

## ELIMINATING “FIRST USE” FOR INTERCONNECTIONS TO DISTRIBUTION FACILITIES IN PJM

### *Issue Source*

PJM

### *Issue Content*

- PJM would like to explore eliminating the “first use” test in the PJM Region—a legal test created by the Commission in Order Nos. 2003<sup>1</sup> and 2006 that states the *first* interconnection to a distribution facility for the purpose of making wholesale sales is not subject to Commission jurisdiction, but any *subsequent* interconnections to that same distribution facility for purposes of making wholesale sales become Commission-jurisdictional.
- The first use test functionally requires PJM staff to devote time and resources to processing generators interconnecting to distribution facilities through the GIA process, as opposed to the WMPA process (which involves a Project Developer securing a state/local-jurisdictional interconnection agreement). Removal of the first use test is intended to improve interconnection cycle efficiency and processing.

### *Key Work Activities and Scope*

1. Education on the regulatory history of the first use test, and its current application in PJM.
2. Discussion of design elements regarding how elimination would be applied (e.g. how to define a “transmission” facility vs a “distribution” facility?).
3. Develop solution options and packages considering the elimination of “first use” for interconnections to distribution facilities in PJM as appropriate.

### *Expected Deliverables*

1. Potential solution package(s).
2. Corresponding revisions to the PJM Tariff or other governing documents as applicable, consistent with the solution endorsed at the appropriate Standing Committee, will be brought to the MRC and MC for review and endorsement. Proposed revisions to PJM Manuals conforming to the FERC-approved solution will be brought to the appropriate Committees for review and endorsement.

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<sup>1</sup> See, e.g., *Standardization of Generator Interconnection Agreements & Procedures*, Order No. 2003, 104 FERC ¶ 61,103 at P 804 (2003).

### ***Decision-Making Method***

PJM will seek Tier 1 consensus (unanimity) on a single proposal for this issue.

### ***Stakeholder Group Assignment***

PJM will work the issue through the Interconnection Process Subcommittee.

### ***Expected Duration of Work Timeline***

Six months to one year.

<b>Start Date</b>	<b>Priority Level</b>	<b>Timing</b>	<b>Meeting Frequency</b>
Add Date	<input type="checkbox"/> High <input checked="" type="checkbox"/> Medium <input type="checkbox"/> Low	<input checked="" type="checkbox"/> Immediate <input checked="" type="checkbox"/> Near Term <input type="checkbox"/> Far Term	<input type="checkbox"/> Weekly <input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly

### **Charter**

*(check one box)*

<input type="checkbox"/>	This document will serve as the Charter for a new group created by its approval.
<input checked="" type="checkbox"/>	This work will be handled in an existing group with its own Charter (and applicable amendments).

*More detail available in M34; Section 6*