



Working to Perfect the Flow of Energy

PJM Manual 18:
PJM Capacity Market

Revision: 243

Effective Date: June 1, 2014

Prepared by
PJM Capacity Market Operations

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Load Reduction Capability

The Load Reduction Capability provided by the CSP should represent the expected future incremental load reduction of energy that will be provided by the DR resources if dispatched by PJM under pre-emergency or emergency conditions. The Load Reduction Capability should only include energy load reductions expected to occur if a pre-emergency or emergency DR event is declared. This is independent of the committed capacity MW on the registration(s) and represents the operational expectations regarding the ability to reduce load for the specific time period. The Load Reduction Capability should not include load reductions that have already occurred or are already planned such as the following:

- Planned or unplanned outages at the facility
- Load reductions based on high expected prices, peak shaving or existing contract provisions

PJM will adjust, downward, the reported Load Reduction Capability values to account for any real time or day ahead economic market dispatch that has been assigned to the registered location(s) by PJM. The difference between the Load Reduction Capability and any economic dispatch reductions will indicate the estimated load reductions still available and able to respond to a PJM call for Pre-Emergency or Emergency DR.

Reporting

Curtailment Service Providers that have active Full Program Option or Capacity Only registrations shall provide PJM the Load Reduction Capability by zone by lead time on a monthly basis, to be submitted by the last business day of a given month and effective on the first business day of the following month. During the months of June through September, CSPs will provide any updates to this information for each day by no later than 4 p.m. on the day prior to the operating day.

On days for which a Maximum Emergency Generation/Load Management Alert or Action has been issued as communicated through the PJM ALL CALL and/or published on eDATA emergency messages, the Curtailment Service Provider shall on an hourly basis provide any updates to their information for the remaining hours of the day beginning at 10 a.m. and continuing until 7 p.m.

The Curtailment Service Provider shall submit the information electronically to the appropriate PJM system.

4.3.10 Maintenance Outage Reporting for Annual Demand Resource

An annual product Pre-Emergency or Emergency Load Response registration may request a maintenance outage during the months of October through April. The maintenance shall be for:

a) device or generator that cannot be reasonably scheduled outside of the annual product availability window, or

b) when a CSP's system used to dispatch DR is under maintenance, but such maintenance shall be limited to no more than two times per quarter, shall not exceed one day in duration, and shall be on a Saturday or Sunday.

The outage request must be submitted at least four business days before the requested start date in the appropriate PJM system and will be evaluated on a first come first served



basis. If a request is submitted less than four business days in advance, PJM may approve the request up to one day prior to operating day. The maintenance outage must be between one and thirty days and an extension may be requested during an approved outage at least four business days before the beginning of the extension period. PJM may deny a maintenance outage request if the outage is expected to create reliability issues. A maintenance outage denied by PJM may be resubmitted by the CSP to request another time period for the outage. CSPs should make a best effort not to request outages during weekday annual product availability hours for the months of January and February. A CSP may cancel maintenance outage at any time and the associated registration(s) will be required to respond to a PJM-initiated Load Management Event and shall be measured for event compliance if the event starts after PJM receives the cancellation. PJM may cancel a previously approved maintenance outage one day prior to the start of the outage for reliability concerns.

A registration associated with an approved maintenance outage that is in effect during a PJM-initiated Load Management event will not be considered as dispatched for such an event.

4.4 Energy Efficiency Resources

An Energy Efficiency (EE) Resource is a project that involves the installation of more efficient devices/equipment, or the implementation of more efficient processes/systems, exceeding then-current building codes, appliance standards, or other relevant standards, at the time of installation, as known at the time of commitment, and meets the requirements of Schedule 6 (section M) of the Reliability Assurance Agreement. The EE Resource must achieve a permanent, continuous reduction in electric energy consumption at the End Use Customer's retail site (during the defined EE Performance Hours⁶) that is not reflected in the peak load forecast used for the Base Residual Auction for the Delivery Year for which the EE Resource is proposed. The EE Resource must be fully implemented at all times during the Delivery Year, without any requirement of notice, dispatch, or operator intervention.

An EE installation is eligible to offer into an RPM auction if it meets the following criteria:

- EE installation must be scheduled for completion prior to DY;
- EE installation is not reflected in peak load forecast posted for the BRA for the DY initially offered;
- EE installation exceeds relevant standards at time of installation as known at time of commitment;
- EE installation achieves load reduction during defined EE Performance Hours; and
- EE installation is not dispatchable⁷.

⁶ The EE Performance Hours are between the hour ending 15:00 Eastern Prevailing Time (EPT) and the hour ending 18:00 EPT during all days from June 1 through August 31, inclusive, of such Delivery Year, that is not a weekend or federal holiday.

⁷ Dispatchable demand may be offered as a Demand Resource in the PJM Capacity Market.