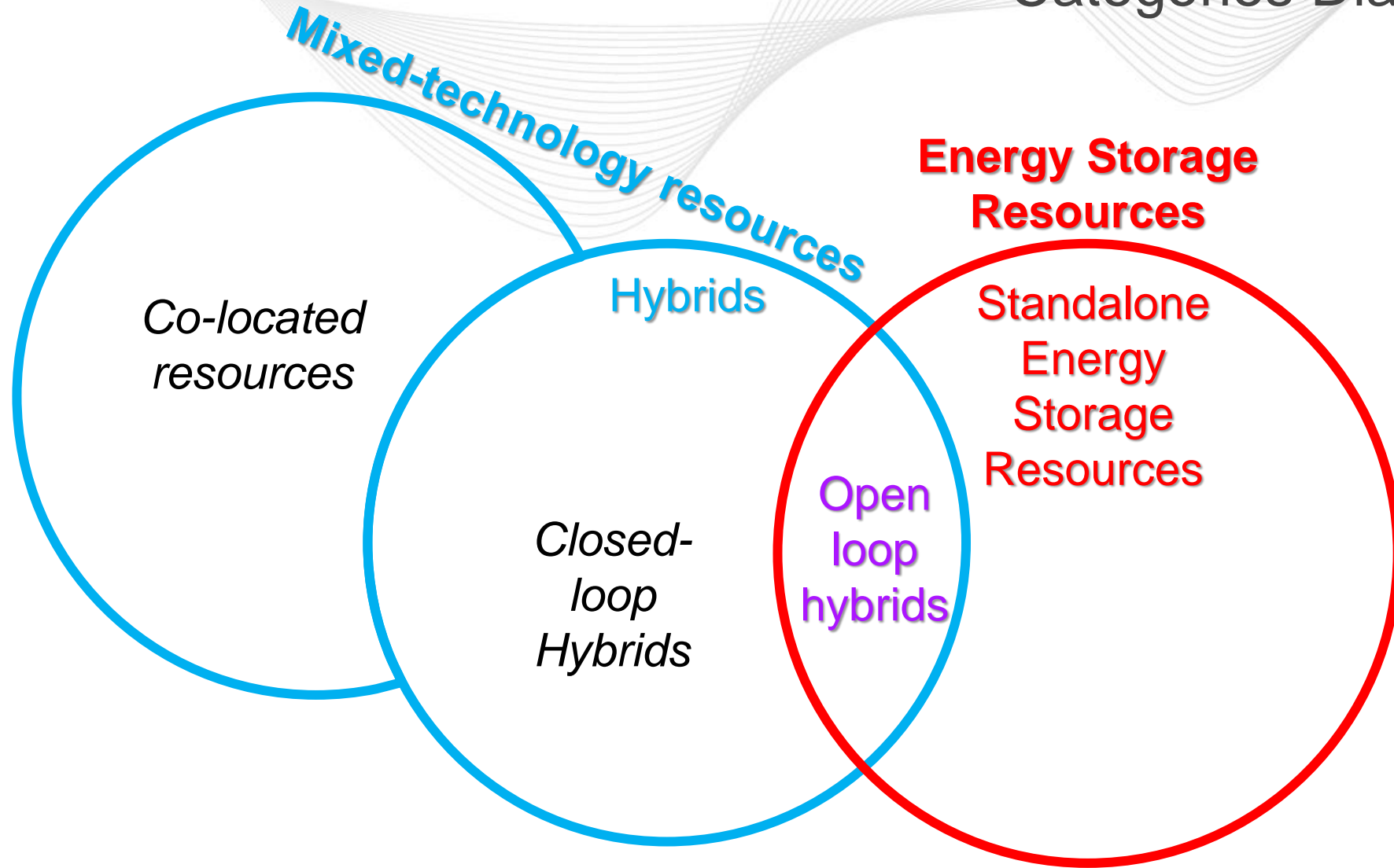


Potential Policy Approach to Open-loop Hybrids

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- Create new Tariff definition for Open-loop Hybrids.
- Broad the scope of the Tariff term “Energy Storage Resource” to include Open-loop Hybrids.
- Create a new Tariff term for Standalone Energy Storage Resource” to draw the distinction vs. Open-loop Hybrids.
- Any policy provisions that apply to Standalone ESR but not to Open-loop Hybrids would be called out as such, otherwise such provisions apply to both types.
- Therefore, all the “charging” provisions and processes for ESR would be available to Open-loop Hybrids.



- Open-loop Hybrids could opt in to the Order 841 Energy Storage Resource Participation Model.
 - In which case they could schedule charging and be dispatched for charging.
 - Under certain circumstances they would have to pay transmission charges for charging energy.
 - Real-time state of charge data would need to be telemetered to PJM.
 - And the other provisions of the PJM Energy Storage Resource Participation Model would apply, unless an exception is warranted and included in the Tariff and/or Manual.
- Open-loop Hybrids would also inherit other Energy Storage Resource provisions, except for exceptions:
 - Frequency response rules for storage in the pro forma ISA
 - Exemption from the Capacity Market Must Offer
 - Etc.

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