


Sub-zonal dispatch proposed for '12/'13 Delivery Year and beyond

DRS (Demand Response
Subcommittee)

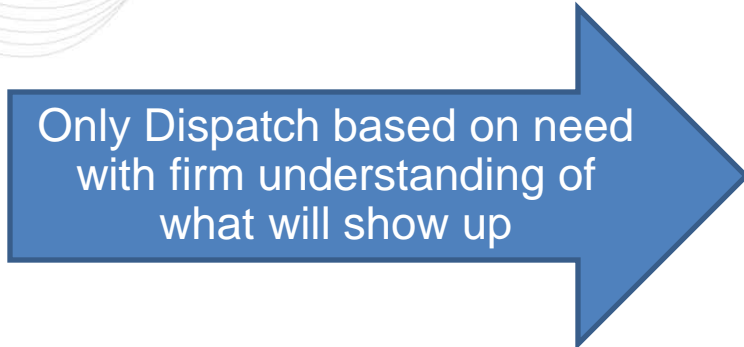
6/13/2011

- Current market rules allow zonal, lead time and sub-zonal dispatch:
 - Key limitation based on use of ALL CALL technology
- Significant changes to system topology for '11/'12
 - ATSI integration
 - TRAIL line implementation
- Successful implementation sub-zonal dispatch through State by Zone implementation in summer 2010.

- OATT
 - Market Operations
 - Attachment DD
 - Attachment DD-1
- OA
- RAA
- M13
- M18
- M10

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Only dispatch and measure compliance at zonal level

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Only Dispatch based on need with firm understanding of what will show up

- Sub zones defined in advance to enable CSP to easily dispatch their customers.
- Transparency of rules from Dispatch to Settlements (clear communication for customer expectations)
- Flexibility to manage the system based on unpredictable conditions

- No mandatory compliance for sub zonal event
- More effective notification solution
 - Electronic message instead of ALL CALL
- Operational feasibility for DLC
 - Normally all included on 1 registration
- Minimize member administration
 - E.g.: pnode identification & maintenance
- More effective test plans since only part of zone may actually get dispatched.

- **Basis of sub zone?**
 - State
 - Zip code
 - CSP must maintain accurate zip codes.
 - Pnode
 - EDC needed to assign pnode to each account number.
- **When do subzones get established?**
 - Prior to deliver year
 - X hours before dispatch
- **What is most granular dispatch instruction?**
 - Registration vs location
 - considerations for DLC

- When to dispatch at sub zonal level?
 - Reliability
 - Cost
 - 1,000 MW registered in zone but only need 200 MW in certain area, should PJM dispatch entire zone (other 800 MW will not help and will not hurt)?
- How to dispatch?
 - ALL CALL (telephony)
 - Electronic notification with CSP confirmation
 - Will require CSP infrastructure

- When to measure compliance for sub zonal event?
 - Always measure compliance according to current process
 - Only measure for sub zones defined prior to DY
 - Only measure for sub zone defined prior to X hours before event
 - Never measure compliance

- Number of events used to determine event multiplier based on number of events the registration has been dispatched
 - PEPCO DC dispatched twice
 - PEPCO zone dispatched once
 - 33% for PEPCO DC registrations (since they were actually dispatched 3 times) and 50% for non DC PEPCO resources (since they were actually only dispatched once and need to take min of 50% or 1/# events)
- Sub-zonal commitment based on registrations that were dispatched:
 - ILR = nominated capacity of registrations dispatched
 - DR = DR commitment * (nominated value of DR registrations dispatched/Total nominated value of DR registrations in zone).
 - CSP may not use other zonal registrations to substitute sub-zonal registrations that are dispatched.
 - Registrations dispatched based information submitted by CSP for location in eLRS.
 - PJM will use zip codes in eLRS just prior to event to determine exactly which registrations are required to respond.

- Who should be required to test?
 - Only those registrations that were not required to respond to the event
 - All registrations in zone if not dispatched at zonal level
 - No registration in zone if any part of zone was dispatched

- If registrations not dispatched then still required to perform annual test.
 - For example in 2010:
 - APS (WV, VA and MD) dispatched and therefore not required to Test
 - APS (PA) NOT dispatched and therefore required to Test
 - If test already conducted it is not necessary for CSP to submit the results.
- Sub-zonal commitment based on registrations that were NOT dispatched:
 - ILR = nominated capacity of registrations NOT dispatched
 - DR = DR commitment * (nominated value of DR registrations NOT dispatched/Total nominated value of DR registrations in zone).
 - CSP may not use other zonal registrations that were dispatched to substitute registrations that are required to test.