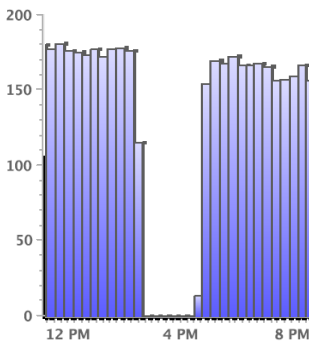
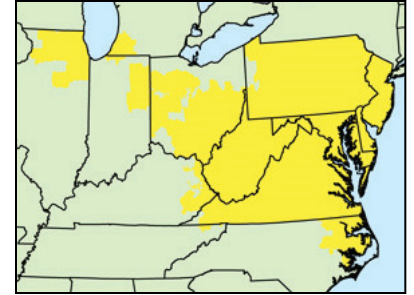


Emergency Demand Response Program

The Pennsylvania-New Jersey-Maryland Interconnection (PJM) has oversight of Generation and Transmission of power throughout much of the mid-Atlantic region. Because of substantial expansion over the past number of years, this Regional Transmission Organization now includes 18 electric utilities within its control (for example PPL & PECO). PJM now oversees power delivery to 58 million people. In fact, if PJM were a country it would be the 5th largest electric consumer in the world. Since the nature of electricity is that the power generated must always equal the power consumed, PJM is constantly scheduling its generation resources to match the load.



PJM now also has a Demand-Side Response (DSR) program in place which can be utilized to help match generation with load. With this program, energy consumers (end-users) who are able to reduce load and respond quickly, can be “scheduled” by PJM to curtail power just as PJM schedules generation resources to provide power. This DSR program requires that the end user reduce load (or bring on behind-the-meter backup generation) in exchange for direct payments from PJM. A Curtailment Service Provider (CSP) partners with REG to administer the program and work directly with end-users for implementation. Additional metering may be needed and generally a minimum of 100 kW load reduction is required.

Program Types:

- **Emergency** - On average, one 6-hour interruption is called per year, although this can vary from 0 to as many as 10, with a 2-hour advance notice. Payments are made monthly, even if no interruptions are called.
- **Energy** - Voluntary participation in the real-time or day-ahead market when prices are high.

Payments and Requirements for 1000kW Participant:

- **Total Average Payment:** \$48,000 per year per 1,000 kW participation
- **Compliance required:** June 1 - September 30
- **Payment year:** June 1 - May 31
- **Alternate program:** Available for smaller loads (25-99kW)
- **Metering:** Interval data required...cost depends on Utility
- **Test:** If no interruptions are called, a 2 hour test interruption will be required each year in August
- **Partial-performance:** No out of pocket cost, but future payments for that year will be reduced

Global Benefits

Emergency program participants benefit the entire interconnection by helping to reduce PJM load during emergency conditions when adequate capacity is not available. Participants also help PJM meet future capacity planning needs, and help keep old, inefficient, high pollution generators from being required to run.



Want to know more? Email: info@richardsenergy.com