

# Elimination of “First Use” in PJM

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PJM Legal

June 3, 2025

Planning Committee

Require ***all*** PJM resources interconnecting at the distribution level to get a state-jurisdictional Interconnection Agreement (i.e. go through the PJM WMPA process), as opposed to a FERC-jurisdictional interconnection agreement (i.e. go through the full PJM GIA process).

## FERC Regulation

## State Regulation

Transmission  
PJM

Distribution

After “first use,” local distribution facility becomes a “dual-use” facility.

State regulation of local distribution facilities

First interconnection  
to make wholesale sales/  
transmit in interstate commerce  
(State IA/PJM WMPA)

All subsequent  
interconnections to  
“dual-use” facility to  
make wholesale sales/  
transmit in interstate commerce  
(FERC, PJM GIA)

Tariff, Attachment K-Appendix, Section 1.4B(o)

***(o) Component DER interconnecting to distribution facilities for purposes of participating in the energy, capacity, and/or ancillary services markets of PJM exclusively through the DER Aggregator Participation Model shall not be subject to the Part IV of the Tariff relating to interconnections with the Transmission System, and shall exclusively interconnect to distribution facilities pursuant to applicable state or local law.***

March 1, 2023 Order No. 2222 PJM Compliance Order (Docket No. ER22-962; 182 FERC ¶ 61,143)

***“We find that PJM’s proposal complies with Order No. 2222 with respect to interconnection. PJM’s proposal is consistent with the Commission’s decision to decline to exercise jurisdiction over the interconnections of distributed energy resources to distribution facilities for the purpose of participating in RTO/ISO markets exclusively as part of a distributed energy resource aggregation.”***

**June 29, 2022  
(ER22-2226):**

ISO-NE makes a 205 filing to eliminate “first use” – require ***all*** new individual DER interconnect through the applicable state/local interconnection process.

Aligns with FERC’s reasons for disclaiming jurisdiction over all DER interconnections in Order No. 2222:

Dramatic increase in the number of “dual use” facilities	Difficulty for TOs in tracking all “dual use” facilities	Confusion among DER developers regarding which rules (ISO-NE or state/local) apply	Concern with overwhelming ISOs/RTOs with DER interconnection requests	State and local authorities are better situated to set the rules for DER interconnection to local distribution facilities
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ISO-NE will continue to conduct the analyses to determine if DER could have an adverse impact on the reliability or operating characteristics of the ISO-administered system or any other affected system [Proposed Plan Application (“PPA”) process].

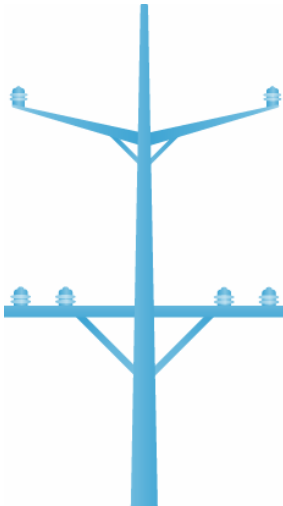
**Aug. 26, 2022:**

FERC approves (no dissents).

- Promotes certainty, reduces burden on ISO-NE.
- Advances the objectives of Order Nos. 2003 and 2006 by increasing energy supply and lowering wholesale prices via increasing variety of new generation, while ensuring reliability.

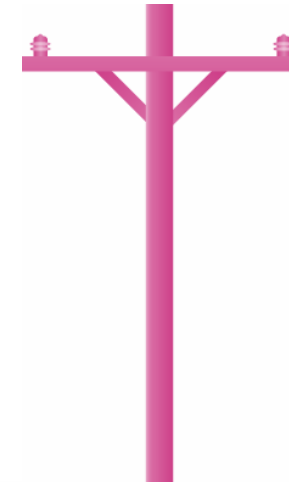
## “Bright-Line” Test

≥69 KV



**69kV and above** is presumed FERC-jurisdictional transmission (PJM GIA process)

<69 KV



**below 69kV** is presumed state/local jurisdictional distribution (State/local IA + PJM WMPA)

***unless*** the applicable TO and FERC or a RERRA have otherwise jurisdictionally classified the asset as transmission or distribution for cost-recovery purposes.

The TO or EDC and the Project Developer may first attempt to resolve disputes bilaterally, or in accordance with applicable state or local law, prior to seeking initiation of the dispute resolution process under the PJM Tariff. Dispute resolution must be invoked within 5 business days after the kick-off call. Issues within disputes that PJM determines solely concern the application of any applicable tariffs, agreements, and operating procedures of the TO or EDC, and/or the rules and regulations of any RERRA, shall be addressed in accordance with applicable state or local law, and shall not be arbitrated or in any way resolved by PJM or through the dispute resolution process under the PJM Tariff. Issues within disputes that PJM determines concern the provisions of the PJM Governing Agreements may be arbitrated under the dispute resolution processes under the PJM Tariff.

- Nothing prevents any party from submitting a complaint to FERC under FPA section 206 at any time.
- Effective Date:  
Sometime in 2026  
(12/31/9998) - coincident with the announcement of the application deadline for Cycle 1.



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THINK BEFORE  
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malicious  
phishing emails.

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