



**Summer Only Demand Response Senior Task Force Report**  
**PJM Interconnection**  
**Members Committee Webinar**  
**October 22, 2018**

The Markets and Reliability Committee (MRC) approved the formation of the Summer Only Demand Response Senior Task Force (SODRSTF) at its August 24, 2017 meeting to evaluate proposals to value summer-only Demand Response resources through the load forecasting process or other mechanisms that would serve as an alternative to supply-side participation in the capacity market.

The SODRSTF held its first meeting on December 13, 2017. PJM presented an overview of the origin and purpose of the SODRSTF including a review of the problem statement and issue charge. The draft charter was reviewed and later approved by the MRC at its February 22, 2018 meeting. PJM staff presented education on how summer-only Demand Response resources participate in the capacity and energy markets.

The second SODRSTF meeting was held on February 2, 2018. The draft work plan was reviewed and approved with a caveat to revisit it once proposals have been developed to identify any implementation conflicts. Education and analysis was provided on peak shifting and forecast sensitivities followed by an overview of winter resource adequacy and Loss of Load Expectation (LOLE) studies. Stakeholders then identified their interests related to summer-only Demand Response and began identifying design components and solution options.

The third SODRSTF meeting was held on February 14, 2018. PJM provided education on the relationship between LOLE and Temperature Humidity Index (THI) and presented additional examples of peak shaving and the impact on the VRR Curve. Stakeholders continued to identify design components and solution options.

The fourth SODRSTF meeting was held on March 9, 2018. Mr. Chenchao Lu from PJM's legal team summarized FERC's intent to discuss the concept of seasonal capacity markets at a future technical conference (EL17-32-000 & ER17-367-000) and the impact on the SODRSTF. PJM provided education summarizing the methodology behind the Short-Term Load Forecast and answered questions regarding how peak shaving programs impact dispatch decisions. BGE provided education on load curtailment programs (Direct Load Control and Behavioral Program) and what advanced signals are used to help determine when to activate. Stakeholders reviewed design components and solution options intending to finalize them at the next meeting.

The fifth SODRSTF meeting was held on April 13, 2018. C-Power provided an overview and summary of the PA Act-129 program followed by education and analysis put together by the Pennsylvania Public Utility Commission (PA PUC) on the historical performance of the PA Act-129 program. PJM presented a streamlined version of the design components and solution options and the reasons for the consolidation. Stakeholders offered additional solution options. A call for solution proposals was requested for the next meeting.



The sixth SODRSTF meeting was held on May 9, 2018. PJM provided an overview and summary of Load Forecast Error metrics for recent peak periods and analysis of peak shaving frequency based on historical zonal summer forecasts. PJM presented a draft solution proposal. This proposal included a new lower load forecast based on a modified load history that assumes perfect curtailment compliance back to 1998. The proposal suggests that each peak shaving event will be 6 hours in duration, occur any day between May and October, and trigger on non-holiday weekdays when a pre-determined Temperature-Humidity Index (THI) threshold is reached or exceeded. Capacity value would be reflected through a lower load forecast which reduces the Reliability Requirement. A second draft proposal was also submitted.

The seventh SODRSTF meeting was held on June 13, 2018. PJM led a discussion to condense the work plan to accommodate load forecast timelines and impacts to finalizing changes to Price Responsive Demand (PRD) that are on hold at the MRC until the SODRSTF reaches a conclusion. Additional half-day meetings will be added in both June and July to accommodate the condensed work plan. PJM summarized how their proposal would work using examples for peak-shaving trigger points, forecast impacts, and market value. Requests were made for questions and comments associated with the current proposals so the sponsors could work on them between meetings.

The eighth SODRSTF meeting was held on June 29, 2018. PJM led a discussion to address questions regarding what manual and governing document changes would be required to implement each of the three proposals. At this time the PJM proposal would require only manual changes whereas the other two proposals would require both manual and governing document (Tariff, OA, or RAA) changes. PJM reviewed updates to their proposal and additional education on design components within the proposal. Recent updates to proposals B and C were also reviewed. Requests were made for questions and comments associated with the current proposals so the sponsors could work on them between meetings.

The ninth SODRSTF meeting was held on July 9, 2018. PJM provided analysis on the impact of the THI threshold on the number of curtailments. Additionally, PJM provided a summary of the Measurement and Verification design component and an example to illustrate how this option would function within the proposal. Recent updates to proposal C since the last meeting were also reviewed. A new fourth proposal was submitted during the meeting and reviewed. Requests were made for questions and comments associated with the current proposals so the sponsors could work on them between meetings. PJM will target sending stakeholders a poll by July 13 and examine the results at the July 25 meeting. The poll results will help identify where further consensus can be gained on the proposals.

The tenth SODRSTF meeting was held on July 25, 2018. PJM reviewed the results of the non-binding poll, which was used to seek input on the level of support for the current proposals and design components. The poll results helped identify where further consensus could be gained on the proposals. The PJM proposal showed the most level of support, but none of the four packages received over 50% support. PJM posted analysis on how RTO Load (as a share of seasonal expected peak) corresponds to Zonal Temperature Humidity Index (THI). Additionally, PJM provided education on the feasibility of certain design components within the non-PJM proposals. Based on discussion in the meeting, a meeting for August 2 was requested to address additional education items.

The eleventh SODRSTF meeting was held on August 2, 2018. PJM provided education on the difference between a CBL and PLC Measurement and Verification design component. Proposal sponsors were given the opportunity to provide examples of



how their respective proposal would be implemented and provided further explanation of design components within their proposal. At the next meeting, PJM was asked to provide education on how the Load Forecasting Adjustment construct could be included in the Base Residual Auction and Incremental Auctions. Additionally, PJM was asked to detail the justification for the reporting timelines of their proposal. Proposal sponsors were asked to provide a comprehensive presentation and executive summary of their proposal for the next meeting on August 15 in preparation for the task force vote.

The twelfth SODRSTF meeting was held on August 15, 2018. PJM provided analysis on direct load control and behavioral programs. Proposal sponsors provided comprehensive reviews of their proposals. One of the four proposals was pulled from further consideration; however, the proposal sponsor provided a presentation on Load Forecast Adjustment reporting timeline concerns. Additional discussion and questions were had regarding Dual Participation in both Capacity Performance Demand Response and a Load Adjustment Forecast. Requests were made for Proposal Sponsors to address the Dual Participation at a future meeting in addition to addressing if a Load Forecast Adjustment could be taken into consideration via the Incremental Auctions and not solely the Base Residual Auction. Due to the outstanding questions, a meeting was scheduled for August 29, with the intent to go to a vote on the proposals post-meeting.

The thirteenth SODRSTF meeting was held on August 29, 2018. A presentation was provided regarding concerns from the Consumer Advocates. The three proposal sponsors were given a final opportunity to review their proposal and address any final questions. With no objections, it was decided to move the group to a vote on the three proposals. The vote would be conducted via the Voting Application and would be open from August 31 to September 14.

The fourteenth SODRSTF meeting was held on September 20, 2018. The vote results were presented to the members. The PJM Proposal was the sole package to receive over 50% support, with 65% of voters in favor of the proposal. One of the other proposals received 0% support, while the third proposal received 25% support. A non-binding poll question was included in the vote which identified 57% of the voters were in favor of making a change rather than keeping the status quo. The PJM proposal will be presented as a first read at the September 27, 2018 MRC.

The PJM proposal for the SODRSTF was presented as a first read at the September 27, 2018 MRC. The next step for the proposal will be a member vote at the October 25, 2018 MRC.

Next meeting: TBD  
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