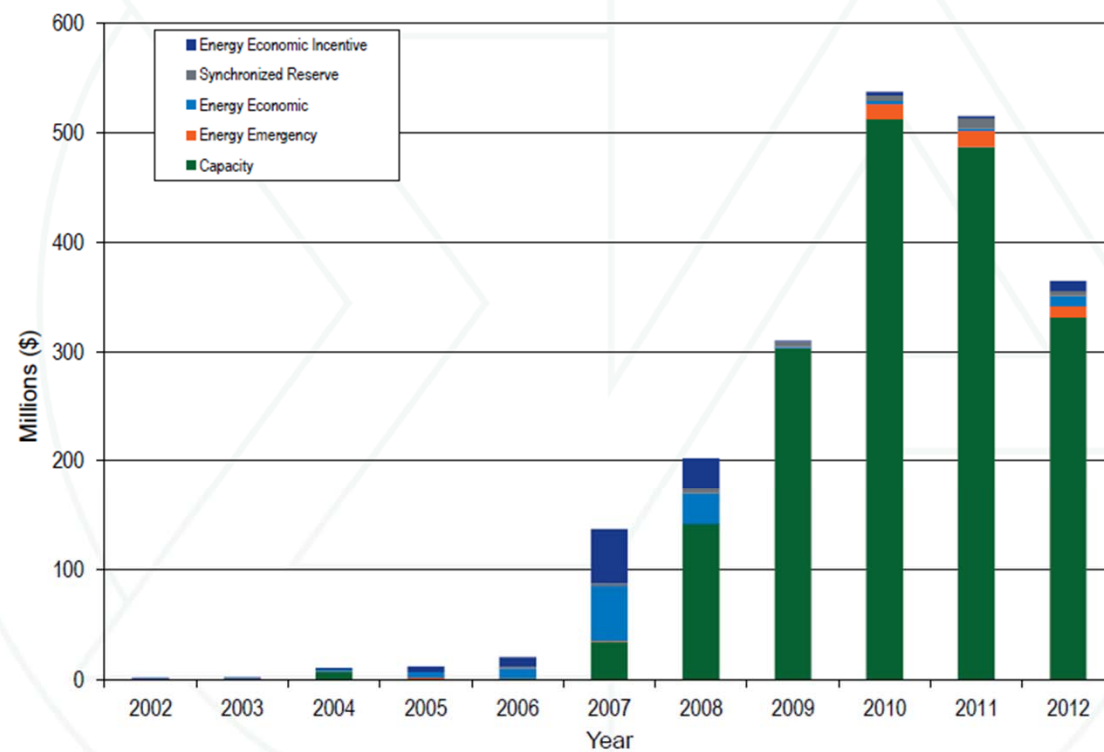


# DR in the PJM Wholesale Markets



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**Figure 5-1 Demand Response revenue by market: 2002 through 2012**



## Emergency DR - Obligation



- Originally
  - 10x6
  - June-September
- Saturation concerns
  - Limited ability to reduce peak
  - > 10 calls
- Response: three products
  - 10x6
  - Extended Summer

## Emergency DR - Falling Short of Obligation



- Charges for failing to meet obligations
  - RPM Commitment Compliance
  - LM Test Compliance
  - DR Compliance Penalty Charge - committed registrations that underperformed.
    - June-Sept on-peak weekday hours: Lesser of 1/#events or 0.5
    - Other hours: 1/52.

## Emergency DR - Procurement



- ILR
- Elimination of ILR
- 2.5% holdback
- Price

- Impact on clearing price
  - 2014/2015: MAAC \$136.50 vs. \$202.80
- Intent to physically deliver

- Energy Market
  - PJM process
  - Order 745
  - CBL
- Regulation Market
  - Order 755
  - PJM Leadership
- Reserves Markets



Thank you!

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