

factual inaccuracies and clarifies the issues,⁷ assures a complete record in the proceeding,⁸ provides information helpful to the disposition of an issue,⁹ or permits the issues to be narrowed.¹⁰

This Answer satisfies each of these criteria, and accordingly PJM respectfully requests that the Commission grant leave and accept this Answer.

II. ANSWER

PJM respectfully disagrees with the IMM on several of the points made in the IMM Answer, as further explained in the following subsections II.A-E.

A. This FPA Section 205 Proceeding Does Not Change or Modify Anything in PJM's Completely Separate, Closed, and Finalized Order No. 2222 Compliance Docket (ER22-962).

The IMM states that “[t]he December 19th Filing would overturn . . . the Commission’s approved DERA rules.”¹¹ As PJM has noted in this proceeding, this FPA section 205 filing does not in any way change or modify the rules under PJM’s Commission-approved DER Aggregator Participation Model. This conclusion is supported by two facts:

1. Economic Load Response Regulation Only Participants cannot in any way participate in PJM markets through the Order No. 2222 DER Aggregator

120 FERC ¶ 61,083, at P 23 (2007) (answer to protests permitted when it provides information to assist the Commission in its decision-making process).

⁷ See, e.g., *Entergy Servs. Inc.*, 126 FERC ¶ 61,227 (2009).

⁸ See, e.g., *Pac. Interstate Transmission Co.*, 85 FERC ¶ 61,378, at 62,443 (1998), *reh’g denied*, 89 FERC ¶ 61,246 (1999); *Morgan Stanley Capital Group, Inc. v. N.Y. Indep. Sys. Operator, Inc.*, 93 FERC ¶ 61,017, at 61,036 (2000) (accepting an answer that was “helpful in the development of the record . . .”).

⁹ See, e.g., *CNG Transmission Corp.*, 89 FERC ¶ 61,100, at 61,287, n.11 (1999).

¹⁰ See, e.g., *PJM Interconnection, L.L.C.*, 84 FERC ¶ 61,224, at 62,078 (1998); *New Energy Ventures, Inc. v. S. Cal. Edison Co.*, 82 FERC ¶ 61,335, at 62,323, n.1 (1998).

¹¹ IMM Answer at 2.

Participation Model, because they do not meet the definitional requirements of Component DER,¹² nor DER Aggregator,¹³ nor DER Aggregator Resource.¹⁴

2. In this FPA Section 205 proceeding PJM has not proposed any Tariff revisions of any kind to the sections of PJM's rules that govern the DER Aggregator Participation Model (Tariff, Attachment K-Appendix, Section 1.4B; Operating Agreement, Schedule 1, Section 1.4B).

As PJM has discussed in this proceeding, the present filing proposes to very narrowly amend the *existing rules* for Economic Load Response Regulation Only Participants in order to allow customer sites on a net energy metering ("NEM") tariff to provide regulation only to the wholesale market while they inject, if such injections are permitted by the electric distribution company ("EDC") and the corresponding Relevant Electric Retail Regulatory Authority ("RERRA"). These rules are completely separate and distinct from the ancillary service participation rules under the DER Aggregator Participation Model that will become effective on February 1, 2028 (the date authorized by the Commission in Docket No. ER22-962).

The IMM appears to conflate PJM's present proposal with the rules and requirements of the Commission's Order No. 2222 model because both involve the participation of a similar resource *type* in the wholesale market. But the existence of multiple market participation options for one technology type is not a new concept in PJM. To take just one example, distribution-

¹² The Tariff and Operating Agreement define "Component DER" as "any resource, within the PJM Region, that is located on a distribution system, any subsystem thereof, or behind a customer meter, and is used in a DER Aggregation Resource by a DER Aggregator to participate in the energy, capacity, and/or ancillary services markets of PJM through the DER Aggregator Participation Model. A Component DER may not exceed 5 MW."

¹³ The Tariff and Operating Agreement define "DER Aggregator" as "an entity that is a Market Participant that: (i) uses one or more DER Aggregation Resources to participate in the energy, capacity, and/or ancillary services markets of PJM through the DER Aggregator Participation Model; and (ii) has a fully-executed DER Aggregator Participation Service Agreement."

¹⁴ The Tariff and Operating Agreement define "DER Aggregation Resource" as "one or more Component DER. A DER Aggregation Resource is used by a DER Aggregator to participate in the energy, capacity, and/or ancillary services markets of PJM through the DER Aggregator Participation Model. A DER Aggregation Resource is capable of satisfying a minimum energy and/or ancillary services market offer of 100 kW. The market participation eligibility of a DER Aggregation Resource shall be determined in accordance with the physical and operational characteristics of the underlying Component DER that comprise the DER Aggregation Resource."

connected batteries may participate in the wholesale market as a traditional generator, may opt-in to the Energy Storage Resource Participation Model, or participate via the DER Aggregator Participation Model (starting February 1, 2028). Demand response resources are able to participate in PJM’s DER Aggregator Participation Model, or remain in the demand response program. Similarly, retail premises on a NEM rate that have the capability to inject will be able to participate in the regulation market either through the DER Aggregator Participation Model or as an Economic Load Response Regulation Only Participant. Although PJM strives to create parallels between different market models where appropriate, each has its own set of Commission-approved rules and requirements in the Tariff. It is inaccurate to state that the existence of one of these Commission-approved market participation pathways “overturns” or “undercuts” the others.

B. PJM Cannot Violate Its Commission-Approved Rules Through an FPA Section 205 Proceeding, because an FPA Section 205 Proceeding Constitutes a Request that the Commission Authorize Amendment to PJM’s Rules.

The IMM argues that “[t]he December 19th Filing proposes to create a special case of economic load response resources that inject power to the grid to provide regulation, if they are on a retail net energy metering (NEM) tariff,” and that “such participation violates both the current rules and the 2028 rules for economic load response resources.”¹⁵ The IMM later claims that “PJM is attempting to create a subcategory of a product that does not comply with the definition of the product and that therefore violates both the existing tariff and the approved DERA tariff rules.”¹⁶

An FPA section 205 filing cannot “violate” rules approved by the Commission, because an FPA section 205 filing constitutes a request that the Commission authorize amendment to Commission-approved rules. This particular FPA section 205 proposal reflects unanimous PJM-

¹⁵ IMM Answer at 2.

¹⁶ *Id.* at 4-5.

Member consensus to propose amendments to the current rules for Economic Load Response Regulation Only Participants (and, as described above, *not to* the DER Aggregator Participation Model). It is inaccurate to say that Commission approval of the amendments proposed in this FPA section 205 proceeding would somehow violate other Commission-approved rules.

C. The Same EDC Review Process that Exists Today Applies to the Proposed Amendments in this FPA Section 205 Proceeding.

The IMM notes that “[t]he Deficiency Letter requests that PJM clarify how the ELRP proposal will account for reliability concerns identified by the local EDC during its reliability review process and how the proposal ensures that the resource will not be double counted,” and then states that “[t]he correct answer is that PJM does not plan to apply the reliability review process in the DERA rules to these resources.”¹⁷

This is correct. PJM does not plan to apply the reliability review process in the DERA rules to these resources, because neither the DERA rules, nor the resources involved in the DERA rules, are within the scope of this FPA section 205 proceeding (as described above).

After making this correct statement, the IMM then states that “the PJM Response confirms that there is no required reliability review process for injection from Economic Load Response Regulation Only Participants.”¹⁸ This is incorrect. As PJM explained in its March 6, 2026 Deficiency Response,¹⁹ Economic Load Response Regulation Only Participants with the capability to inject will go through the same EDC review process as other demand response resources. A registration will only be permitted to participate in the regulation market if it is actively approved by the EDC. If there is a reliability concern, the EDC can reject the registration.

¹⁷ IMM Answer at 3.

¹⁸ *Id.* at 6

¹⁹ March 6, 2026 Deficiency Response at 2-4.

Importantly, if the EDC takes no action, PJM will reject the registration by default. Notably, EDCs were among the stakeholder groups that vetted and voted unanimously to approve the Tariff revisions proposed in the December 19, 2025 Filing.

D. Nodal Market Participation for Economic Load Response Regulation Only Participants is Outside the Scope of This FPA Section 205 Filing, and Completely Inapposite to the Regulation Market in General.

The IMM continues its focus on nodal requirements, stating “PJM does not plan to require nodal information as required under the DERA rules approved by the Commission.”²⁰ The IMM also argues that “energy injections are treated differently than load reductions for congestion management, market power mitigation, and other elements of grid management,” and that PJM “does not explain that the December 19th Filing does not require the nodal information that PJM needs to manage flows on constraints.”²¹

As PJM explained in its January 27, 2026 Answer,²² this FPA section 205 proceeding proposes to amend PJM’s existing rules relating to Economic Load Response Regulation Only Participants. Resources participating under PJM’s Commission-approved Regulation market rules are not required to be nodal, and never have been. This is because the Regulation requirement is set, and the market procures Regulation for the entire RTO region—meaning there are no location-specific Regulation products. This has always been the case, and would remain so under PJM’s proposal in this proceeding. While not the subject of this FPA section 205 proceeding at all, the

²⁰ IMM Answer at 3-4.

²¹ *Id.* at 6.

²² *PJM Interconnection, L.L.C.*, Answer of PJM Interconnection, L.L.C., Docket No. ER26-846-000, at 4-6 (Jan. 27, 2026) (“January 27, 2026 Answer”).

Commission-approved rules for the DER Aggregator Participation Model similarly permit DER Aggregation Resources to be multi-nodal if they are providing Regulation only.²³

Importantly, the IMM’s argument appears to conflate different market products and services. The nodal requirement applies to the *energy* market within the DER Aggregator Participation Model because nodal aggregations are important for proper constraint control on the system. Regulation—the wholesale market at issue in the present proposal—is used to maintain system frequency. PJM does not use regulation to manage congestion, address constraints, or undertake “other elements of grid management,” as it does with energy.

E. The December 19, 2025 Filing is Consistent with the Stakeholder Process that Produced It.

The IMM states that the December 19, 2025 Filing “is not consistent with what PJM described in the PJM stakeholder process as the purpose of the December 19th Filing” because “[t]he problem statement and final report presented at the stakeholder meetings clearly state that the December 19th Filing is to address the delay in implementation of Order No. 2222 and simply to allow the exact type of participation defined in the Commission’s Order defining the DERA rules before the Order No. 2222 implementation date.”²⁴

Yet this argument is undermined by the very foundational documentation that the IMM cites to. While it is true that the Problem Statement²⁵ describes the effective date of the DER

²³ *PJM Interconnection, L.L.C.*, Order No. 2222 Compliance Filing of PJM Interconnection, L.L.C., Docket No. ER22- 962-000, at 7 (Feb. 1, 2022) (“The participation model will implement a “nodal” model for energy market participation, and simultaneously permit a “multi-nodal” model for capacity and ancillary service-only DER Aggregation Resources.”).

²⁴ IMM Answer at 5.

²⁵ PJM, Problem Statement (Oct. 29, 2024), <https://www.pjm.com/-/media/DotCom/committees-groups/subcommittees/disrs/2024/20241202/20241202-item-08-1---problem-statement---der-regulation-market-only-participation.pdf>.

Aggregator Participation Model as a key motivation for seeking the rule change proposed in the December 19, 2025 Filing, the Issue Charge—which sets the boundaries and scope of a given stakeholder process at PJM—*explicitly disallows* consideration of *any* changes to PJM’s Order No. 2222 rules:²⁶

Key Work Activities and Scope

1. Validate that no technical or settlement issues are necessary to implement this tariff change on an accelerated basis.
2. Review existing tariff language in the Open Access Transmission Tariff (OATT) that prohibits injection from BTM ESS when participating in the Regulation Market.
3. **Discuss interim OATT tariff changes required to allow injection in NEM zones that will not affect broader efforts and tariff changes for Order 2222 compliance or cause significant rework.**

Out of Scope

1. **Tariff changes related to aggregation rules for Order 2222 compliance.**
2. Markets other than the Regulation Market, including energy and capacity.

In the PJM stakeholder process, a Problem Statement is exactly what it purports to be—a document that identifies the specific problem that stakeholders seek to address. The Problem Statement does not provide the solution to the actual issue, and does not establish the boundaries or scope of what the subsequent stakeholder process will address. This is solely the domain of the Issue Charge.

²⁶ PJM, Issue Charge (Oct. 29, 2024), <https://www.pjm.com/-/media/DotCom/committees-groups/subcommittees/dirs/2024/20241104/20241104-item-05-2---issue-charge---der-regulation-market-only-participation.pdf>.

III. CONCLUSION

In accordance with the foregoing, PJM respectfully requests that the Commission accept this Answer into the record of this proceeding, and accept the December 19, 2025 Filing as submitted.

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document on those parties on the official Service List compiled by the Secretary in this proceeding.

Dated at Audubon, Pennsylvania this 10th day of April 2026.

/s/ Thomas DeVita _____
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