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May 10, 2021

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E. Room 1A
Washington, D.C. 20426

Re: Participation of Distributed Energy Resource Aggregations in Markets Operated by Regional Transmission Organizations and Independent System Operators, Docket No. RM18-9-000
Informational Filing: Status & Schedule of Order No. 2222 Stakeholder Process

Dear Secretary Bose,

Pursuant to the Federal Energy Regulatory Commission's ("FERC" or the "Commission") April 9, 2021 Order¹ granting PJM Interconnection, L.L.C.'s ("PJM") motion for an extension of time to submit PJM's Order No. 2222² compliance filing, PJM hereby provides the following status report on the stakeholder process to develop PJM's Order No. 2222 compliance filing.

PJM is committed to a robust stakeholder process to develop a compliance filing that meets the objectives of Order No. 2222. PJM immediately began engaging with stakeholders after the issuance of Order No. 2222 within the DER and Inverter-based Resources

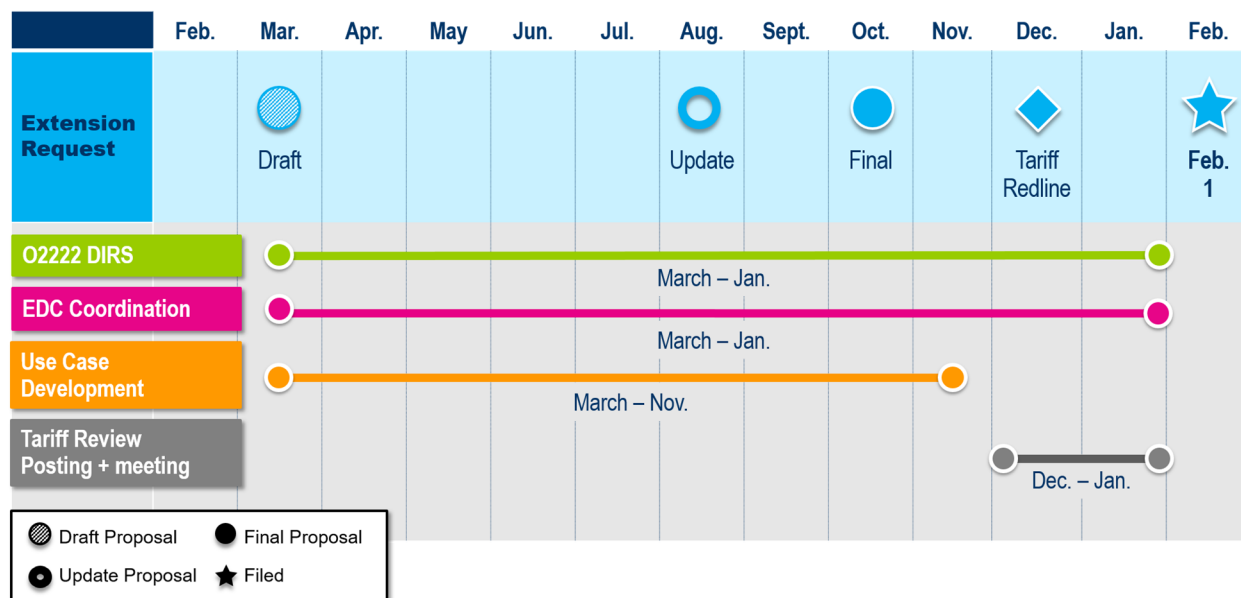
¹ *Participation of Distributed Energy Resource Aggregations in Markets Operated by Regional Transmission Organizations and Independent System Operators*, 175 FERC ¶ 61,013 at P 5 (2021) (the "April 9, 2021 Order") ("Therefore, we require each Movant to submit an informational filing containing a detailed stakeholder process schedule within 30 days of the issuance of this order and to submit status reports every 90 days thereafter until the date that it submits its compliance filing.").

² *Participation of Distributed Energy Resource Aggregations in Markets Operated by Regional Transmission Organizations and Independent System Operators*, Order No. 2222, 172 FERC ¶ 61,247 (2020), *order on reh'g*, Order No. 2222-A, 174 FERC ¶ 61,197 (2021).

Subcommittee (“DIRS”).³ The DIRS is convening monthly to discuss Order No. 2222 matters, as well as separately convening in special two-hour sessions each month to discuss PJM and distribution utility coordination efforts, including topics such as the utility review process, operational coordination and DER override, and metering, among other issues. Since October 2020, the DIRS has met in both of these formats a total of fourteen times to discuss Order No. 2222.

PJM has put forward the following timeline associated with the Order No. 2222 stakeholder process and the key elements therein, which include developing a draft proposal for stakeholder consideration and refinement, discussion of detailed DER Aggregation use cases, updates to and finalization of a proposal, and review of proposed tariff language with stakeholders prior to the submission of PJM’s compliance filing on February 1, 2022. The timeline below does not reflect the meetings PJM held to discuss Order No. 2222 compliance prior to PJM seeking an extension of time.

³ For more information about the DIRS, including all posted Order No. 2222-related materials and 2021 meeting dates and agendas, please see the DIRS section of PJM.com, available here: <https://www.pjm.com/committees-and-groups/subcommittees/dirs>



In light of the fact that the DIRS is a standing subcommittee within PJM’s stakeholder process, rather than a body formed exclusively to address Order No. 2222 work streams, this group intends to continue engaging with stakeholders on DER market participation issues after the submission of PJM’s compliance filing.

PJM recognizes that there are significant operational and safety concerns associated with generation resources located on the distribution systems directly participating in the PJM wholesale markets. Specifically, Order No. 2222 presents a sea change in the operational oversight and wholesale market participation for small generation facilities located on the distribution systems, especially to the extent such generation is located behind a retail meter. But this sea change will require a new level of coordination and communication with the owners and operators of the electric distribution systems that is not required today given that many of these distribution system resources participate only indirectly through net-metering programs or distribution/retail excess power purchase programs (e.g., Public Utility Regulatory Policies Act (“PURPA”) avoided cost power purchase tariffs). Further, this legal relationship between PJM

and the distribution companies was not contemplated in the current portfolio of PJM governing documents and likely cannot be accomplished without revisions thereto. To the extent that Order No. 2222 assumes that PJM has certain rights and relationships with electric distribution companies because some of those same companies have an integrated business model that includes transmission and those companies are PJM Transmission Owners, the rights and relationships with respect to the distribution systems need to be further defined. In short, PJM is further examining its relationships with electric distribution companies and will require Commission support in this regard as this effort moves forward.

Please do not hesitate to contact the undersigned with any questions or concerns.

Respectfully submitted,

/s/ Thomas DeVita

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*On behalf of
PJM Interconnection, L.L.C.*

CERTIFICATE OF SERVICE

I hereby certify that I have this 10th day of May, 2021 caused a copy of the foregoing document to be served upon each person designated on the official service list compiled by the Secretary in this proceeding.

/s/ Thomas DeVita

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