



Market Settlement Subcommittee Final Proposal Report

March 1, 2016

Issue Summary

Problem Statement brought forward by PJM
Problem Statement/Issue Charge approved at 5/7/14, MIC
Number of Meetings covering this topic: 8

Issue Statement

<http://www.pjm.com/-/media/committees-groups/committees/mic/20140604/20140604-item-02b-emergency-energy-settlement-measurement-and-verification-problem-statement.ashx>

Issue Charge

<http://www.pjm.com/-/media/committees-groups/committees/mic/20140604/20140604-item-02c-emergency-energy-settlement-measurement-and-verification-issue-charge.ashx>

1. Recommended Proposal

This proposal was put "on hold" subject outcome of EPSA case. Since US Supreme Court has provide a ruling in this case, this proposal is now back in the stakeholder process to seek endorsement.

The proposal will replace the existing emergency energy customer baseline (CBL) from the hour before method to default economic CBL (3 day type with symmetric additive adjustment). Also, it will allow alternative CBL to be used based on existing alternative CBL rules which require the alternative CBL to be more accurate than the default CBL. The proposal will also change provision to use CBL on corresponding economic CBL from economic registration at the time of the settlement to the economic registration prior to the Load Management event. Also, the CBL on the economic registration will not be used if it is the maximum base load which is conservative and is included on variable load registrations that primarily participate in ancillary service market.

Under the proposal, the CSP will be required to have confirmation that locations took action to reduce load before an energy settlement is submitted for voluntary events unless registration is comprised of mass market customers (this can be over 100,000 customers) in which case the CSP will be required to either submit energy settlement for all customers or no customers. CSP should only submit emergency energy settlement if load data was also provided for capacity compliance calculation.

This solution will provide a more accurate estimate of load reduction and be consistent with measurement of non-summer capacity compliance for CP product. This will be a big improvement over the existing rules, especially when there are early morning winter dispatches similar to what transpired during the 2014 Polar Vortex.

The solution was endorsed by consensus at the DRS on 9/23/14. Proposal was reviewed again and approved at 3/19/16 DRS meeting.

2. Standing Committee Results

[Replace with voting results for all options at standing committee or senior task force.]