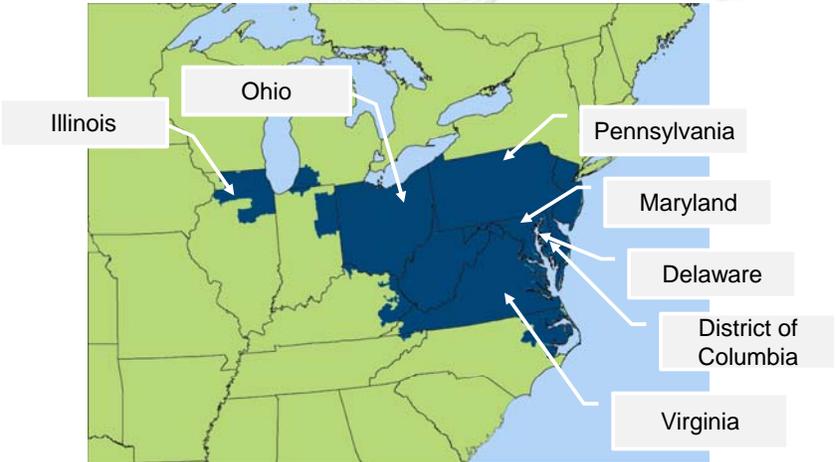


 **PRD Technical Conference**
February 14, 2012

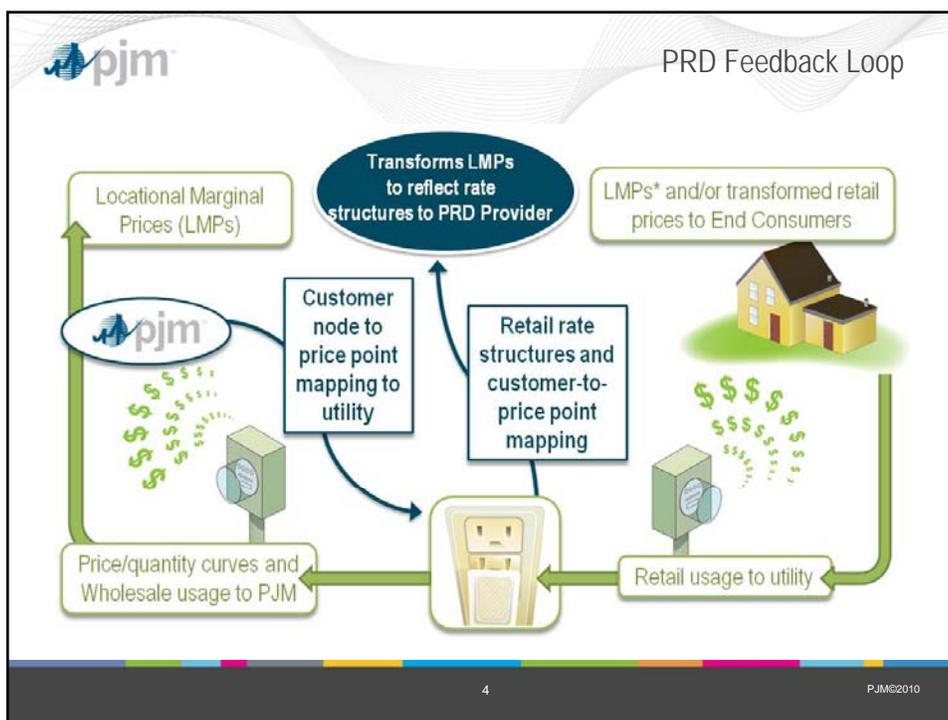
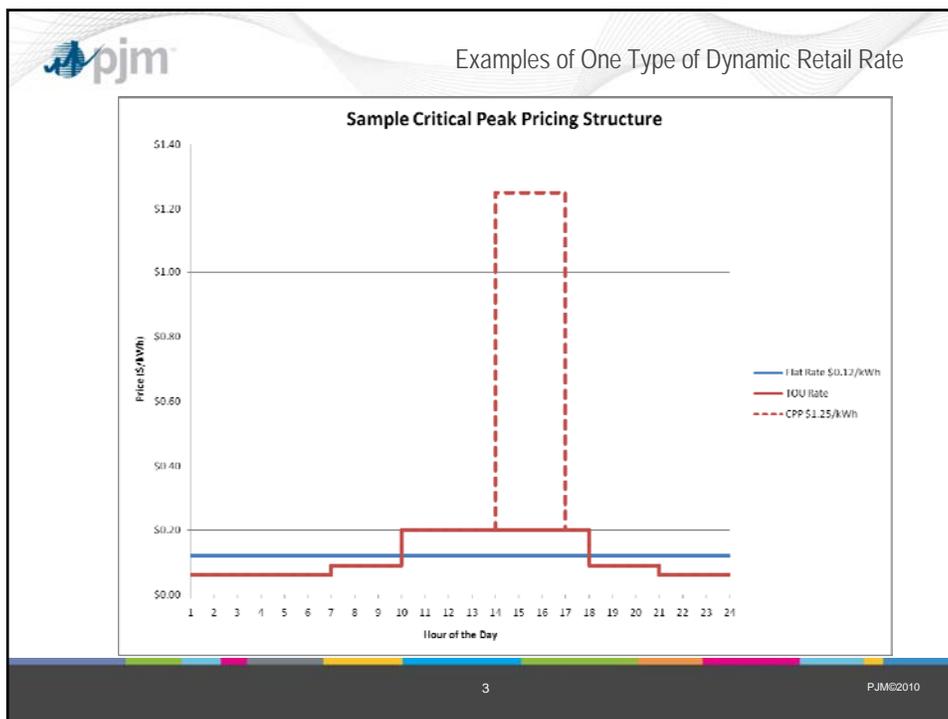
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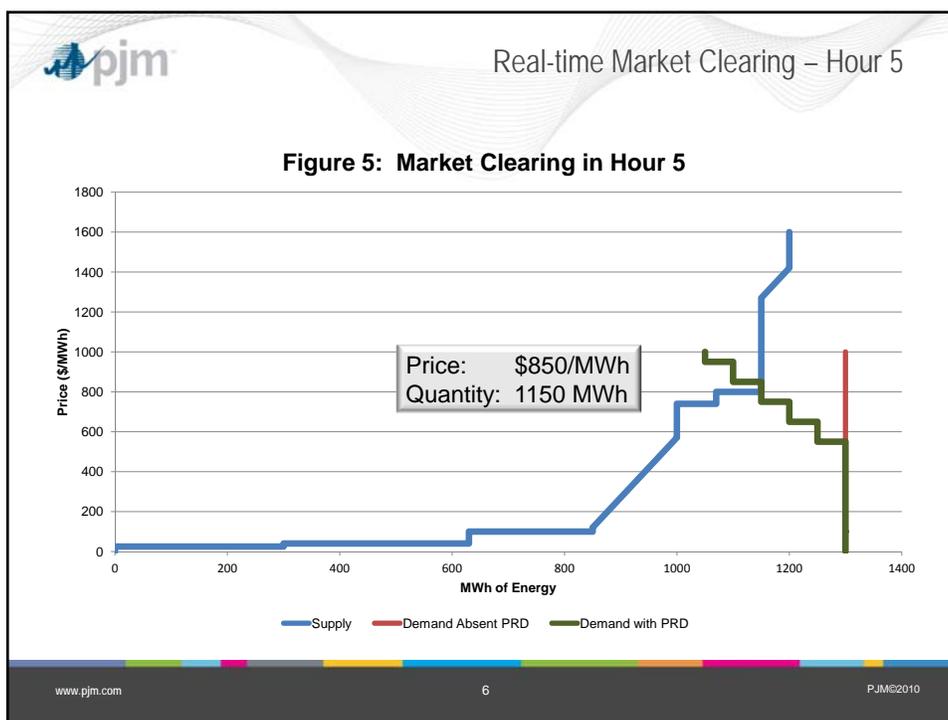
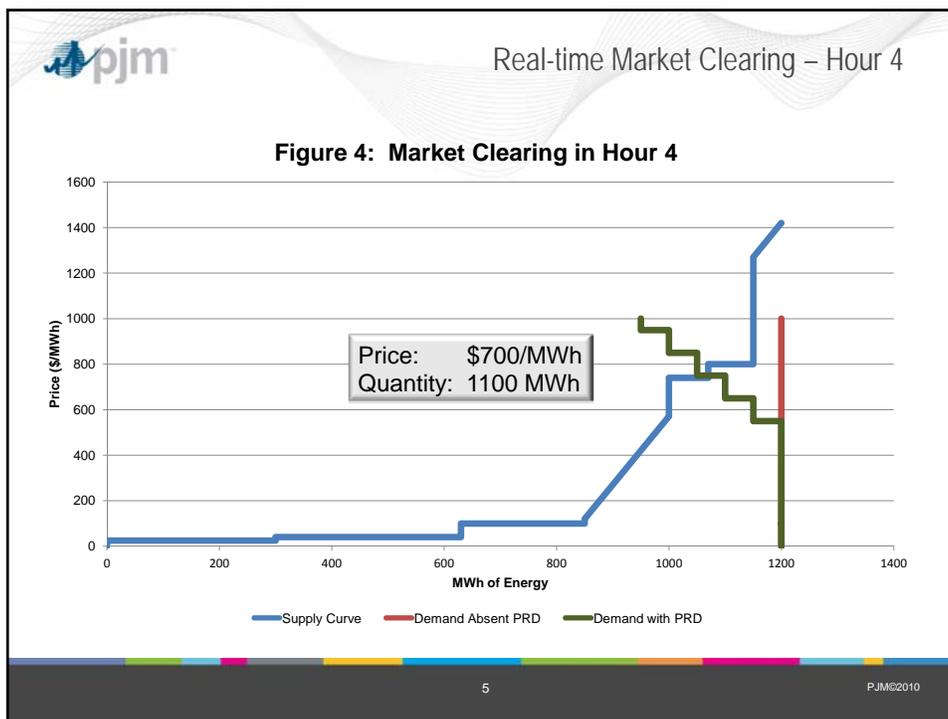
 **Highlights of Activity in PJM Region**

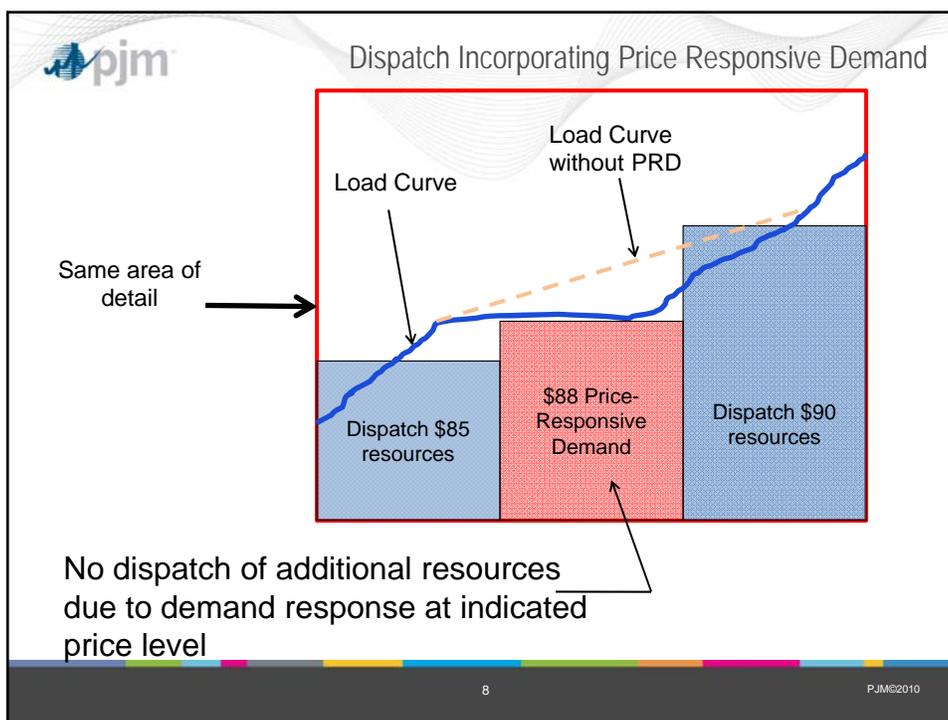
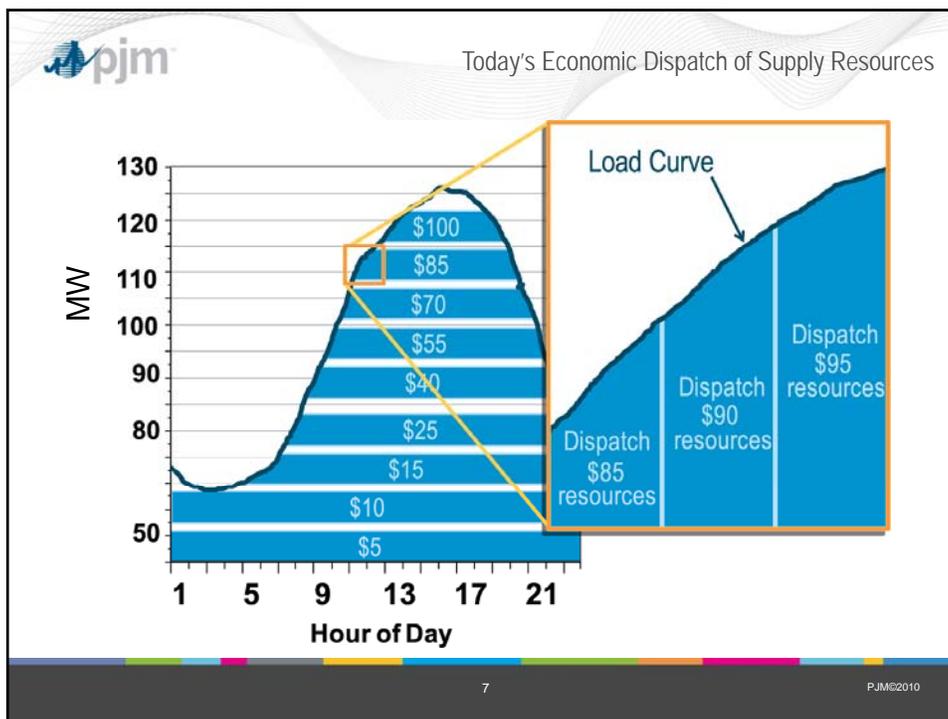


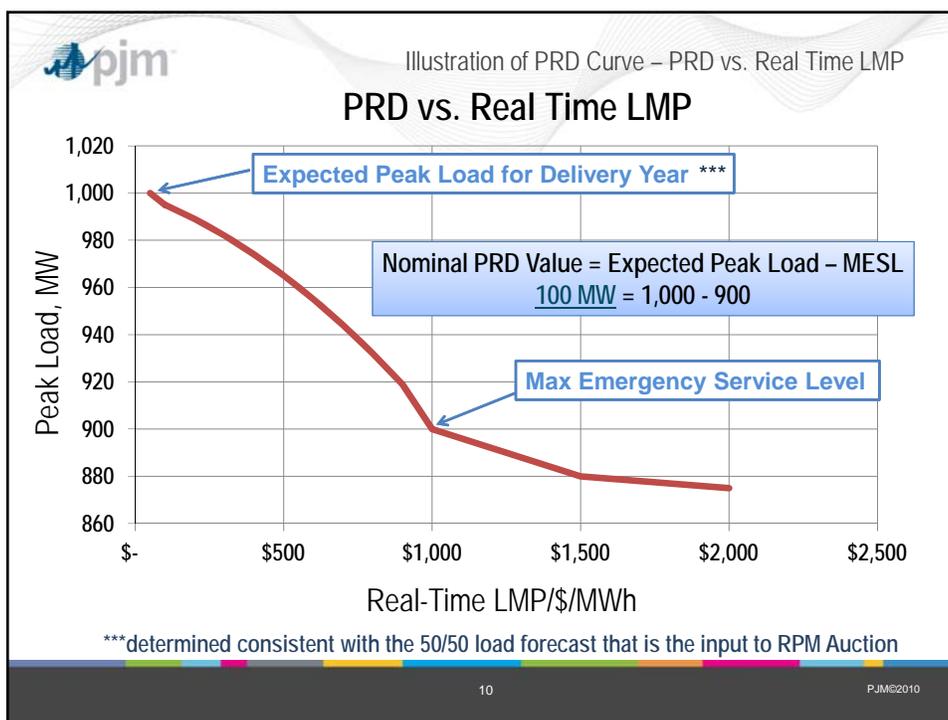
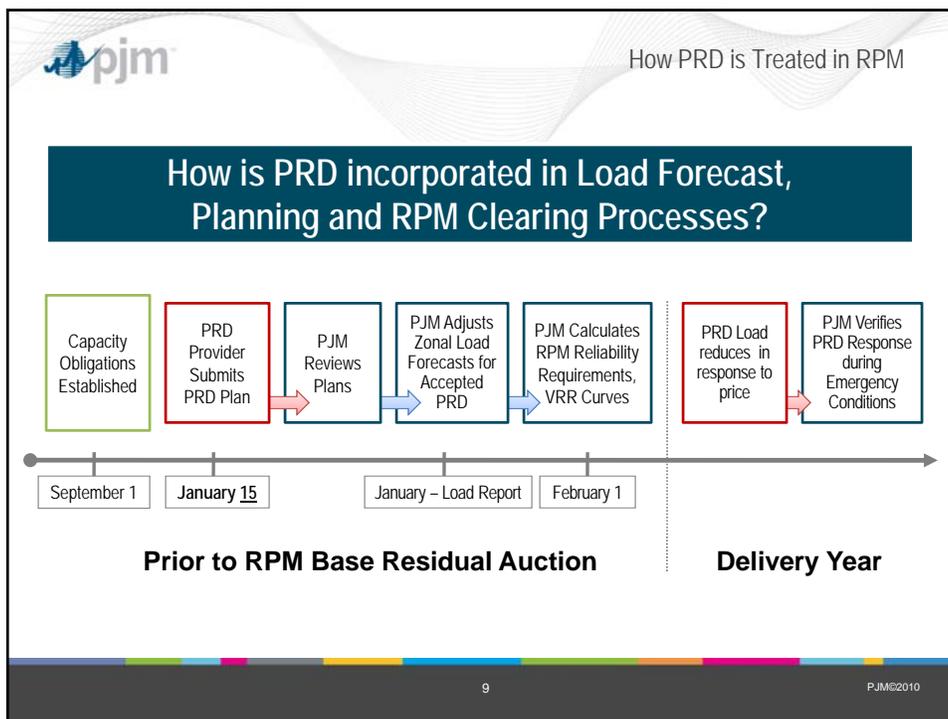
The map shows the PJM region highlighted in dark blue. Callout boxes with arrows point to the following states and the District of Columbia: Illinois, Ohio, Pennsylvania, Maryland, Delaware, District of Columbia, and Virginia.

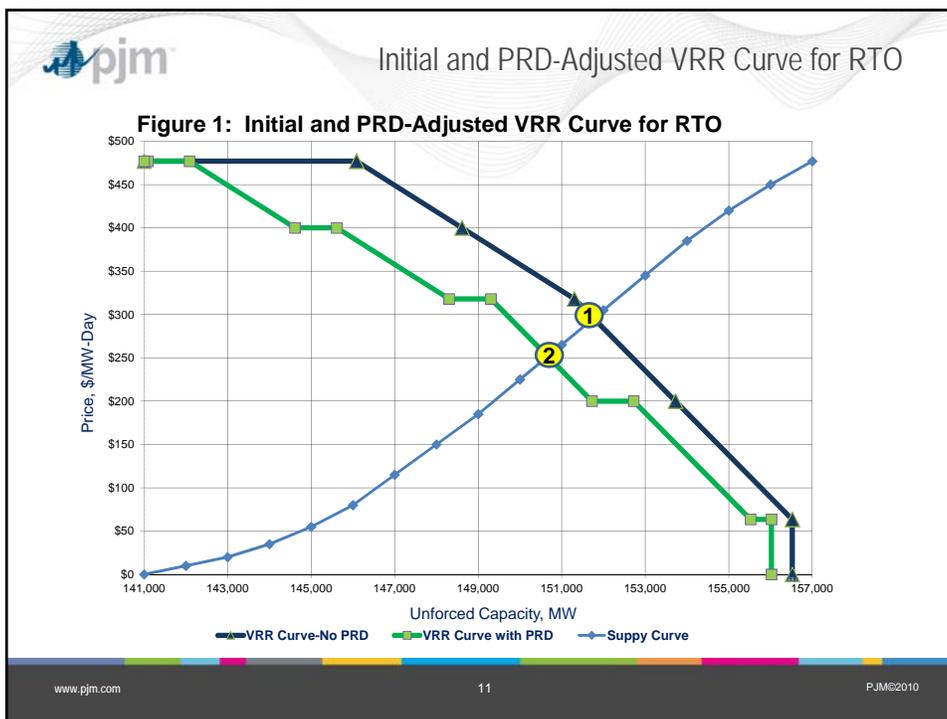
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Comparison of DR LSE Peak Shaving, PRD

ANOTHER Option to participate on demand-side, rather than supply-side...

	Load Serving Entity (LSE) Peak Shaving	PJM Demand Response (DR) Resource	PJM PRD
Characteristics	LSE Manages Peak Load Contribution (PLC) outside of any PJM program	Offered as Supply Resource in Capacity & Energy Markets	Reduces Load Forecast (and therefore Reliability Requirements) in Capacity Market
Performance Requirements	LSE proactively manages load, especially during expected 5 Coincident Peak (CP) days.	Different Requirements: <ul style="list-style-type: none"> •Unlimited •Summer Only Unlimited •Limited 	PRD Provider implements dynamic prices that produce predictable reduction in demand during emergency conditions
Financial Impact	Reduce Peak Load Contribution (PLC) and purchase less capacity in next delivery year.	Receive revenue based on RPM results. Capacity Resource deficiency + event or test deficiency penalty	Reduces net capacity obligation charges during delivery year. Penalties if load is not reduced
Metering Requirements	No explicit requirement but if competitive jurisdiction interval meter may be required to see full impact to customer.	Interval metering required unless part of 500 MW pilot or direct load control program	Interval Metering Supervisory Control