8.9 Reporting and Compliance

Actual load reductions of Energy Only Option emergency registrations will be added back for the purpose of peak load calculations for capacity for the following Delivery Year.

Actual Emergency Load Response, Pre-Emergency Load Response and Economic Load Response load reductions for Demand Resource Registrations in the Emergency Load Response or Pre-Emergency Load Response Full Program Option or Capacity Only Option which occur during a registration's product-type required availability window as set forth in PJM Reliability Assurance Agreement, Tariff and Manuals or which occur outside the availability window if such registration received Bonus Performance for Performance Assessment Interval(s) or responded to economic event will be added back for the purpose of calculating peak load for capacity for the following Delivery Year, as set forth in the PJM Manuals and consistent with the load response recognized for capacity compliance as set forth in the Reporting and Compliance provisions below. Capacity Only Option registrations are Full Program Option registrations that do not receive an energy payment for load reductions during a pre-emergency or emergency event.

Actual load reductions of Demand Resource Registrations in Emergency Load Response or Pre-Emergency Load Response Full Program Option or Capacity Only Option used to determine Load Management Event and test capacity compliance for Firm Service Level and Guaranteed Load Drop end-use customers shall be equal to the load reduction provided to the electric distribution company as follows and in accordance with the PJM Manuals:

i) Guaranteed Load Drop compliance will be based on:

a. the lesser of (a) comparison load used to best represent what the load would have been if PJM did not declare a Load Management Event or ~~the CSP did not initiate~~ there was not a test as outlined in the PJM Manuals, minus the Load and then multiplied by the LF, or (b) For a summer event, the PLC minus the Load multiplied by the LF. A summer load reduction will only be recognized for capacity compliance if the Load multiplied by the LF is less than the PLC. For a non-summer event, the WPL multiplied the ZWWAF multiplied by LF, minus the Load multiplied by the LF. A non-summer load reduction will only be recognized for capacity compliance if the Load multiplied by the LF is less than the WPL multiplied by the ZWWAF multiplied by LF. Calculations are represented by:

Summer: Minimum of {(comparison load – Load) * LF, PLC – (Load * LF)}

Non-summer: Minimum of {(comparison load – Load) * LF, (WPL*ZWWAF*LF)-(Load*LF)}

b. Curtailment Service Providers must submit actual loads and comparison loads for all hours during the day of the Load Management Event or the Load Management performance test, and for all hours during any other days as required by the Office of the Interconnection to calculate the load reduction. Comparison loads must be

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developed from the guidelines in the PJM Manuals, and note which method was employed.

c. Methodologies for establishing comparison load for Guaranteed Load Drop end-use customers include the following:

- Comparable Day
- Same Day
- Customer Baseline
- Regression Analysis
- Generation

Methodologies for establishing comparison load for Guaranteed Load Drop end-use customers are described in greater detail in Manual M-19, PJM Manual for Load Forecasting and Analysis, at Attachment A: Load Drop Estimate Guidelines.

ii) Compliance for FSL will be based on:

Summer (June through October and the following May of a Delivery Year) - End use customer's current Delivery Year peak load contribution ("PLC") minus the metered load ("Load") multiplied by the loss factor ("LF"). The calculation is represented by:

(PLC) - (Load *LF)

Winter (November through April of a Delivery Year)– End use customer's Winter Peak Load ("WPL") multiplied by Zonal Winter Weather Adjustment Factor ("ZWWAF") multiplied by LF, minus the metered load ("Load") multiplied by the LF. The calculation is represented by:

(WPL * ZWWAF * LF) – (Load * LF)

The capacity compliance of Demand Resource Registrations in the Emergency Load Response and Pre-Emergency Load Response Full Program Option, as determined in accordance with these Reporting and Compliance provisions, shall not affect energy payments to such resources for load reductions during an emergency event, as provided in the Market Settlements provisions above and Tariff, Attachment DD.

PJM will submit any required reports to FERC on behalf of the Emergency Load Response and Pre-Emergency Load Response Program participants. PJM will also post this document, as well as any other program-related documentation on the PJM website.

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PJM will post on its website a report of demand response activity, and will provide a summary thereof to the PJM Markets and Reliability Committee on an annual basis.

As PJM receives evidence from the electric distribution companies pursuant to section 1.5A.3 of PJM's Economic Load Response Program, PJM will post on its website a list of those Relevant Electric Retail Regulatory Authorities that the electric distribution companies assert prohibit or condition retail participation in PJM's Emergency Load Response and Pre-Emergency Load Response Program together with a corresponding reference to the Relevant Electric Retail Regulatory Authority evidence that is provided to PJM by the electric distribution companies.

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