

PJM Economic Demand Response

What is **Economic Demand Response**?

The Economic Demand Response program pays organizations to curtail their energy consumption in response to high wholesale electricity prices.

Wholesale electricity prices in a deregulated energy market, like PJM's, fluctuate hourly. Retail consumers, however, typically pay electricity rates that are based on average electricity costs. This means businesses like yours often don't see the hourly changes in wholesale electricity prices and, as a result, do not have the opportunity to react to them.

With CPower at your side, you'll be armed with state-of-the-art tools that will provide clear price signals and make it easy to reduce energy usage when wholesale prices are high.

CPower also makes it easy to offer your curtailed energy into PJM's Real-Time Market, allowing you to potentially earn additional revenue from the energy you did not use as a result of your curtailment. We also give you visibility into the day-ahead prices, so you can participate in the real-time market when prices are advantageous for you.

Economic Demand Response: **Program Parameters and Requirements**

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| Minimum Size | 100 kW |
| Participation Lead Time | Price notifications sent day-ahead and participants can enroll up to three hours prior to their participation hour(s) |
| Compensation | Hourly LMP (Locational Marginal Price) for each hour awarded |
| Duration | Flexible and voluntary, participant selects time and hours |
| Enrollment Deadline | Year round |
| Baseline | The default PJM baseline is the 3 Days Type with Symmetric Additive Adjustments (SAA). The 3 days types used under this baseline are: Weekdays, Saturdays and Sundays/Holidays |
| CBL Certification | The CBL Certification is a calculation that allows PJM to verify if a customer's load is too variable or unpredictable to be used against a specific CBL methodology. A Relative Root Mean Square Error (RRMSE) calculation is applied against the customer's load. If a customer's RRMSE score is less than 20% then they are free to participate with that CBL; if it is greater than 20% the customer may not participate under that CBL and must request the use of an Alternative Baseline methodology that gets their RRMSE score under 20% |

Economic Demand Response: **Technology Requirements**

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|--------------------------|---|
| Metering | 1-hour interval data. If meter is Customer Owned it must meet PJM's accuracy standards. |
| Validation | Meter load data must be validated against sixty days of utility data. |
| Platform | Customer must be trained on and using the CPower App platform for hourly offers and compliance. |
| Site Requirements | 120 V output, Internet or cell service (cell service preferable) |

The CPower App

CPower puts powerful energy management tools at your fingertips with a simple to use, economic demand response solution on your desktop or mobile device – with no out-of-pocket costs to you.

With a click of a mouse or a touch of your screen, the CPower App allows you to access all vital usage and load information quickly and intuitively.

We connect directly to your energy meter to give you real-time usage information to your desktop or mobile device. You can watch energy price trends in your market, empowering you to make the right decisions to manage your energy costs, and ensure that your business is in compliance with the regulations that govern your market.



The CPower Way

CPower's team of energy experts will work with your organization to create curtailment strategies that suit the specific needs of your business. Then we'll show you how to execute those strategies when wholesale electricity prices are high.

CPower can then help you offer your curtailed load into PJM's Real-Time Markets, enabling you to earn revenue upon complying with PJM's program requirements and curtail your energy consumption when prices are high.

You can save money and earn revenue, all for using less energy when prices are high. You'll also be doing your part to keep both the grid and electricity prices stable.

That's Economic Demand Response...the **CPower Way**.

Contact your **CPower PJM Energy Team** to learn more.

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