

## Demand resource emergency energy measurement and verification

### Problem / Opportunity Statement

- The problem to be addressed, the issue to be resolved

Emergency DR resources with a capacity commitment (“Emergency Full” registrations) also receive compensation for energy reductions when dispatched by PJM. The measurement of the load reduction is based on: i) the difference between the load prior to the load reduction and the actual load during the dispatch or ii) the difference between the customer baseline (“CBL”) on the economic registration and the load during the event. Further, if a CSP does not have an economic registration at the time of the Emergency dispatch they may subsequently submit and get approved prior to submission of the emergency energy settlement (60 days after the dispatch) and the Economic CBL will be used for the Emergency energy settlement. These rules were implemented as a compromise to help improve the accuracy of the emergency load reduction since stakeholder understood that the “hour before” methodology is not very accurate.

During the winter of 2013 Emergency DR was dispatched numerous times and under different scenarios. Specifically, Emergency DR was dispatched during a non-mandatory time period (capacity compliance not measured), twice in one day and in early morning timeframe (6:30am). PJM received a variety of questions regarding the measurement and verification used to determine the load reductions for the emergency energy settlement process. The following are some specific issues that came up:

- accuracy of the hour before CBL methodology, especially for early morning hours or multiple dispatches is one day
- Cumbersome administrative process to use an economic CBL which required an EDC review.
- After the fact selection of CBL to use for settlements and process used to determine which registrations require settlement
- Use of economic CBL from economic registration when customer primarily participates in ancillary service market and economic CBL is conservative (“max base load”)
- Why it warrants consideration in the PJM stakeholder process

Expectation is that PJM will increase use of Emergency DR resources in the future and therefore it is worthwhile to discuss if there are any enhancement that can be made to the existing market rules.

- Document if the new work is to address specific technical issues and/or to address broader policy issues

This work addresses specific technical issues related to ensuring the M&V method(s) and associated verification by CSPs continues to be reasonably accurate and reflects the reality that these resource could be dispatched more than once in a day, during the early morning hours, during the winter and on a non-mandatory basis.

- Include potential additional consequences if no action is taken

Less accuracy of load reductions used for emergency energy settlements and potentially more administrative effort than necessary to process the settlements.