DER definitions

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MIC Special Session on DER
June 20, 2017
Disclaimer

- These straw-proposal definitions are for the purposes of this stakeholder process only.
- Straw proposal—suggested revisions welcome (offline).
“Wired With Load” vs. “Wired Separately” vs. “Wired Alone”

DER WIRED WITH LOAD: load and DER share the same connection to the utility grid.

DER WIRED SEPARATELY: load and DER have separate connections to the utility grid (but are sited together and might be connected via switching).

DER WIRED ALONE: DER w/ no relationship with any load (excepting station power).
“Behind The Meter” vs. “Front of The Meter” vs. “PJM Demand Response”

**BEHIND THE METER:** Activity is accounted for by PJM solely as changes in load. No PJM payments. Excludes PJM Demand Response.

**FRONT OF THE METER:** Activity accounted for by PJM as Generation. Receives PJM payments. Excludes PJM Demand Response.

**PJM DEMAND RESPONSE:** Load reductions that are also paid by PJM. Activity is accounted as both changes in load and Demand Response.
Wholesale vs. Non-wholesale

• Wholesale = sells in PJM. Includes Generation and Demand Response.
  – (PJM) Generation: sells injections in PJM markets.
  – PJM Demand Response: does not inject, offsets load, and sells in PJM via PJM Demand Response rules.
• Non-wholesale = not wholesale.
Physical distinction relative to POI

- **Withdrawal reduction**: Energy production from a DER that reduces energy drawn out of the grid at a customer point of interconnection.
- **Injection**: Energy production from a DER that flows onto a utility past a point of interconnection.

Classification as “injection” and “withdrawal reduction” depends on the POI—in some cases, one can identify one POI between generator<>EDC, and another POI EDC<>TO. In these cases, one should specify the POI by reference when discussing injections vs. withdrawal reductions.
Accounting distinction relative to metering and data processing configurations

- **Load offset**: Energy from a DER that reduces billings to load. Includes PJM Demand Response.
- **Generation**: Energy from a DER that results in a PJM payment to a seller.
  - Energy accounted for as Generation does not reduce any load billings, wholesale or retail.

*Retail load = end use load. “Retail load offset” reduces billings to retail load (and, by extension, to wholesale load as well). Wholesale load = load for resale, i.e., LSE load. “Wholesale load offset” only reduces billings to wholesale load (not to end-use load). E.g., muni generators, PURPA units on bilateral avoided cost contracts.*
How should we talk about batteries?

**PHYSICAL**
- *Discharging*: batteries can discharge for either a *withdrawal reduction* or an *injection*.
- *Charging (normal)*: batteries can charge for a *withdrawal*.
- *Charging (paired)*: if wired with other generation, discharge can *reduce an injection*.

**ACCOUNTING**
- *Discharging*: batteries can discharge to produce either a *load offset* or *generation*.
- *Charging (normal)*: batteries can charge to produce either a *load increase* or (if applicable) a *negative generation credit*.
- *Charging (paired)*: if accounted for with other generation, discharge can reduce *generation*. 