PJM Staff Strawman Proposal for MIC on DER: Ancillary Services

MIC Special Sessions on DER
July 7, 2017
1. Interconnection Requirement: Generation or Demand Response?

• Generation

• Status quo: PJM queue process
  – 95% of DER are state-jurisdictional bilateral Interconnection Agreements between customer and EDC
  – Recent modifications to PJM queue process (from Planning Committee):
    • Energy-only projects have the ability to be expedited through PJM queue process without having to wait for 6-month queue to close
    • Removal of Alternate Queue process and sharing of upgrade costs <$5M
For resources Wired With Load: allow performance measurement of ancillary services using sub-meter at wholesale DER.
3. Participation Aggregation for Meeting 100 kW Min Size

• Generation status quo:
  – Resources can aggregate at “Same electrical location”.
  – Aggregation generally organized through the interconnection process.
    • Further discussion needed on the business rules for this process
  – Each point of interconnection generally gets its own separate interconnection study, especially if at different transmission buses.
  – As with any generator, can use third-party marketer.
  – Must meet 100 kW minimum size threshold.
Summary of Ancillary Services proposal

- Proposal based on generation framework and rules
- Entirely “status quo” for DER “wired alone” — proposed changes only apply to DER “wired with load”.

1. DER comes through PJM queue but interconnection agreement is almost always with the EDC
   - Approved EDC interconnection is required for market participation
2. Sub-metering for ancillary services
3. Status quo for aggregation: “same electrical location”, must meet 100 kW minimum size threshold
4. PJM would explicitly not prohibit owner of PJM Generation MW from serving its own on-site end-use load, including non-station power loads.

Considerations as a result of this policy:
• Are load addbacks needed?
  – PJM planning purposes (PJM jurisdiction)
  – Transmission cost allocation (state jurisdiction)
  – Capacity cost allocation (state jurisdiction)
• How do addbacks affect the aggregation process? DER wired with load needs to be associated with a load meter ID…different than gen process today.
• To Be Considered in Next Stages of Process – Energy (and then Capacity).