

Frequently Asked Questions:

Earn Additional Revenue with Economic Demand Response in PJM

PJM’s Economic Demand Response (DR) Program pays you to reduce electricity demand during high-priced hours. Demand can be reduced by curtailing load or switching to permitted on-site generation. As a participant in the program, you earn the same rate for capacity delivered as traditional generators, and also realize savings on your electricity bills for using less energy when prices are at their highest. Unlike other forms of DR where dispatches are initiated by the utility or grid operator, in economic markets you control if and when you participate—think of it as “schedule your own DR.”

How do I participate in the program?

Enel X works with you to develop a dispatch participation plan tailored to your operating schedules and financial objectives.

You specify parameters such as reduction quantity, timing, price, and maximum/minimum response durations.

Enel X submits your offers into the energy market just like generators do. If your offers clear, you reduce demand and receive the hourly clearing price.

Is Economic Demand Response right for my business?

Ideal participants in the program have large (greater than 1 MW) processes that can be reduced frequently or shifted to off-peak hours. Pumps, chillers, grinders, melters and other energy-intensive machinery are often well-suited for participation, as are sites with onsite generation.

How much advanced notice do I receive?

PJM offers two market options in the Economic Demand Response Program:

Day-Ahead Market: Offers are submitted by 10:30 a.m. the day before; clearing results posted approximately 1:30 p.m. the day before.

Real-Time Market: Offers are submitted up to 3 hours in advance; participants are dispatched with 2 hours advanced notice (or less, based on your preferences).

How much can I earn?

Earnings depend on several factors including frequency of response, MW reduced, and hourly energy prices. The more you participate, the more you can earn. Enel X can help optimize when to participate, so your earnings justify your efforts. As an estimate, businesses that reduce 10 MW of demand for 20 hours a year can earn \$20,000 or more, based on energy prices. Enel X can provide detailed earnings estimates based on your specific response strategy.

Economic DR Overview

Program Period:

Year-round, you choose your schedule

Dispatch Notification:

Day-ahead: 1:30 p.m. day-prior;
Real-time: 2 hours prior to event start

Program Hours:

24x7x365, you choose when your site participates

Dispatch Duration:

You choose how long to participate

Can I use my generator?

Yes, you can! Utilizing a generator may make it easier for your site to curtail more MW or to participate more frequently (or both). We also ensure you have the proper permits and can help upgrade a generator for compliant participation with \$0 out-of-pocket costs.

How does my business benefit?

Increased DR Payments: PJM's Economic Demand Response Program allows you to earn even more from demand response while continuing to participate in other programs, such as PJM's Emergency Load Response Program (ELRP).

Full Customization and Control: You decide when, for how many MW, and at what price to take advantage of the opportunity. You participate only when it makes sense for your business.

Flexible Scheduling: In the Real-Time Market you can modify or withdraw offers up to 3 hours in advance of the operating hour, giving you ample time to make adjustments based on your operational needs.

Reduced Utility Bills: Not only get paid for reducing energy, but they also save on energy not consumed during response hours. This is particularly valuable if you are on a dynamic pricing tariff, as you can minimize your exposure to the highest-priced hours.