

PJM MARKETS AND RELIABILITY COMMITTEE
PJM NET ENERGY METERING Task Force CHARTER

MISSION

The creation of a Net Energy Metering Task Force (NEMTF), under the auspices of the PJM Markets and Reliability Committee was recommended by the PJM Transmission Owners Agreement – Administrative Committee (TOAAC) to facilitate the direct connection, either to the transmission systems of PJM transmission owner members and / or the distribution systems of PJM Electric Distribution Companies (EDCs), of Net Energy Metering (NEMs) projects who will generate in excess of their own consumption, thereby effectively injecting that excess into the grid, resulting in the sale of excess generation into the wholesale market

In particular, the NEMTF will work with the appropriate PJM personnel and other stakeholders to recommend necessary modifications to tariffs, PJM manuals, and PJM business rules as well as support the scoping and conceptual design of the potential changes to settlements systems and the generator interconnection process.

RESPONSIBILITIES

1. Spell out the FERC and state “rules of the road” for these net energy metering (NEM) and Qualifying Facilities (QF) projects desiring to inject excess generation to the PJM grid, reconciling to the extent possible any conflicts within PJM tariffs, manuals and business rules.
2. Make clear the Qualifying Facility (QF) status of certain NEMs and how that impacts their ability to sell into the wholesale market. Clarify the distinction, if any, between injecting excess into the grid that result in sales to the wholesale market versus injecting excess to the EDC distribution grid that result in QF “sales” to the host utility. If different, determine the applicable rules for handling each scenario.
3. Consider possible modifications to PJM tariffs, manuals, and business rules to handle generator owners who propose a net energy metering unit in excess of its load needs and develop bright line rules and requirements for participation in the PJM wholesale market.
4. Integrate stakeholder desires and requirements into any proposed PJM settlement system or bus model changes, including business applications and data interfaces.
5. Develop methodologies through which such excess generation sales of very small generators (NEMs and QFs) into the wholesale market can be accommodated within PJM eMTR and MSRS systems, and the PJM System Operations zonal bus models that support them, on an Aggregate Net Metering (ANM) basis.
6. Review interconnection processes for very small generators and recommend potential improvements.

7. Address the concept of Virtual Net Metering (VNM) that has been raised in some state jurisdictions and how, if at all, VNMs might be accommodated within PJM tariffs, manuals, business rules, and settlement systems.
8. Deal with the concept of Community Energy Facility (CEF) that has been raised in some state jurisdictions and how, if at all, CEFs might be accommodated within PJM tariffs, manuals, business rules, and settlement systems.
9. Ensure physical energy accounting and subsequent financial settlement are preserved and/or enhanced to reflect net meter customer's true interaction at the wholesale level.
10. Preserve contractual and tariff relationships between net meter customers and their LSEs, CSPs and EDCs and provide for mechanisms that ensure MWHs consumed or generated by the net meter customer are properly accounted for by each market participant serving the customer.
11. Ensure solutions do not impede on a net meter customer's ability to engage in market activity, i.e., the customer's ability to shop with a supplier, enter into bilateral supply arrangements, etc.

COMMENCEMENT DATE: November 2011

TARGETED COMPLETION DATE: June 1, 2012

MILESTONES

Recommendations to MRC of needed tariff, manual, and business rule changes, as well as modifications to the Market Settlements Replacement System (MSRS) and zonal bus models that meet stakeholders' needs.

The progress will be presented to the MRC and TOA-AC for review.

The task force will be terminated upon the resolution of all NEM and QF issues and identification of all necessary settlement, bus model system, and interconnection process changes resulting from these NEM and QF issues or as determined by the MRC.