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**ORDINANCE NO. 2020-19**

**AN ORDINANCE OF THE CITY OF AUBURN, INDIANA  
APPROVING AND ADOPTING A NEW RIDER TO THE SCHEDULE  
OF RATES AND CHARGES FOR SERVICES RENDERED  
BY AUBURN MUNICIPAL ELECTRIC DEPARTMENT FOR THE  
COMMERCIAL AND INDUSTRIAL DEMAND RESPONSE PROGRAM (CIDR)  
SUBJECT TO APPROVAL BY THE INDIANA UTILITY REGULATORY  
COMMISSION**

**SUMMARY**

This ordinance adopts a new rider to the schedule of rates and charges for services rendered by the Auburn Municipal Electric Department to commercial and industrial customers whose monthly average billing exceeds 5,000 KVA. Such rider is hereinafter referred to as the **COMMERCIAL AND INDUSTRIAL DEMAND RESPONSE PROGRAM (also referred to as CIDR)**. The Council herein approves for consideration by the State of Indiana Utility Regulatory Commission an updated and new rider to the schedule of rates for electric service that relates to and modifies the rates of the City of Auburn to add and include the provisions of the CIDR program.

The CIDR program is implemented to synchronize and better match the demand for electric power with the supply by adjusting the demand for power instead of adjusting the supply.

Under the program as implemented by the Auburn Electric Department (also referred to as AE), AE may signal demand requests to its commercial and industrial customers in a variety of ways, including simple off-peak metering, in which power is reduced at certain times, and smart metering, in which explicit requests or changes in supply can be communicated to customers in an effort to create cost efficiency for both the utility and the user.

Changes in electric usage by end-use customers from their normal consumption patterns in response to changes in the price of electricity over time, or to incentive payments, are designed to induce lower electricity use at times of high wholesale market prices or when system efficiencies will benefit from modifications in consumption patterns by participants. CIDR includes all intentional modifications to consumption patterns of electricity to induce customers that are intended to alter the timing, level of instantaneous demand, or total electricity consumption. It is expected that demand response programs will decrease electricity consumption or shift it from on-peak to off-peak periods depending on consumers' preferences and provide financial benefits to the participants in the program and more efficient delivery of service by AE.

It is anticipated that the new CIDR program will be implemented as soon as practical upon approval of the Indiana Utility Regulatory Commission. The rates herein for the

**Auburn Municipal Electric Utility**  
Approved per IURC on \_\_\_\_\_

**Effective:** \_\_\_\_\_

City of Auburn are only modified for the Commercial and Industrial Demand Response (CIDR) program and shall not have any impact on the remaining rates or classes of users.

This Ordinance shall become effective upon approval by the Indiana Utility Regulatory Commission and appropriate notices and publications in accordance with Indiana Code. This Ordinance shall be published in a newspaper of general circulation in DeKalb County, Indiana, and the originals shall be maintained by the Clerk-Treasurer and also be made available at [www.ci.auburn.in.us](http://www.ci.auburn.in.us).

Copies may be obtained on-line at [www.ci.auburn.in.us](http://www.ci.auburn.in.us) or by contacting the Clerk-Treasurer of the City of Auburn, Indiana during regular business hours.

_____ Recorder's Office	<input checked="" type="checkbox"/> _____ Publish Public Hearing
_____ Auditor's Office	<input checked="" type="checkbox"/> Indiana Utility Regulatory Commission
_____ Clerk's Office	<input checked="" type="checkbox"/> Publish Entire Ord. after adoption
_____ Other:	_____
_____	
_____	
_____	

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COMMISSION**

**IT IS HEREBY ESTABLISHED AND ORDAINED** by the Common Council of the City of Auburn, Indiana, that:

**WHEREAS**, the City of Auburn, Indiana, owns and operates a municipal electric utility known as Auburn Municipal Electric Department (“AE”) for the purpose of providing electric service to residential, commercial and industrial customers within the City of Auburn, Indiana and contiguous areas located in DeKalb County; and

**WHEREAS**, AE has provided services to the City of Auburn, Indiana and the surrounding community for over One hundred (100) uninterrupted years; and

**WHEREAS**, most recently AE has determined that benefits to the utility and customers may be gained by a modification to existing rates and charges in the form of a new rider to the schedule of rates and charges; and

**WHEREAS**, said modifications for rates shall be placed under the review of the Indiana Utility Regulatory Commission (the “Commission”); and

**WHEREAS**, the City of Auburn proposes to develop the Commercial and Industrial Demand Response program for commercial and industrial customers of the City of Auburn Electric Department; and

**WHEREAS**, the City of Auburn, Indiana seeks approval of the Commission pursuant to its thirty-day filing rules and adoption of relevant Ordinance(s) by the

Common Council of the City of Auburn, Indiana and any other relevant bodies having jurisdiction over AE; and

**WHEREAS**, the Auburn Electric Utility has or will file with the Commission all appropriate documentation required under the Commission’s thirty-day filing rules seeking approval of a new rider to the schedule of rates and charges, which constitutes an allowable filing under 170 IAC 1-6-3 and that would reflect “reasonable and just rates and charges for services” within the meaning of Ind. Code § 8-1.5-3-8 and/or any other applicable Indiana Code Section as it relates to the Auburn Electric Department Commercial and Industrial Demand Response program (also referred to as CIDR); and

**WHEREAS**, the Common Council of the City of Auburn now finds the purpose of the rate modification is: (i) to coordinate activities to the mutual benefit of all eligible customers and the public served by the Auburn Electric Utility; and (ii) to offer additional options for capacity, consumption, efficiencies and management to high-end electric users, such as those in the commercial and industrial classes. In addition, the purpose of the rate modification is to offer and make available a Commercial and Industrial Demand Response program (CIDR), which will assist the utility in producing income sufficient to maintain the utility property in a sound physical and financial condition and to render adequate and efficient service that will result in mutual benefits to both the City of Auburn Electric Department and certain commercial and industrial customers. The City of Auburn also finds that the modification of the current rates and implementation of CIDR allows the qualifying customers to reduce energy load consumption by managing the time periods in which customer’s electrical load is reduced and when it will benefit the customer’s overall usage and does not impact the AE’s system.

**WHEREAS**, implementation of the CIDR is subject to procedures implemented by the wholesale provider of electrical service. Should the wholesale provider at any time change, the CIDR shall continue with the new provider.

**WHEREAS**, the CIDR will be more efficient to implement, ensure the City of Auburn recovers its costs, and allows the customer and the City of Auburn, Indiana to save costs in production and usage of electricity.

**WHEREAS**, the Auburn Electric Utility's existing rates and charges currently do not provide a mechanism that benefits the highest commercial and industrial users in operating in a manner that allows for efficiencies in consumption that will provide financial incentives to the users and assist the City of Auburn Electric Utility to operate at the fullest and most efficient extent possible, and therefore, such current rates and charges are not the most reasonable and just charges possible within the meaning of Ind. Code § 8-1.5-3-8 and/or any other applicable Indiana Code Section and need to be modified in such a manner as to provide for the most efficient usage to benefit AE and the customers alike; the proposed rider to the schedule of rates and charges attached hereto as Exhibit "A" is designed so that it is nondiscriminatory among eligible customer classes, and is "reasonable and just" within the meaning of Ind. Code § 8-1.5-3-8 and any other applicable Indiana Code provisions; the proposed rider to the schedule of rates and charges attached reflects therein the election of the Common Council to include in such rates and charges each of the elements of "reasonable and just charges" defined under IC 8-1.5-3-8 and such other applicable statutes; the proposed rider to the schedule of rates and charges is subject to the approval of the Indiana Utility Regulatory Commission; and a new rider to the schedule of rates and charges for the Commercial and Industrial

Demand Response (CIDR) program has now been prepared and is restated and attached as Exhibit “A” to this Ordinance.

**WHEREAS,** the **COMMERCIAL AND INDUSTRIAL DEMAND RESPONSE** program (CIDR) is targeted toward high end commercial and industrial users to allow for the most efficient operation of the customer electricity loads and AE’s distribution and to provide efficiencies for AE and value for the customer.

**NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF AUBURN, INDIANA, THAT:**

**Section 1.** The City of Auburn, Indiana electric service territory is within the transmission service territory of PJM Interconnection, LLC (PJM), a regional transmission organization (RTO) in the United States. PJM is part of the “Eastern Interconnection” grid, operating an electric transmission system serving all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia, and the District of Columbia. More than 1,000 entities are members of PJM, which serves approximately 65 million customers. Further, the City of Auburn, Indiana is a wholesale purchaser of electricity from Indiana Michigan Power Company, a division of American Electric Power.

As it relates to CIDR, with the coordination of PJM, Indiana Michigan Power, and the City of Auburn Electric Utility and upon notice made to the customer requesting a reduction in energy consumption, the commercial and industrial customers enrolled in CIDR shall reduce the consumption as directed by the City of Auburn Electric Utility based upon the notice provided by Indiana Michigan Power and any other relevant entities associated therewith and in accordance with the provisions of the rider attached hereto as Exhibit “A”. The goal of the request is to reduce the load to the extent that a

cost savings can be realized on the overall customer load consumption. Lead time regarding the reduction in power may be as little as 15 minutes; however, the City of Auburn will attempt to provide as much lead time as is reasonably practicable in accordance with the provisions of the rider attached hereto as Exhibit “A”. The City of Auburn, acting in response to a PJM directive, may issue an Emergency Action Event that results in a notice of reduction that can last from a few minutes to several hours.

In said instances in which notice of a reduction of power under the CIDR program is made, failure by the commercial or industrial customer to comply may result in financial penalties. Said program may involve penalties to the customer should the customer fail to comply with the notice and program requirements.

The new rider for the Commercial and Industrial Demand Response program (CIDR) for commercial and industrial customers is hereby attached hereto as Exhibit “A” and is hereby adopted for use by the Auburn Municipal Electric Department when charging customers for electric service, effective as set forth below, subject to approval by the Indiana Utility Regulatory Commission. Upon the effective date the new additional rider code in the attached Exhibit “A” will be in addition to the other rate and rider codes of the City of Auburn, Indiana, and said new rider code shall be called Commercial and Industrial Demand Response program (CIDR) as applicable to the Electric Utility, and be included in the AE’s schedule of rates and charges applied to Auburn Electric customers. No modification to rates, other than what is set forth herein, are affected by this Ordinance.

Changes in electric usage by end-use customers from their normal consumption patterns in response to changes in the price of electricity over time, or to incentive payments, are designed to induce lower electricity use at times of high wholesale market

prices or when system efficiencies will benefit from modifications in consumption patterns by participants. CIDR includes all intentional modifications to consumption patterns of electricity to induce customers that are intended to alter the timing, level of instantaneous demand, or total electricity consumption. It is expected that demand response programs will decrease electricity consumption or shift it from on-peak to off-peak periods depending on consumers' preferences and provide financial benefits to the participants in the program and more efficient delivery of service by AE.

**Section 2.** All Ordinances and parts of Ordinances in conflict herewith are hereby restated; provided, however, that all other schedules of electric rates and charges approved pursuant to previously passed Ordinances, not modified herein, shall remain in full force and effect.

**Section 3.** The City of Auburn Common Council's previously passed Rate Ordinance is amended to include the new rider as set forth in Exhibit "A," which is hereby implemented for the Auburn Electric Department as it relates to CIDR.

**Section 4.** This Ordinance shall be in full force and effect from and after its passage and publication of said Ordinance in a newspaper of general circulation in DeKalb County, State of Indiana. Said terms and conditions set forth in Exhibit "A" shall be implemented as soon as practical upon approval by the Indiana Utility Regulatory Commission.

Adopted and passed by the Common Council of the City of Auburn, Indiana, the \_\_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Councilman James Finchum

ATTEST: \_\_\_\_\_  
Patricia M. Miller, Clerk-Treasurer

**Auburn Municipal Electric Utility**  
Approved per IURC on \_\_\_\_\_

**Effective:** \_\_\_\_\_





Exhibit "A"

**OPTIONAL RIDER D.R.S.1  
(Demand Response Service – Emergency)**

Availability.

Available for demand response service (DRS) on a voluntary basis to customers in good standing, as determined by the City of Auburn, Indiana (the "City"), taking firm service from the City under Rate Schedules SGS, SGS – 3 Phase, LGS – 3 Phase, EHV, LP, LPS, EHP, and EHPT who have the ability to curtail load under the provisions of this Rider. Each customer electing service under this Rider shall contract for a definite amount of DRS capacity agreed to by the City and Customer, not to exceed the customer's normal demand capable of being curtailed.

The City reserves the right to limit the aggregate amount of DRS capacity contracted for under this Rider. The City will take DRS requests in the order received. The customer's DRS capacity under this Rider will be enrolled in the PJM Interconnection, L.L.C. RTO ("PJM") Emergency and Pre-Emergency Load Response Program through the City and will at all times be subject to the requirements of PJM's Open Access Transmission Tariff ("OATT") that govern PJM's demand response program generally and its Emergency and Pre-Emergency Load Response Program, specifically OATT Section VI, Attachments DD-1 and K, Section 8. The City further reserves the right to limit registrations should PJM restrict the City from registering customers in any PJM product type. The customer's DRS capacity is not eligible for enrollment in any PJM demand response program either directly or through a Curtailment Service Provider ("CSP"). Customers participating in this Rider may elect to use the services of a CSP provided that such arrangements do not violate the terms and conditions of this Rider.

A CSP is an entity such as a PJM-qualified CSP that the customer has designated to facilitate all or some of the customer notifications and transactions under this Rider.

The customer must provide written notice to the City of any such designation. Such written notice shall specify the authority that the customer has granted to the CSP, including any authority to access customer data. The customer is ultimately responsible for compliance with the terms and conditions of this Rider and the applicable PJM OATT requirements, including any charges under this Rider, in which the customer has voluntarily elected to participate.

The term "customer" as used herein shall mean the customer or an aggregation of customers that have agreed for purposes of participation in the Rider to participate as an aggregation in the same manner as a single customer would under this Rider. The term "participant" as used herein shall mean the customer or customer-designated CSP as defined above.

Conditions of Service.

- (1) The provisions of this Rider qualify under the PJM Emergency and Pre-Emergency Load Response Program as of the effective date. The City reserves the right to make changes to this Rider in order to continue to qualify under the PJM Emergency and Pre-Emergency Load Response Program, or otherwise, as appropriate.
- (2) The City reserves the right to call for (request) customers to curtail their DRS load

when a Pre- Emergency and/or Emergency Mandatory Load Management Reduction Action has been issued by PJM.

- (3) The City will endeavor to provide as much advance notice as possible of curtailments under this Rider, including an estimate of the duration of such curtailments. However, the customer's DRS load shall be curtailed within 15 minutes if so requested.
- (4) All curtailments will apply for the delivery year (DY) which is defined by PJM as June 1 through May 31 of the following year. Contracts may apply for multiple delivery years.
- (5) In no event shall the customer be subject to PJM-initiated load curtailment (a "PJM Event") under the provisions of this Rider for more than the amount designated under the DRS Product Type Option selected by customer during the delivery year. The customer must agree to be subject to DRS curtailments pursuant to the DRS Product Type Option selected by customer from the DRS Product Type Option section herein.
- (6) The City will provide a curtailment notification to the customer upon the initiation of a PJM Event. The customer is ultimately responsible for receiving and acting upon a curtailment notification from the City and for ensuring at all times that it is capable of receiving such notification. The customer is not responsible in the event the City fails to properly issue a curtailment notification.
- (7) All customer metering demand data required under this Rider shall be determined from 15-minute integrated metering with remote interrogation capability and demand recording equipment owned, installed, operated and maintained by the City. When required, the City will install such metering equipment for individual accounts and a fee of \$750 paid in advance shall be required.
- (8) During each delivery year the City will conduct a test and verify the customer's ability to curtail as required by PJM. However, if a PJM Event is called by PJM prior to the test, then the PJM Event shall be considered the test for the delivery year. The City reserves the right to retest all customers if the City does not achieve the minimum 75% compliance testing standards for all of the City's DRS customers as required by PJM. Additionally, the City reserves the right to retest individual customers and/or aggregated groups that fail to comply during a test. These tests must be conducted for one hour on a weekday between 12 p.m. and 8 p.m., Eastern Time, from June 1 through September 30 during the delivery year.
- (9) If the customer fails to comply with the provisions of curtailment under this Rider, including the test provisions as indicated above, the City and the customer will discuss methods to comply during future PJM Events. If the problem cannot be resolved to the City's satisfaction, the City reserves the right to adjust the customer's committed kW amount or discontinue service to the customer under this Rider. Such adjustments or terminations will be charged to customer as outlined under the applicable penalty provision of the PJM OATT Section VI, Attachment DD.
- (10) The minimum DRS capacity contracted for under this Rider will be 500 kW. Customers with multiple electric service accounts may aggregate those individual accounts to meet the 500 kW minimum DRS capacity requirement under this Rider; however, the DRS capacity committed for each individual account shall not be less than 100 kW. Each individual account or site that is aggregated must meet participation requirements (other than individual minimum DRS capacity) for the PJM Emergency and Pre-Emergency Load Response Program. Aggregation with multiple individual electric service accounts, not under common ownership, must designate a PJM-qualified CSP that shall be

responsible to facilitate all of the customer notifications and transactions under this Rider. A CSP that creates an aggregation may provide to the City both a Registered kW and Committed kW amount of such aggregation. The Registered kW represents the amount of Curtailed Demand the CSP desires the City to register with PJM. The Committed kW shall be the amount of Curtailed Demand that is the basis upon which

participants are paid under this Rider. Registered kW shall be equal to or greater than Committed kW.

- (11) In addition to curtailments under Item 2 above, the City reserves the right to call for (request) customers to curtail their DRS load when, in the sole judgment of the City, an emergency condition exists on the City's electric service system. The City shall determine that an emergency condition exists if curtailment of load served under this Rider is necessary in order to maintain service to the City's other firm service customers. During such event, the customer must make best efforts to voluntarily curtail DRS load.
- (12) **NO RESPONSIBILITY OR LIABILITY OF ANY KIND SHALL ATTACH TO OR BE INCURRED BY THE CITY FOR, OR ON ACCOUNT OF, ANY LOSS, COST, EXPENSE OR DAMAGE CAUSED BY OR RESULTING FROM, EITHER DIRECTLY OR INDIRECTLY, ANY CURTAILMENT OF SERVICE UNDER THE PROVISIONS OF THIS RIDER.**

DRS Product Type Options and Curtailment Demand Payment.

The Curtailment Demand Payment payable to a customer receiving service under this Rider shall be calculated in dollars per kW-month based on the posted clearing price for Capacity Performance Demand Response posted at PJM's website, Capacity Market Reliability Pricing Model (RPM) Internet web page: <https://www.pjm.com/markets-and-operations/rpm.aspx>. This Curtailment Demand Payment shall be specific to the applicable Locational Delivery Area from each PJM RPM auction (Base Residual Auction, First Incremental Auction, Second Incremental Auction and Third Incremental Auction) for the relevant PJM DY.

Behind the Meter Generation.

Participating customers who operate behind-the-meter-generation ("BTMG") for demand response purposes under this Rider shall adhere to PJM rules governing the use of BTMG and operate and comply with all local, state and federal laws, including environmental permits. Adherence and compliance with PJM rules and all local, state and federal laws with regard to BTMG is the sole responsibility of the customer.

Exception to 15-Minute Notification to Curtail DRS Load.

Customers will be required to fully respond to curtailment requests within 15 minutes of notification from the City unless an exception request has been approved by PJM. The qualifying exceptions as defined by PJM are listed directly below. The intent of these qualifying exceptions is to accommodate DRS customers with legitimate, physical reasons that prevent curtailing load within a 15-minute notification time period.

PJM qualifying exception definitions:

- (1) The customer's manufacturing process requires gradual reduction to avoid damaging major industrial equipment used in the manufacturing process or damage to the product generated or feedstock used in the manufacturing process;

- (2) Transfer of load to backup generation requires a time-intensive manual process taking more than 15 minutes; or
- (3) On-site safety concerns prevent the customer from implementing a load reduction plan in less than 15 minutes.

Customers desiring to be considered for one of the above qualifying exceptions shall complete an Exception Request Form, provided by the City upon request. The City will submit any completed form to PJM for consideration and approval. The City will notify customer of PJM's approval/denial decision and, if approved, what the approved notification time period will be for the next delivery year. PJM may require customers to apply for an exemption prior to each delivery year. The customer is solely responsible for performing the due diligence required to confirm that one of the foregoing exception conditions exists and providing documentation to PJM of the same. The City shall not be responsible to the customer or PJM for any inaccurate information provided by the customer to PJM under this section.

Customer Baseline Load Calculation.

A Customer Baseline Load ("CBL") will be calculated for each hour corresponding to each PJM Event hour. Normally, the CBL will be calculated for each hour as the average corresponding hourly demands from the highest four (4) out of the five (5) most recent similar non-PJM Event days in the period preceding the relevant PJM Event. The highest load days are defined as the similar days (weekday, Saturday, Sunday/holiday, as defined by PJM) with the highest energy consumption spanning the PJM Event hours. In cases where the normal calculation does not provide a reasonable representation of normal load conditions, the City and the participant may develop an alternative CBL calculation that more accurately reflects the customer's normal consumption pattern.

Curtailed Demand.

The customer's curtailed demand shall be determined based upon the method of measurement chosen by the customer. The customer may choose one of two methods to measure the curtailed demand: (1) Guaranteed Load Drop ("GLD"), or (2) Firm Service Level ("FSL"). The method chosen shall remain in effect for the entire contract period.

(1) Guaranteed Load Drop Method.

- (a) Each customer must designate a GLD, which amount shall be the minimum demand reduction that the customer will provide for each hour during a PJM Event or during a curtailment test. The customer's GLD may not be greater than the customer's Peak Load Contribution ("PLC"), as defined below. GLD shall be adjusted to include losses.
- (b) If the customer fails to fully comply with a request for curtailment under the provisions of this Rider or does not reduce load by the full GLD, a non-compliance charge shall apply in accordance with the applicable penalty provision of the PJM OATT Section VI, Attachment DD. For this purpose, Actual Load Drop ("ALD") is defined as the difference between the customer's CBL and its actual hourly load. If the ALD is less than the GLD, the PJM Event non-compliance demand penalty shall be equal to the average difference between the GLD and the ALD occurring during the hours of the PJM Event. Otherwise, the PJM Event non-compliance demand penalty shall be zero (0).

(2) Firm Service Level Method.

- (a) The annual load management nomination is the lessor of the winter/summer nominated capacity. The customer's PLCs will be calculated each year. Summer PLC is the average of its load during PJM's five (5) highest peak loads during the twelve-month period ended October 31 of the previous year. Winter PLC is the average of its load during PJM's five (5) highest peak loads during December to February, and actual calculations are performed by PJM. In the cases where the normal calculation does not provide a reasonable representation of normal load conditions, the City and the customer may develop an alternative PLC calculation that more accurately reflects the customer's normal consumption pattern. PLC shall include losses.
- (b) The customer must designate an Available Curtailable Demand ("ACD"), defined as the difference between the PLC and the seasonal FSL. The FSL is the demand to which the customer agrees to reduce load to or below for each hour during a curtailment event and designated as winter or summer. FSL shall be adjusted to include losses.
- (c) If the customer fails to fully comply with a request for curtailment under the provisions of this Rider, then the applicable non-compliance demand penalty under PJM's OATT Section VI, Attachment DD shall apply. If a customer is operating at or below its designated FSL during an event, it will be understood that it has no DRS capacity available with which to comply and will not be charged a non-compliance penalty. If the metered demand during the PJM Event is above the FSL, the non-compliance demand penalty shall be equal to the average difference between the customer's metered demand and the FSL during all full 15-minute intervals of the PJM Event. Otherwise, the non-compliance demand penalty shall be zero (0).

For the Capacity Performance Demand Resource product, if the metered demand during the PJM Event is above the FSL, the non-compliance demand penalty shall be equal to the cumulative amount by which the customer's metered demand exceeds the FSL during all full 15-minute intervals of the PJM Event.

Monthly Demand Payment.

The Monthly Demand Payment shall be applicable to each month the customer is served under this Rider, regardless of whether or not there are any PJM Events during the month.

(1) Guaranteed Load Drop Method – The Monthly Demand Payment shall be equal to the product of the GLD and the Curtailment Demand Payment.

(2) Firm Service Level Method – The Monthly Demand Payment shall be equal to the product of the ACD and the Curtailment Demand Payment.

The City reserves the right to withhold Monthly Demand Payments from any customer who is indebted to the City for any service rendered at any location contracted under this Rider. If the customer's indebtedness to the City has not been resolved by May 31 of the current delivery year, all Monthly Demand Payments outstanding shall be forfeited.

Monthly Event Payment.

A Monthly Event Payment shall be calculated for each PJM Event hour equal to the product

of the Curtailed Energy for that hour and the Curtailment Demand Payment for that hour. The Monthly Event Payment shall be the sum of the hourly PJM Event payments for all PJM Events occurring in the calendar month, but shall not exceed the portion of the customer's monthly bill that is computed on a per-KWH basis under the applicable Standard Rider for the same billing month. The customer shall not receive PJM Event payment for any PJM Events to the extent that the customer's DRS capacity is already reduced due to a planned or unplanned outage as a result of vacation, renovation, repair, refurbishment, force majeure, strike, economic conditions or any situation other than the customer's normal operating conditions. PJM Event payments will not be withheld if the customer's DRS capacity is already reduced as a result of customer actions taken in anticipation of a PJM Event.

Non-Compliance Charge.

Any non-compliance charges, deficiency charges, test failure charges or other charges assessed to the City by PJM shall be the responsibility of that particular CSP or customer. For billing and payment purposes, the City may net any such charges against payments due to such CSP or customer under this Rider.

Settlement.

The net amount of the Monthly Demand Payment and Non-Compliance Charge will be provided to the participant by check or electronic payment within 60 days after the end of the delivery month. A customer may request the aggregation of individual customer account payments into a single payment.

Term.

Contracts under this Rider shall be made for time periods mutually agreed upon by the City and the customer, but under no circumstance will be for a term less than the applicable delivery year.

If a customer becomes ineligible for service under this Rider during the term of a contract under this Rider, the City reserves the right to terminate such contract immediately.

Special Terms and Conditions.

Customer specific information, including, but not limited to, DRS contract capacity, shall remain confidential.

If a new peak demand is set by the customer in the hour following a PJM Event due to the customer resuming the level of activity prior to the PJM Event, the customer may request, in writing, that the customer's billing demand be adjusted to disregard that new peak. The City will promptly evaluate all such requests and approve reasonable requests. In specific circumstances and subject to reasonable conditions, the City may approve requests in advance.