

Summer/Winter DR Aggregation Registration Rules

Problem / Opportunity Statement

Capacity Performance (CP) was approved by FERC with rules applicable to aggregation of summer and winter resources, which were subsequently updated and approved by FERC in the Spring of 2017. This is because there is a recognition that specified resources might be unable to fulfill the annual commitment on their own because of seasonal availability (as specifically defined in the Tariff), and as such are expected to participate in the capacity market by aggregating with another resource of an alternatively focused season. This resource level aggregation allows for the satisfaction of the CP annual requirement with summer and winter resources, and is different from the existing customer level aggregation already in place for Demand Response Resources (DR). Accordingly, the existing DR customer registration rules, in the Tariff and Manuals, are centered on customer level aggregation, and were not written with the contemplation of resource level aggregation where summer DR is being aggregated with winter DR.

Using summer DR and winter DR to satisfy an annual CP commitment is consistent with the resource level aggregations in that it (1) satisfies the defined category of resources that can aggregate, (2) alone it cannot meet CP annual requirements but together it can, (3) it's not exceeding the sum of the CIR/UCAP value of the individual seasonal resources, and (4) it resides in one seller's account. Having a single Supplier was contemplated in the original and existing aggregation rules (e.g. Supplier A owning both a Wind and Solar Resource), and the aggregation rules were written accordingly. However, there were no concurrent adjustments to the DR customer registration rules to accommodate a scenario of one supplier offering an aggregated summer DR and winter DR resource to satisfy a resource level aggregation.

The outcome of taking no action will result in relying on the existing DR customer registration process to satisfy and manage resource level aggregation for DR, which will lead to increased administrative risk, burden, and cost. This is because of the number of customer registrations involved, and the need to update aggregated resources for each individual customer update that might occur, increases the risk that human error in data entry can create. There also creates a risk of lack of transparency for PJM operations into the true reduction capability of a resource.

This addresses specific technical issues of how summer and DR is to be registered as an annual CP Resource, does not touch on broader policy issues.