Third Party Wheeling versus Commercial Arrangements for Interconnecting Customers

Andrew Levitt and Steve Pincus
Special MRC on DER
Aug. 24, 2016
Third Party Ownership Infeasible

Generation Metered Wholesale Sales

Electric Distribution Company

Power exports past this meter to participate in PJM wholesale market

Homeowner Loads

Third Party Ownership

Not Allowed
Commercial Arrangements to Avoid 3rd Party Wheeling

Customer Interconnection Facilities are “owned and/or controlled, operated and maintained” by Interconnecting Customer.

- Failing that, power must be wheeled over third-party lines. This requires 3rd party to be a public utility, etc→complicated. Hence: “Not Allowed”

Scenario: DevCo owns Resource. Lisa owns house, incl. wires etc between Resource & Point of Interconnection.

To Avoid 3rd Party wheeling in interconnection:

- **Option A:** DevCo is Interconnecting Customer.
  - Commercial arrangement for DevCo to “control, operate and maintain” Lisa’s home wiring, breaker panel, etc. **May be infeasible.**
  - DevCo is Market Participant.

- **Option B:** Lisa is Interconnecting Customer.
  - Commercial arrangement: control of Resource from DevCo→Lisa.
  - For scheduling and settlements, Lisa can delegate market participation back to DevCo
Note on “Generation Metered” Aggregation

- PJM Generators (including storage) may aggregate if they share the same electrical location (Manual 11, sec. 2.3.3 page 19-20).
  - Offers and meter submissions are based on a single aggregate
  - Telemetry is not aggregated
Appendix: Tariff References

- **Generation Interconnecting Customer**: entity that submits a PJM interconnection request—**Tariff 1.13B**
- **Generation Owner**: “An entity that owns or otherwise controls and operates one or more operating generating units in the PJM Region”—**Tariff 1.13F**
- **Customer Interconnection Facilities**: “All facilities and equipment owned and/or controlled, operated and maintained by Interconnection Customer on Interconnection Customer’s side of the Point of Interconnection…that are necessary to physically and electrically interconnect the Customer Facility with the Transmission System.”—**Tariff 1.7A.02**
- **Point of Interconnection**: “The point…where the Customer Interconnection Facilities interconnect with the Transmission Owner Interconnection Facilities or the Transmission System.”—**Tariff 1.33A**
- **Market Participant**—entity responsible for regular scheduling, settlements, etc. with PJM.