enhance training material