



Elimination of “First Use” in PJM

Thomas DeVita

PJM Legal

IPS, September 26, 2024

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 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 with TOs 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.

Presenter:
Thomas DeVita,
Thomas.Devita@pjm.com



Member Hotline

(610) 666 – 8980

(866) 400 – 8980

custsvc@pjm.com