

Resolution No. 144-11.
Council Members Kelley and Sweeney
(by departmental request)

AN EMERGENCY RESOLUTION

Authorizing participation by Cleveland Public Power customers in demand response programs in the PJM Interconnection LLC market and determining the initial criteria and conditions governing such participation.

WHEREAS, Cleveland Public Power (CPP) is a member of the PJM Interconnection LLC, (PJM) a regional transmission organization that operates the region's electric transmission grid, provides transmission services to its members, and operates regional markets for capacity, energy and other electricity services; and

WHEREAS, as required by the Federal Energy Regulatory Commission (FERC), PJM has adopted "Demand Response" programs that allow customers to offer to reduce their electricity use in certain circumstances including during an emergency event; and

WHEREAS, currently a customer's Demand Response may be offered into PJM's markets if the Demand Response resource meets PJM's technical requirements and if the laws or regulations of the relevant electric retail regulatory authority (RERRA) permit such offers; and

WHEREAS, retail customers participate in Demand Response in PJM through members called curtailment service providers (CSPs), who act as agents for the customers; and

WHEREAS, under PJM's Demand Response program, a customer whose Demand Response registration is approved is entitled to be compensated for being on call and ready to reduce energy usage on request; and

WHEREAS, CPP customers will be eligible to participate in the PJM Demand Response programs beginning June 1, 2011, and CPP desires to provide its customers with the opportunity to do so; and

WHEREAS, in the case of utilities (such as CPP) that distributed 4 million megawatt-hours or less in the previous fiscal year, a CSP may register Demand Response as resources in the PJM markets only with the permission of the utility's RERRA, which for CPP is this Council; and

WHEREAS, this Council has determined that it is desirable to authorize the participation of CPP retail customers, acting through a CSP, in PJM's Demand Response

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programs, provided that the CSP satisfies eligibility criteria and certain other specified requirements that are deemed necessary to protect other CPP customers and the CPP system from adverse effects; and

WHEREAS, this resolution constitutes an emergency measure providing for the usual daily operation of a municipal department; now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF CLEVELAND:

Section 1. That this Council establishes the following procedures for authorization of a Curtailment Service Provider (CSP) to register end-use customer Demand Response capability in the markets operated by PJM Interconnection, L.L.C. beginning June 1, 2011:

- (a) The aggregate amount of Demand Response capability that may be offered into PJM's Demand Response programs by all CSPs shall not exceed 30 megawatts at any given time, unless the 30 megawatt limit is waived by CPP in its discretion.
- (b) Registrations to participate in PJM's Demand Response programs shall be processed in the order received until the aggregate amount of Demand Response capability that cleared the market (not to exceed 30 megawatts) is reached, after which no further registrations may be accepted by PJM or CPP, unless the 30 megawatt limit is waived by CPP. If a CSP cancels a previously approved PJM Demand Response registration, or if the CSP or a customer's participation in PJM's Demand Response programs is terminated, the difference between 30 megawatts and the aggregate amount of remaining Demand Response capability authorized by CPP shall be made available to other CSPs through notice posted on CPP's website.
- (c) The Demand Response may be offered in the PJM market only with respect to PJM's Emergency Load Response Program, including both the Full Emergency and Capacity Only Options, and not PJM's other markets unless approved by CPP.
- (d) The criteria and detailed procedures governing CSP applications for authorization to participate in PJM's Demand Response programs shall be posted on the CPP website along with a list of authorized CSPs and the total CPP customer load currently subject to reduction through CSP participation in PJM's Demand Response programs. CPP may revise the posted criteria and detailed procedures at any time, as and when CPP may deem it necessary or appropriate to do so.
- (e) (i) A CPP end-use customer that wishes to register its Demand Response capability for participation in the PJM market may do so only through a

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CSP that has been authorized, following application to CPP, to engage in such activity. To obtain such authorization, a CSP must submit a written application to CPP using the form for such applications posted on CPP's website. The application shall provide, at a minimum, the following information:

- (A) the name, address, and contact information for the individual employed by the CSP who is assigned responsibility for interacting with CPP regarding customer participation in PJM Demand Response;
 - (B) complete emergency contact information for the CSP, if different from (A);
 - (C) the registration deadline, if any, for such program; and
 - (D) to the extent known at the time of application, the amount of the end-use customer's Demand Response capability that will be registered in each PJM-operated market.
- (ii) A CSP application for authorization also shall include a statement that the CSP is in good standing with PJM, that the CSP has executed all necessary PJM documents and has met all PJM requirements for participation in PJM's Demand Response programs, that the CSP has obtained any and all required state regulatory authorizations or approvals, and that the CSP is not the subject of any active investigation or any complaint proceeding conducted by or before any local, state or federal agency, including the Federal Energy Regulatory Commission, or by the PJM Independent Market Monitor. If such an investigation or complaint is pending, CPP may request additional information to assist in evaluating the application.
 - (iii) The authorization of a CSP granted by CPP shall remain in force for a period of five (5) years after which the CSP must submit a renewal application on a form to be provided by CPP. During the five-year period a CSP shall update the information contained in its application, including increases or decreases in participation by end-use customer(s) in PJM's Demand Response programs, as and to the extent necessary so that the information contained in the application remains accurate and complete and so that CPP has a current and accurate record of the aggregate demand of all CPP customers participating in PJM programs.
 - (iv) All information contained in a CSP application submitted in accordance with these procedures shall be true, accurate and complete, and shall be verified as such by the sworn and notarized signature of an officer of the CSP.
 - (v) Within five business days after receiving a completed application, CPP shall notify the CSP in writing whether its application has been approved.

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- (f) Authorized CSPs shall make available to CPP through the PJM "Electronic Load Response System" (eLRS) all information regarding the identity of customers registered to participate in Demand Response and performance data during any actual emergency events or test events. If not included in the information posted through eLRS, each CSP also shall advise CPP of the date and time of each curtailment directive, the identity of the customers curtailed and the amount and duration of each such customer's curtailment.
- (g) CPP's approval of an application submitted by a CSP hereunder does not constitute or confer a franchise, grant, exclusive license, or other property right. Rather, the right created by CPP's approval of an application submitted by a CSP hereunder is in the nature of a revocable non-exclusive license.
- (h) If CPP revokes a previously approved authorization, the participation of any affected end-use customer in PJM's Demand Response programs shall be terminated in a manner consistent with applicable provisions of the PJM Operating Agreement, the PJM Open Access Transmission Tariff, and the PJM Reliability Assurance Agreement.
- (i) If, at any time after its adoption, this Resolution is withdrawn by action of the Council without adoption of superseding procedures, CPP thereafter shall reject any application submitted by a CSP hereunder. Further, in such event, the participation in PJM's Demand Response programs by any end-use customer under a previously approved CSP application shall be terminated in a manner consistent with applicable provisions of the PJM Operating Agreement, the PJM Open Access Transmission Tariff, and the PJM Reliability Assurance Agreement.
- (j) Neither CPP nor the City shall have any obligation to hold financially harmless any CSP or end use customer that is affected by the withdrawal of this Resolution, the revocation of a previously approved CSP application, CPP's revision of its posted criteria or detailed procedures, or any other action taken by CPP or the City that is claimed to adversely affect the rights or interests of any CSP or end use customer that participates or seeks to participate in PJM-operated markets.

Section 2. That this resolution is declared to be an emergency measure and, provided it receives the affirmative vote of two-thirds of all the members elected to Council, it shall take effect and be in force immediately upon its adoption and approval by the Mayor; otherwise it shall take effect and be in force from and after the earliest period allowed by law.

ST:nl
1-31-11

FOR: Director Withers

Directors of Public Utilities, Finance, Law;
Committees on Public Utilities, Finance.

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REPORT
after second Reading

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READ FIRST TIME

REPORTS

and referred to **Directors of Public Utilities, Finance, Law;**
Committees on Public Utilities, Finance.

by the council **January 31, 2011.**

CITY CLERK

READ SECOND TIME

by the council

CITY CLERK

READ THIRD TIME

by the council

PRESIDENT

CITY CLERK

APPROVED

MAYOR