



## Demand Response Subcommittee Final Proposal Report

September 26, 2013

### Efficiency of the Demand Registration Registration Process [Issue Tracking](#)

Within Demand Response, the current process of determining the Load Serving Entity (LSE) for a customer site has been identified as an area that can be time consuming and lead to multiple validations of the same registration by reviewers. The Demand Response Subcommittee examined key areas to determine if modifications should be made to alleviate administrative process by the Curtailment Service Provider (CSP), LSE and Electric Distribution Company (EDC) and/or modifications to the eLRS application. The resulting proposal was approved at MIC by consensus.

#### Emergency DR Registrations

Demand Response **Emergency** Registrations are currently reviewed by the LSE identified by the CSP on the registration. The verification consists of 1) confirm the LSE is the supplier to the customer 2) confirm there are no contractual obligations that might prevent participation in Demand Response and 3) review Relevant Electric Retail Regulatory Authority (RERRA) evidence. Under the existing rules if the EDC is large then after 10 business days the registration will be approved with the LSE identified by the CSP if the LSE takes no action. Many of the LSEs to date do not actually review the registrations and therefore they are approved after 10 business days.

Consensus was reached to remove the role of the LSE from the Emergency Registration Review process. The LSE will no longer be notified of the participation of their customers in the emergency demand response program. The EDC, who normally reviews the RERRA evidence, will continue to provide that review. The LSE will no longer review registrations for contractual obligations.

This change requires tariff and manual changes and was approved by MIC on consensus basis.

#### Economic DR Registrations

Demand Response **Economic** Registrations are currently reviewed by the LSE named by the CSP on the registration. The verification consists of 1) confirm the LSE is the supplier to the customer 2) confirm there are no contractual obligations that might prevent participation in Demand Response and 3) review RERRA evidence. In addition, if the registration participates in the Day-Ahead market, PJM places a negative dec on behalf of the LSE for any cleared bids. Under the existing rules if the EDC is large then after 10 business days the registration will be approved with the LSE identified by the CSP if the LSE takes no action. Many of the LSEs to date do not actually review the registrations and therefore they are approved after 10 business days.

To increase the efficiency of the registration process, it is proposed to **retain the role of the LSE in the Economic Registration review process and make Administrative Changes to make the process more efficient**. The EDC, who normally reviews the RERRA evidence, will continue to provide that review. PJM will



continue to place the negative dec on behalf of the LSE. The LSE and EDC registration review will be independent of each other. Re-work because of an incorrect LSE will no longer force the registration to be re-submitted to both parties. PJM will have small to moderate amount of eLRS application enhancements.

This proposal addresses re-work during the registration review process issues identified by the DRS. It does not address the issues of an inaccurate or incorrect negative dec.

This change only requires a minor manual change and was approved by MIC on consensus basis.

## **I. Comparative Summary**

### **Emergency Demand Response proposed changes**

#### **PROS: Solves the following Issues/Interests:**

1. Difficult to identify correct LSE by CSP
2. Keep status quo or reduce work for EDC
3. Takes significant amount of time to set up LSE in eLRS so CSP can use on registration
4. LSE confusion regarding responsibilities in registration review process
5. Confusion over “contractual obligation” provision in tariff
6. Fragments aggregation by LSE for small customers

#### **CONS:**

1. Will not allow duplicative review by LSE for RERRA
2. LSE would need to work with their customer to manage their contract and any impact from DR activity.
3. Potential workaround for EDC that has LSE do RERRA reviews.

### **Economic Demand Response proposed changes:**

#### **Pros**

1. Solves the following Issues/Interests:
  - a. Keep status quo or reduce work for EDC
  - b. Simplifies registration process by making registration denial by LSE or EDC independent of each other

#### **Cons**

1. Registrations must still be aggregated by LSE (and EDC, Zone and Pricing Point)
2. Will not allow duplicative review by LSE for RERRA
3. Does not solve the following Issues/Interests:
  - a. Difficult to identify correct LSE by CSP
  - b. Takes significant amount of time to set up LSE in eLRS so CSP can use on registration
  - c. Inaccurate neg dec for LSE



- i. Avoid neg dec for incorrect LSE
  - ii. Avoid incorrect neg dec for correct LSE
4. Fragments aggregation by LSE for small customers

## **II. Appendix I: Supplemental Documents**

[Educational Presentation on Proposals](#)

[Problem Statement/ Issue Charge](#)