

# Demand Bid Volume Limits

Market Implementation Committee  
August 6, 2014  
Harold Loomis

Type of Day-Ahead Market Bid	Screens / Bid Requirements
Increment / Decrement	Screen of calculated potential net charges against available credit
Up-to-Congestion	Screen of calculated potential net charges against available credit
Load-Serving Entity Demand Bid	<ul style="list-style-type: none"> <li>• Must have a related InSchedule load contract</li> <li>• Currently no volume limits</li> </ul>

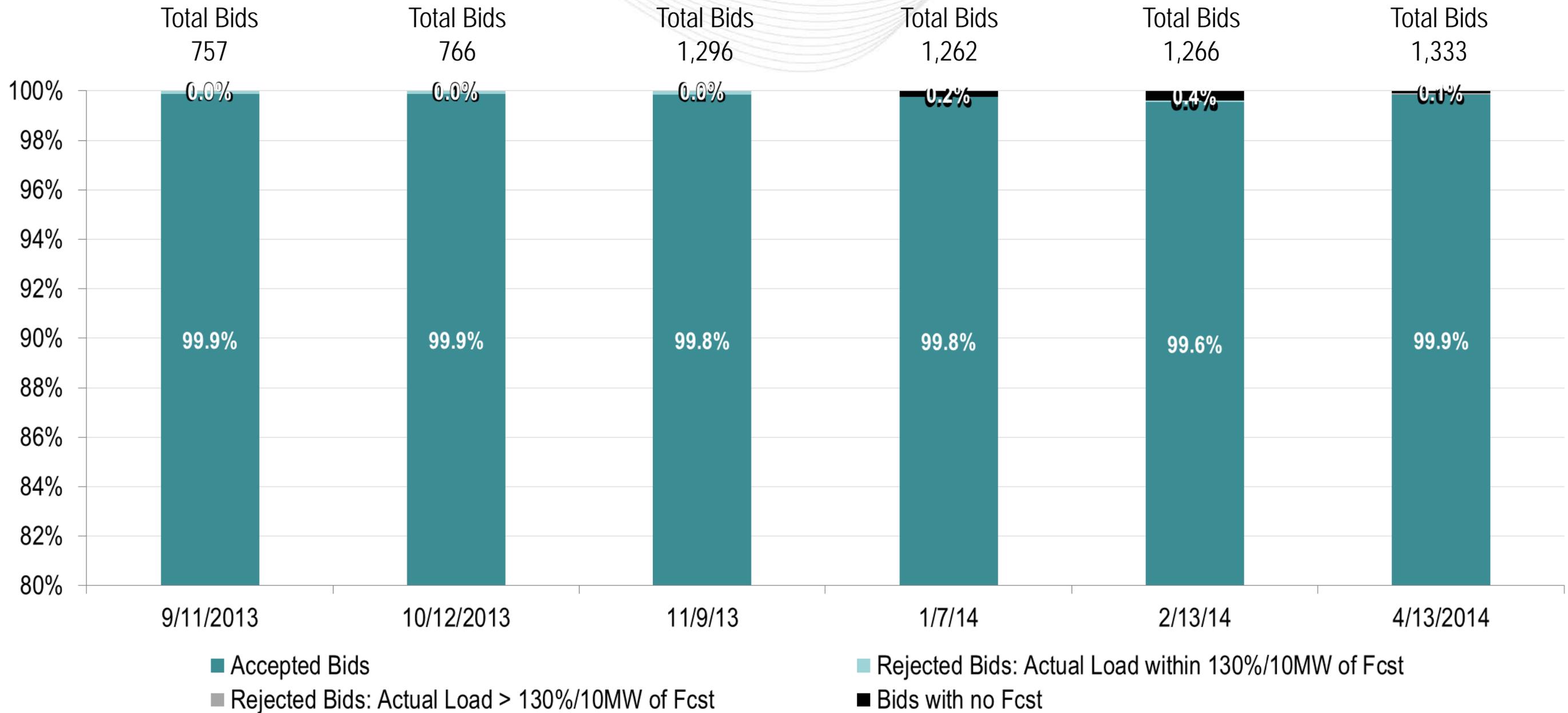
*For all these types of Day-Ahead buy bids, each member can establish its own voluntary bidding limits.*

- Objective – Reduce the risk of material costs accruing on demand bids in excess of the load-serving commitments of the load-serving entities (LSEs) entering those demand bids
- Proposed Daily Limit – Demand Bids will be rejected if both  $> 30\%$  and  $> 10$  MW above the LSE's calculated peak load forecast reference point for the operating day
- Potential peak load forecast reference point –
  - The product of:
    - Actual Recent Load Share: Each LSE's highest one-hour share of the actual load contributions for each transmission zone in the most recently available seven days, and
    - PJM's peak load forecast for each transmission zone
  - For transparency, intend to have a file of calculated peak load forecasts by LSE by transmission zone available daily two days prior to the applicable operating day
- Demand bids in excess of limit would not be accepted into the day-ahead market system
- Exception requests could be authorized
- The Credit Subcommittee unanimously endorsed the proposal at its July 2014 meeting
- The MIC will be asked to endorse the proposal at its next meeting

# Planned Timeline for Calculating Daily Zonal Peak Load Reference Points by LSE



(Based on Highest Recent Share Per Zone and Two-Day Ahead Zonal Peak Forecast)





# Results of Sample Days' Analyses

(Based on Highest Recent Share Per Zone and Two-Day Ahead Zonal Peak Forecast)

Date	Total Bids	Bids Accepted	Bids Rejected		
			Actual Under Cap	Actual Over Cap	No Baseline
9/11/2013	757	99.9%	0.1%	0.0%	0.0%
10/12/2013	766	99.9%	0.1%	0.0%	0.0%
11/9/2013	1262	99.8%	0.2%	0.0%	0.0%
1/7/2014	1266	99.8%	0.0%	0.0%	0.2%
2/13/2014	1333	99.6%	0.1%	0.0%	0.4%
4/13/2014	1296	99.9%	0.0%	0.1%	0.1%



# Results of Sample Days' Analyses

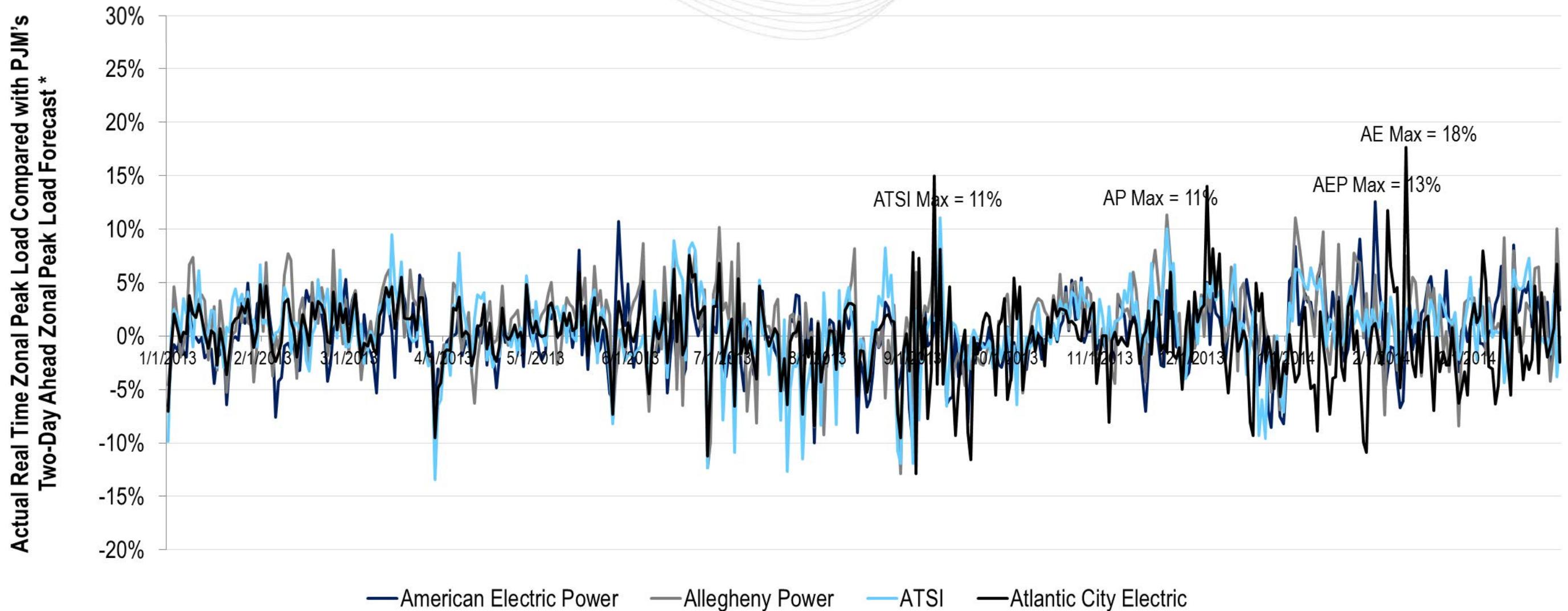
(Based on Highest Recent Share Per Zone and Two-Day Ahead Zonal Peak Forecast)

Date	Total Bids	Bids Accepted	Bids Rejected		
			Actual Under Cap	Actual Over Cap	No Baseline
9/11/2013	757	756	1	0	0
10/12/2013	766	765	1	0	0
11/9/2013	1262	1260	2	0	0
1/7/2014	1266	1263	0	0	3
2/13/2014	1333	1327	1	0	5
4/13/2014	1296	1294	0	1	1

# PJM Historical Two-Day Ahead Zonal Peak Load Forecast Accuracy

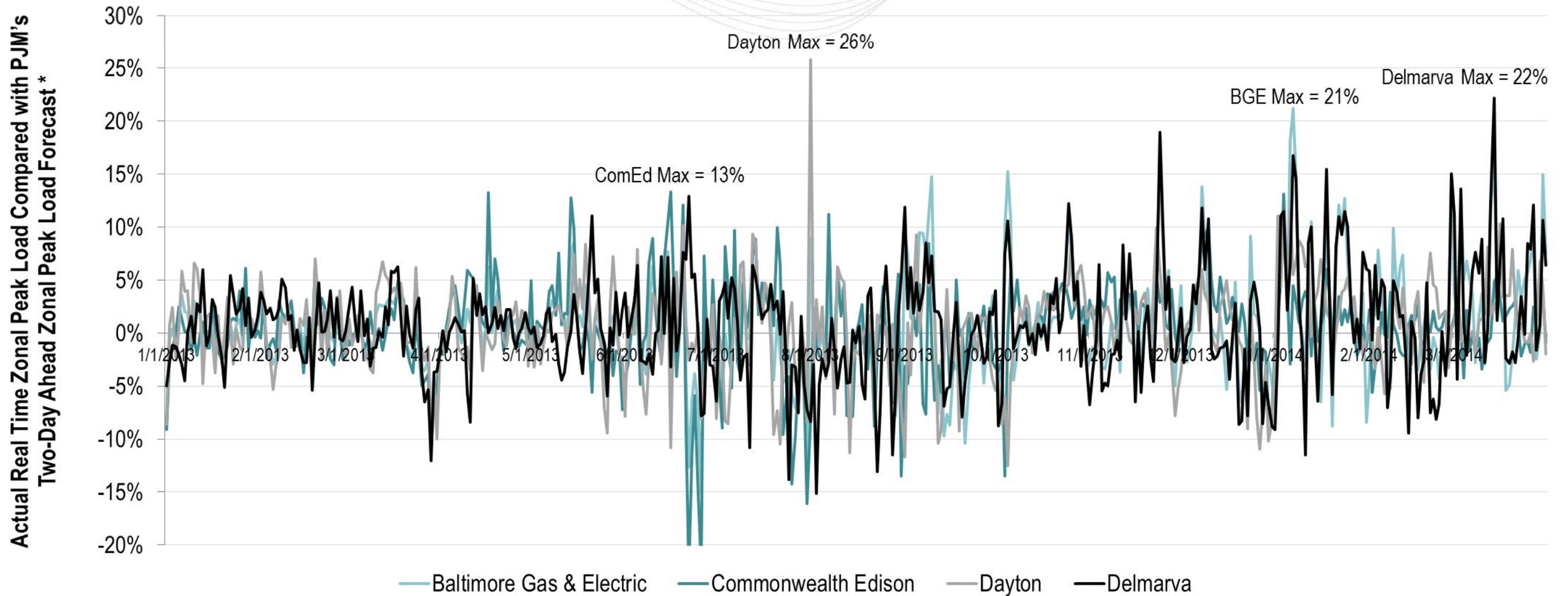
# PJM Historical Two-Day Ahead Zonal Peak Load Forecast Accuracy

(Group 1: January 1, 2013 – March 31, 2014)



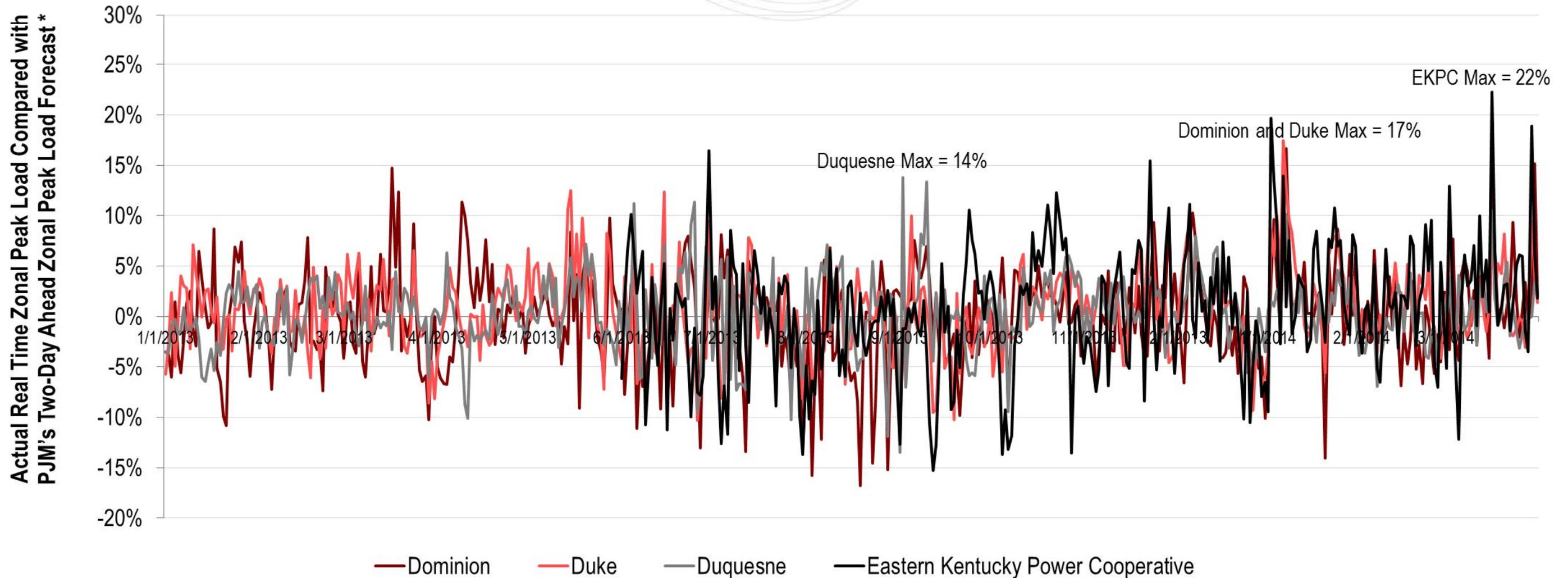
\* Positive percentages represent days in which the actual real-time zonal peak exceeded PJM's two-day ahead zonal peak load forecast.

# PJM Historical Two-Day Ahead Zonal Peak Load Forecast Accuracy (Group 2: January 1, 2013 – March 31, 2014)



\* Positive percentages represent days in which the actual real-time zonal peak exceeded PJM's two-day ahead zonal peak load forecast.

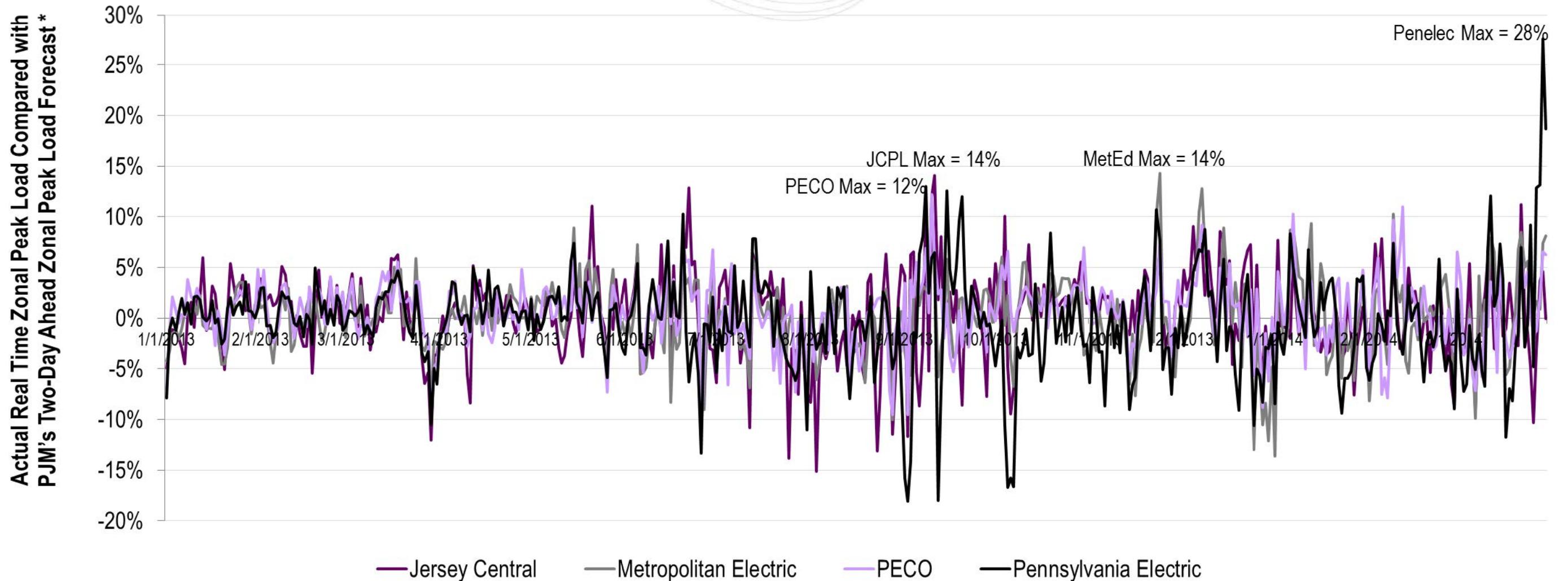
# PJM Historical Two-Day Ahead Zonal Peak Load Forecast Accuracy (Group 3: January 1, 2013 – March 31, 2014)



\* Positive percentages represent days in which the actual real-time zonal peak exceeded PJM's two-day ahead zonal peak load forecast.

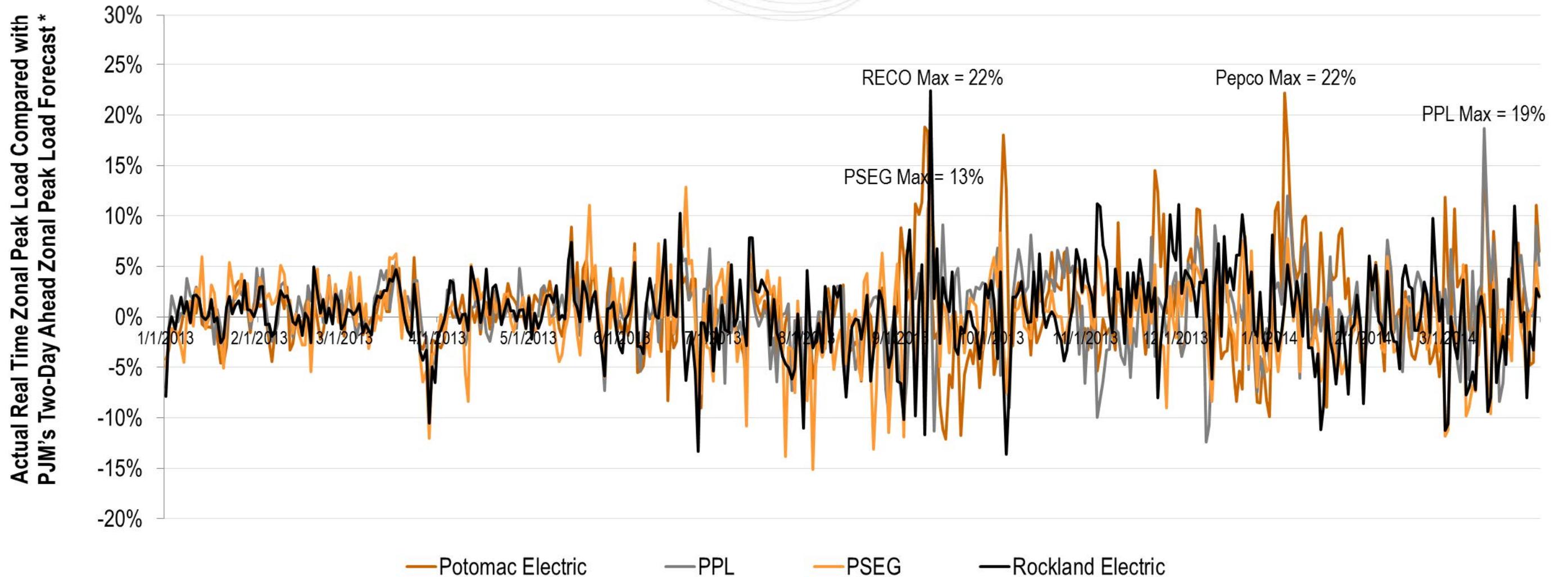


# PJM Historical Two-Day Ahead Zonal Peak Load Forecast Accuracy (Group 4: January 1, 2013 – March 31, 2014)



\* Positive percentages represent days in which the actual real-time zonal peak exceeded PJM's two-day ahead zonal peak load forecast.

# PJM Historical Two-Day Ahead Zonal Peak Load Forecast Accuracy (Group 5: January 1, 2013 – March 31, 2014)



\* Positive percentages represent days in which the actual real-time zonal peak exceeded PJM's two-day ahead zonal peak load forecast.