

Adoption of DER Regulation Market Only participation at NEM customer sites before PJM's proposed Order 2222 implementation date of February 2, 2028

Issue Source

Intelligent Generation

Issue Content:

This work is intended to address a specific OATT issue that prohibits behind-the-meter (BTM) battery energy storage systems (BESS) participating in the Regulation Market from injecting into the distribution grid in PJM zones with Net Energy Metering (NEM). PJM expects to address this issue in its proposed FERC Order 2222 compliance date of February 2, 2028 . Given that there are no technical or settlement issues to be resolved, sponsor seeks earlier allowance of injection from these BTM BESS in NEM zones solely for participation in the Regulation Market.

Key Work Activities and Scope

1. Validate that no technical or settlement issues are necessary to implement this tariff change on an accelerated basis.
2. Review existing tariff language in the Open Access Transmission Tariff (OATT) that prohibits injection from BTM ESS when participating in the Regulation Market.
3. Discuss interim OATT tariff changes required to allow injection in NEM zones that will not affect broader efforts and tariff changes for Order 2222 compliance or cause significant rework.

Expected Deliverables

1. Revised OATT tariff language allowing FR injection in NEM tariff zones.
2. Updates to relevant PJM manuals, e.g., Manual 11.
3. Updates to PJM internal procedures related to DR Hub and ESS registration.

Out of Scope

1. Tariff changes related to aggregation rules for Order 2222 compliance.
2. Markets other than the Regulation Market, including energy and capacity.

Stakeholder Group Assignment

Distributed Resources Subcommittee, with "informational only" to the Markets Implementation Committee

Decision Making

Tier 1 consensus

Duration

4-6 months