

## **NEMSTF CHARTER (FINAL)**

January 30<sup>th</sup>, 2012

### **MISSION**

The creation of a Net Energy Metering Senior Task Force (NEMSTF), under the auspices of the PJM Markets and Reliability Committee (MRC), was recommended by the PJM Transmission Owners Agreement – Administrative Committee (TOA-AC) to facilitate the direct connection, to the transmission systems of PJM transmission owner members and/or the distribution systems of PJM Electric Distribution Companies (EDCs), of Net Energy Metering (NEM) projects that will generate in excess of their own consumption potentially resulting in the sale of excess generation into the wholesale market.

In particular, the NEMSTF will work with the appropriate PJM personnel and other stakeholders to recommend appropriate modifications to tariffs, PJM manuals, and PJM business rules as well as support the scoping and conceptual design of any potential changes to settlement systems, generator interconnection processes, or operational modeling.

### **RESPONSIBILITIES**

1. Spell out the current and pending FERC and state legislation and regulation for a net energy metering (NEM) project identifying itself as injecting excess generation to a PJM administered wholesale market, documenting possible conflicts within PJM tariffs, manuals and business rules.
2. Identify the Qualifying Facility (QF) status of certain NEMs and document how that status impacts or affects their ability to sell into PJM administered wholesale markets.
3. Clarify the distinction, if any, between injecting excess into the grid that results in sales to a PJM administered wholesale market versus injecting excess to the EDC distribution grid that results in “sales” to the host utility. If different, determine the applicable rules for handling each scenario.
4. Consider development of rules for net energy metering facilities to the extent they participate in PJM administered wholesale markets.
5. Integrate MRC and Members Committee (MC) approved requirements into any proposed PJM settlement system or bus model changes, including business applications and data interfaces.
6. Consider the need for and propose methodologies, as necessary, through which such excess generation sales into the wholesale market can be accommodated within PJM eMTR and settlement systems, and the PJM system operations zonal bus models that support them.
7. Review the interconnection processes for small generators and, if necessary, recommend potential improvements. Coordinate with the Interconnection Process Senior Task Force (“IPSTF”) to ensure duplicate efforts are avoided.
8. Better understand and consider the impacts of 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.

9. Better understand and consider the impacts of 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.
10. Review and provide recommendations of how a PJM market participant's net metered wholesale energy injections integrate into the energy accounting and financial settlement, if any.
11. NEMSTF may consider current legislation, as well as current or pending NEM regulations occurring throughout the PJM region in development of NEMSTF recommendations.
12. Identify and review retail tariffed relationships between net metered customers, Load Serving Entities (LSEs), Curtailment Service Providers (CSPs), EDCs and PJM to ensure MWhs consumed or generated by the net meter customer are properly accounted for by each type of market participant serving the retail customers via PJM administered wholesale markets

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 settlement systems 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 the above defined responsibilities regarding NEM issues and identification of the necessary settlement, bus model system, and possible interconnection process changes depending on the outcome of Responsibility #7 resulting from these NEM and QF issues or as determined by the MRC.

### **DELIVERABLES**

The NEMSTF shall produce deliverables consistent with Responsibilities Nos. 1-12, inclusive. Such deliverables shall be of "first read" quality and available to the sponsoring MRC Committee as of June 1, 2012. Additionally, the NEMSTF shall document and deliver any issues, considerations or associated impacts that are deemed out of scope or captured but unresolved via facilitated meeting "parking lots."