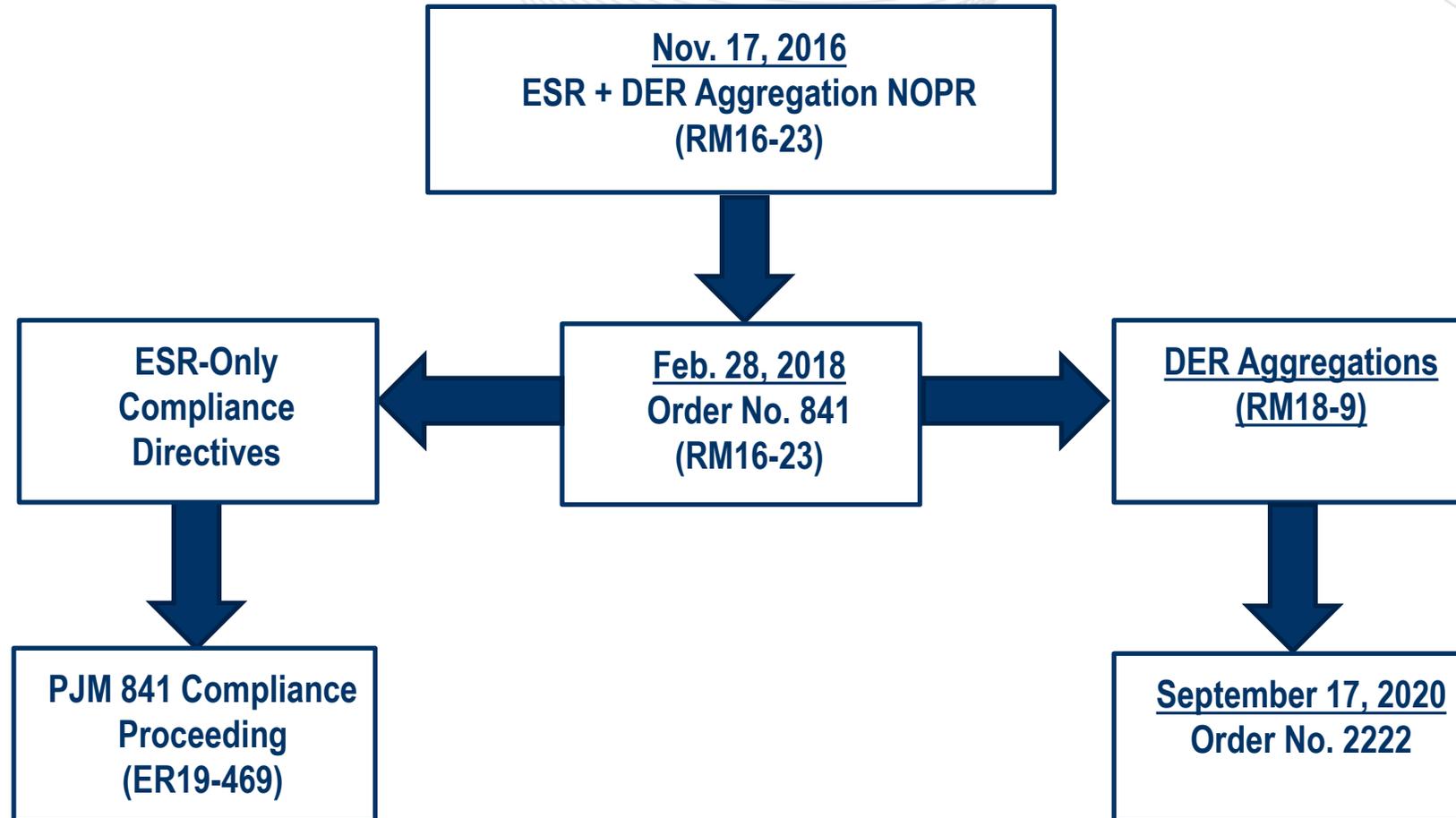


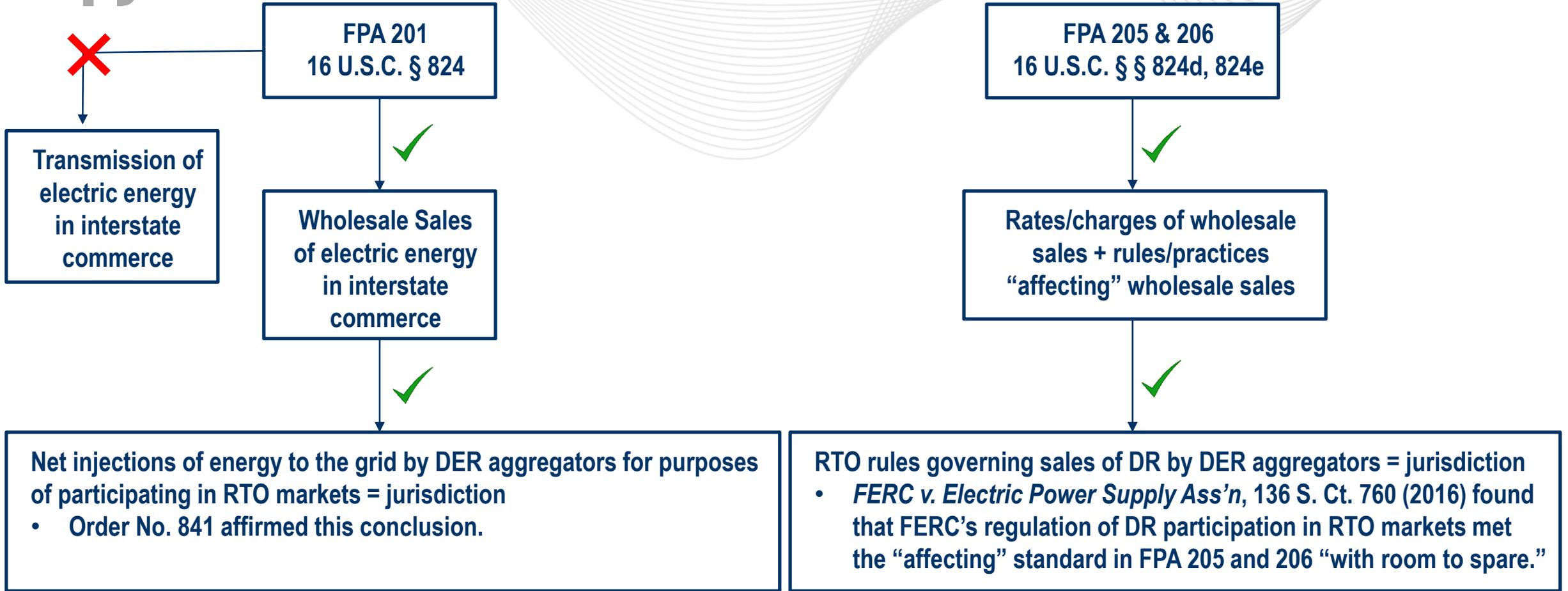
Overview of Order No. 2222

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DIRS
October 2, 2020

Action Required	Deadline	Who May Be Affected
<p>Provide feedback on FERC compliance directives, if any, to PJM Staff.</p> <p>PJM anticipates working with stakeholders primarily in the DER and Inverter-based Resources Subcommittee (DIRS) to develop the compliance filing, with informational updates to other stakeholder bodies during the process.</p> 	<p>Ongoing</p> 	<p>All PJM Stakeholders</p> 





- The order defines a “distributed energy resource” or “DER” as “any resource located on the distribution system, any subsystem thereof or behind a customer meter.” (114)
 - FERC specifies that “[t]hese resources may include, but are not limited to, electric storage resources, distributed generation, demand response, energy efficiency, thermal storage, and electric vehicles and their supply equipment.” (114)
- The order defines a “DER aggregator” as “the entity that aggregates one or more DERs for purposes of participation in the capacity, energy and/or ancillary service markets of the RTOs/ISOs.” (118)
 - DER aggregator that makes net sales of energy into RTO market = “public utility”
 - DER aggregator with only DR or net metering customers that are not net sellers ≠ “public utility”
 - Individual DER participating in a DER aggregation ≠ “public utility”
(42-43)

1. allow DER aggregations to participate directly in RTO/ISO markets, and establish DER aggregators as a type of market participant (130);
2. allow DER aggregators to register DER aggregations under one or more participation models that accommodate the physical and operational characteristics of the DER aggregations (130);
3. establish a minimum size requirement for DER aggregations that does not exceed 100 kW (171);
4. establish locational requirements for DER aggregations that are as geographically broad as technically feasible (204);
5. address distribution factors and bidding parameters for DER aggregations (225);

6. address information and data requirements for DER aggregations (236);
7. address metering and telemetry hardware and software requirements for DER aggregations (262);
8. address coordination between the RTO/ISO, the DER aggregator, the distribution utility, and the relevant electric retail regulatory authorities ("RERRA") (278);
9. address modifications to the list of resources in a DER aggregation (335); and
10. address market participation agreements for DER aggregators via adoption of a standard market participation agreement for DER aggregations (352).

- Each RTO/ISO must accept bids from a DER aggregator if its aggregation includes DERs that are customers of utilities that distributed more than 4 million megawatt-hours in the previous fiscal year. (65)
- An RTO/ISO must not accept bids from a DER aggregator if its aggregation includes DERs that are customers of utilities that distributed 4 million megawatt-hours or less in the previous fiscal year, unless the RERRA permits such customers to be bid into RTO/ISO markets by a DER aggregator. (65)

- The Commission declined to exercise its jurisdiction over the interconnection of DERs to distribution facilities for the purpose of participating in RTO/ISO markets exclusively as part of a DER aggregation.
 - Did not require standard interconnection procedures and agreements or wholesale distribution tariffs for such interconnections. (90)
 - The interconnection of a DER to a distribution facility for the purpose of participating in RTO/ISO markets exclusively through a DER aggregation would not constitute a first interconnection for the purpose of making wholesale sales under the “first use” test. (97)
 - Only a DER requesting interconnection to the distribution facility for the purpose of directly engaging in wholesale transactions (i.e., not through a DER aggregation) would create a “first use” and any subsequent DER interconnecting for the purpose of directly engaging in wholesale transactions would be considered a Commission-jurisdictional interconnection. (97)

- The order does not require any changes to the *pro forma* Generator Interconnection Procedures or Generator Interconnection Agreements. (98)
- The order also does not revise the Commission's jurisdictional approach to the interconnections of QFs that participate in DER aggregations. (98)
- FERC declined to create universal requirements regarding impact studies of DER aggregations, but left it to the discretion of the state/local authorities for distribution, and the RTOs/ISOs for transmission. (99)
- If a DER wishes to participate in a DER aggregation, and has already interconnected via FERC-jurisdictional procedures, it is not required to convert to state or local interconnection agreements. (103)

- The rule is effective 60 days after publication in the *Federal Register*.
- Each RTO/ISO must file their tariff changes within 270 days after the publication date of the rule. (360)
- Each RTO/ISO must propose in its compliance filing a reasonable implementation date, together with adequate support explaining how the proposal is appropriately tailored for its region and implements the final rule in a timely manner. (361)
- The Commission will establish on compliance the effective date for each RTO's/ISO's compliance filing. (361)

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Please send feedback on compliance directives, if any, to the above contacts.



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