

Bridging the Gap between Wholesale and Retail Markets

MADRI, Philadelphia, 12/19/05
Frank A. Magnotti
President and COO Comverge Enterprises

Introduction



- Background
- Scale
- Scope
- Proposed Implementation Matrix

Background

- Building new demand response infrastructure in PJM is not currently justified by wholesale market itself
- PJM would like to encourage third party participation and investment
- Current infrastructure is aging and degrading
- Need to recognize T&D utility benefits and incent utilities to participate
- Investments are more easily justifiable if there are retail benefits
- Critical peak pricing infrastructure costs and benefits vary
- Recommend implementation to examine variables that affect business case while encouraging both third party and utility participation

Scale

- An incremental 3000 MW (1-5% of PJM peak load) of new demand response infrastructure should be built
- Recommend 300 MW of pilots(10% of need) to be implemented in 2006-2007
- Across PA,NJ, DE, MD, DC

Scope

- Residential, Multi-family, Small C&I, Large C&I
- Existing Metering , No metering
- Existing demand infrastructure, no existing demand infrastructure
- Third party investment?

Third party operation with utility ownership of asset

Implementation

	MW	Residential	Multi-family	Small C&I	Large C&I	Existing Demand	Existing metering
PECO	25		x			No	Yes
PPL	25			x	x	No	Yes
PSE&G	125	x				Yes	No
Connectiv or JCP&L	20					No	No
BG&E	100	x		x		Yes	Yes
PEPCO	5		x			No	No
	300						