Special MRC – Distributed Energy Resources Status Report to MRC

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Special MRC on DER **Problem Statement/Issue Charge:** Three Tasks

1. Education:
   - PJM rules for generation
   - PJM rules for demand response
   - Other RTO rules benchmarking
   - State/federal jurisdictional rules

2. “Consider modifications to **PJM interconnection queue rules** for distributed resources.”

3. “Consider modifications to **market participation rules** for distributed resources to more efficiently incorporate these resources into the energy, ancillary services and capacity markets.”

http://www.pjm.com/~media/committees-groups/committees/mrc/20160418-special/20160418-item-02a-distributed-battery-storage-issue-charge-revised-1,-d-,28,-d-,16-clean.ashx
• **Task 1: Education**—**COMPLETE AND CLOSED**

• **Task 2: Interconnection modifications**—**IN PROGRESS**
  – All currently identified items delegated to PC: work started August, 2016.
  – Scope includes education and new rules on:
    • Alternate Queue Process
    • Allocation of upgrade costs <$5 million
    • Phasing in the queue process.

• **Task 3: Market modifications**—**STARTED**
  – Goal: Evaluate current options for resources to participate in markets when both reducing load and injecting power past the load meter. Propose enhancements as necessary.
  – Potential approach: Initially focus on ancillary services.
  – Propose to delegate to Markets Implementation Committee to work details
• Some generators and batteries behind load meter have the ability to inject power:
  – How can they participate in wholesale markets?
• **PJM Demand Response** framework today:
  – Such units can and do participate in all wholesale markets today.
  – But PJM DR rules prohibit injection of power past load meter.
• **PJM Generation** framework today:
  – May pose challenges for units that are connected behind a load meter.
• Stakeholder Process Goal:
  – Evaluate current options for resources to participate in markets when both reducing load and injecting power past the load meter. Propose enhancements as necessary.
• Note: interconnection approval requirement (e.g., PJM queue) in scope.
Next Steps: Proposed spin-off to MIC

- Proposal to delegate market question to MIC
  - New special session of the MIC.
  - CBIR Options Matrix to consider details.
- Pause Special MRC—Distributed Energy Resources until new items arise
- Special MRC—Distributed Energy Resources and its charter remain open pending completion of PC and MIC processes.