

DR Availability Window

Problem Statement Background

Sponsors

- Advanced Energy Management Alliance
 - Most members are PJM members
- PJM Industrial Customer Coalition
- CPower
- Enel
- NRG Solutions

Problem

- The current DR availability window is a legacy administrative convenience that has now, with recognition of increasing winter reliability risks, become a barrier to full participation of DR in capacity markets.
- DR is the only RPM resource for which the ELCC is impacted by restrictions on PJM rather than by resource capability.

Problem Source

- The definition of Annual DR from the RAA is based on an outdated understanding of seasonal and time of day reliability risk.

Definition:

"Annual Demand Resource" shall mean a resource that is placed under the direction of the Office of the Interconnection during the Delivery Year, and will be available for an unlimited number of interruptions during such Delivery Year by the Office of the Interconnection, and will be capable of maintaining each such interruption between the hours of 10:00AM to 10:00PM Eastern Prevailing Time for the months of June through October and the following May, and 6:00AM through 9:00PM Eastern Prevailing Time for the months of November through April unless there is an Office of the Interconnection approved maintenance outage during October through April. The Annual Demand Resource must be available in the corresponding Delivery year to be offered for sale or Self-Supplied in an RPM Auction, or included as an Annual Demand Resource in an FRR Capacity Plan for the corresponding Delivery Year.

Problem Source

PJM's evolving assessment of reliability risk has identified risk in winter hours that are not included in the reliability window.

- For example, analysis of 24-25 DY indicates that there is some winter risk between 9pm and 11pm in winter.

PJM's Explanation of the Status Quo

From ER11-2288 – PJM's initial filing

The first of the two new products, Annual DR, must be available on any day of the year and for an unlimited number of interruptions during the year. This product still has limits on the hours of the day when it must be available—10:00 a.m. to 10:00 p.m. EPT for May through October and *6:00 a.m. to 9:00 p.m. EPT for November through April— but these are more than adequate to capture any time that these resources reasonably might be needed.* [emphasis added]

The above no longer appears to be valid.

Compliance

The Status quo is not compliant with Order 719 which prohibits unreasonable barriers to entry for Demand Resources.

Commissioner Clements notes in her dissent of the ER24-99 ruling:

“To the extent that [PJM’s failure to address the availability window] denies demand response resources an opportunity to deliver a service that they stand ready, willing, and able to provide, this does appear to render the existing tariff unjust and unreasonable and unduly discriminatory.”

Process

KWA 2

- DR Coalition is proposing to “fast track” a change in availability hours to align with PJM’s current understanding of hourly risk and with the original purpose of the availability window.
- It is proposed that this be done at MRC.

KWA 3

- DR Coalition is proposing to address the addition of a DR product without an availability window at MIC. We are open to other forums for this.

Timeline

DR Coalition seeks an implementation of KWA for the 25-26 DY.

- Implementation for the 25-26 BRA Planning parameters is not achievable.
- FERC approval prior to the BRA is possible with expedited stakeholder approval and a request for 30 day approval at FERC

Potential Fast Track timeline (KWA2)

- Feb MRC – 1st read
- Mar MRC – approval of PS/IC. Added education, final availability hours.
- April MRC – Vote on Fast track. April MC – Vote on fast track solution.
- April 30 – File at FERC
- May 30 – 30 day expedited FERC approval
- June 30 – 60 day normal FERC approval
- July 17 – 25-26 BRA

Questions

Contacts

- Bruce Campbell – bruce@campbellea.com