



Special MRC – Distributed Energy Resources Status Report to MRC

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1. Education:
 - PJM rules for generation
 - PJM rules for demand response
 - Other RTO rules benchmarking
 - State/federal jurisdictional rules
2. “Consider modifications to **PJM interconnection queue rules** for distributed resources.”
3. “Consider modifications to **market participation rules** for distributed resources to more efficiently incorporate these resources into the energy, ancillary services and capacity markets.”

- **Task 1: Education—COMPLETE AND CLOSED**
- **Task 2: Interconnection modifications—IN PROGRESS**
 - All currently identified items delegated to PC: work started August, 2016.
 - Scope includes education and new rules on:
 - Alternate Queue Process
 - Allocation of upgrade costs <\$5 million
 - Phasing in the queue process.
- **Task 3: Market modifications—STARTED**
 - Goal: Evaluate current options for resources to participate in markets when both reducing load and injecting power past the load meter. Propose enhancements as necessary.
 - Potential approach: Initially focus on ancillary services.
 - Propose to delegate to Markets Implementation Committee to work details

- Some generators and batteries behind load meter have the ability to inject power:
 - How can they participate in wholesale markets?
- **PJM Demand Response** framework today:
 - Such units can and do participate in all wholesale markets today.
 - But PJM DR rules prohibit injection of power past load meter.
- **PJM Generation** framework today:
 - May pose challenges for units that are connected behind a load meter.
- Stakeholder Process Goal:
 - Evaluate current options for resources to participate in markets when both reducing load and injecting power past the load meter. Propose enhancements as necessary.
- Note: interconnection approval requirement (e.g., PJM queue) in scope.

- Proposal to delegate market question to *MIC*
 - New special session of the *MIC*.
 - CBIR Options Matrix to consider details.
- Pause ***Special MRC—Distributed Energy Resources*** until new items arise
- ***Special MRC—Distributed Energy Resources*** and its charter remain open pending completion of *PC* and *MIC* processes.