



# Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street  
Chicago, IL 60611

## Legislation Text

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**File #:** 18-0421, **Version:** 1

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### **TRANSMITTAL LETTER FOR BOARD MEETING OF MAY 3, 2018**

#### COMMITTEE ON PROCUREMENT

Mr. David St. Pierre, Executive Director

Authorization to participate in Pennsylvania, New Jersey and Maryland (PJM) upcoming 2021/2022 Reliability Pricing Model (RPM) Base Residual Auction (BRA) for Demand Response (DR)

Dear Sir:

Since 1998, the District has participated in a voluntary curtailment program (Demand Response). Through voluntary curtailments by the District and other participants, the curtailment providers have been able to defer the need for additional generating capacity to meet the short-lived peak demands. In that time, the District has received approximately \$12.97M in total revenue for reducing electricity usage at designated times. Historically, the District has used a Curtailment Service Provider (CSP) to register for this program. On average, the CSPs charge 10% of the total compensation.

At the Board Meeting of August 31, 2017 the Board of Commissioners authorized the District to enter into an agreement with American Powernet Management, LP to facilitate the enrollment into PJM and to advise the District regarding the various programs that PJM offers. On April 2, 2018, District's membership application was approved in the Generation Owner sector of PJM. As a member of PJM, the District can participate in PJM's RPM BRA for Demand Response and register assets to participate in the auction without assistance of a CSP.

PJM's auction window for the 2021-2022 calendar year opened on April 24<sup>th</sup> and closes on May 7<sup>th</sup>, 2018. If authorized to participate in the auction as a member of the PJM, the District will commit to curtail 36.887MWh. The committed amount will be pooled with other members' commitments and be auctioned together at the PJM RPM BRA for Demand Response. Each member will receive an equal dollar value per MWh when participating in an event. In this program, penalties may be assessed if the committed level of curtailment is not reached during an event. In the District's past participation, the District has been able to meet the committed level of curtailment.

It is requested that the Board of Commissioners authorize the Director of Procurement and Materials Management to participate in the auction and perform all PJM requirements to register District facilities for the DR program.

A report will be submitted to the Board of Commissioners on the results of the auction, if and when it occurs.

Requested, John P. Murray, Director of Maintenance and Operation, SES:PD:JL  
Recommended, Darlene A. LoCascio, Director of Procurement and Materials Management  
Respectfully Submitted, Barbara J. McGowan, Chairman Committee on Procurement  
Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for May 3, 2018