

<b>Effective Date</b>	05/28/2020
<b>Impacted Manual #(s)/Manual Title(s):</b>	
M-18 Capacity Market	
<b>Conforming Order(s):</b>	
<ul style="list-style-type: none"> <li>ER20-271-001: Compliance filing for PRD Revisions</li> <li>ER20-271-000: PRD Revisions to align PRD rules with Capacity Performance construct</li> </ul>	
<b>Associated Issue Tracking Title:</b>	Price Responsive Demand Review for Capacity Performance Requirements
<b>Committee Approval Path - What committee(s) have already seen these changes?</b>	
<p>First Read:</p> <ul style="list-style-type: none"> <li>04/15/2020 MIC</li> <li>04/30/2020 MRC</li> </ul> <p>Endorsement:</p> <ul style="list-style-type: none"> <li>05/13/2020 MIC</li> <li>05/28/2020 MRC</li> </ul>	
<b>MRC 1<sup>st</sup> read date:</b>	04/30/2020
<b>MRC voting date:</b>	05/28/2020
<b>Impacted Manual sections:</b>	
<p>3A.6 Performance Requirements of Price Responsive Demand</p> <ul style="list-style-type: none"> <li>3A.6.2 Maximum Emergency Event Compliance (Prior to 2022/2023 Delivery Year)</li> <li>3A.6.2A Compliance during a Performance Assessment Interval (Effective 2022/2023 Delivery Year)</li> </ul>	
<b>Reason for change:</b>	
<ul style="list-style-type: none"> <li>Conforming Revisions for FERC Orders: <ul style="list-style-type: none"> <li>ER20-271-001: Compliance filing for PRD Revisions</li> <li>ER20-271-000: PRD Revisions to align PRD rules with Capacity Performance construct</li> </ul> </li> <li>Clean-up in Maximum Emergency Event Compliance section to conform to existing language in RAA &amp; OATT</li> </ul>	
<b>Summary of the changes:</b>	

- Conforming revisions for FERC Order ER20-271-001 issued on February 28, 2020 to clarify that Price Responsive Demand (PRD) registration will not be considered in the calculation of a performance shortfall or bonus performance for a Performance Assessment Interval (PAI) when the PRD Curve associated with registration indicates a price point where no demand reduction is expected at the real-time LMP recorded during the PAI. (Section 3A.6.2A)
- Conforming revisions for FERC Order ER20-217-000 issued on December 30, 2019 to update certain rules and requirements for PRD to conform to rules and requirements for Capacity Performance resources – ***These manual revisions were already approved by MRC on December 6, 2018.***
  - Added prior to 2022/2023 Delivery Year, PRD Provider is subject to performance compliance during Maximum Emergency Events. Added effective with 2022/2023 Delivery Year, PRD Provider is subject to Non-Performance Assessment during the Delivery Year (Sections 3A.1, 3A.3, 3A.6, 3A.6.2, 8.4A, 9.1.9, and 9.4.2)
  - Deleted outdated provisions related to the Transition Period for PRD (Section 3A.2)
  - Added footnote that any PRD Plan submitted and approved for 2022/2023 Delivery Year BRA may be withdrawn or modified no later than 30 days prior to the commencement of the 2022/2023 Delivery Year BRA. (Section 3A.4.1)
  - Added that Zonal Scaling Factors for use in preparation of PRD Plans will be posted by PJM prior to the 2022/2023 Delivery Year. (Section 3A.4.1)
  - Added effective with 2022/2023 Delivery Year, the PRD Value for Zone/LDA provided in a PRD Plan is based on a Zonal/LDA Peak Load Contribution (PLC) value minus (the Zonal/LDA Firm Service Level (FSL) quantity times the loss factor). (Section 3A.4.2)
  - Added Expected Peak Load Value of PRD is submitted prior to 2022/2023 Delivery Year and Peak Load Contribution value of PRD is submitted effective with 2022/2023 Delivery Year. (Section 3A.4.2)
  - Added MSEL is submitted prior to 2022/2023 Delivery Year and FSL is submitted effective with 2022/2023 Delivery Year. (Section 3A.4.3)
  - Added effective with 2022/2023 Delivery Year, the Nominal PRD Value for a registration is based on registration's PLC minus (the registration's FSL times the loss factor). (Section 3A.5)
  - Added new section to describe process used to determine compliance for a PRD Provider during a Performance Assessment Interval (PAI) and the procedure used to calculate the PRD Provider's Performance Shortfall or Bonus Performance Credit for a PAI. (Section 3A.6.2A)
  - Added new section to describe process used to determine PRD Test Compliance effective with the 2022/2023 Delivery Year. (Section 3A.6.3A)
  - Added PRD Credit Rates that are applicable starting with 2022/2023 Delivery Year. (Section 4.8.4)
  - Deleted an incorrect process for assessing PRD Test Failure Charges (Section 9.4.3)
  - Added that effective with the 2022/2023 Delivery Year, the factor equal to FZWNSP/FZPLDY is eliminated in the calculation of the LSE PRD Credit (Section 9.4.4)
- Clean-up revisions to Maximum Emergency Event Compliance section (Section 3A.6.2)
  - Clarified that compliance is measured for a PRD registration during a Maximum Emergency Event when a demand reduction is expected based on the PRD Curve in Energy Market.

- Corrected manual language to conform to language in RAA and OATT regarding the MESL adjustment
  - Corrected the description of the service level adjustment factor to reference load “during the emergency event” as opposed to load “at time of RTO unrestricted peak”
  - Added the clause “meeting the price conditions specified for compliance” to Zonal Expected Peak Load Value of PRD in the Zone