

187 FERC ¶ 61,180
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

June 21, 2024

In Reply Refer To:
PJM Interconnection, L.L.C.
Docket No. ER24-1803-000

PJM Interconnection, L.L.C.
2750 Monroe Boulevard
Audubon, PA 19403

Attention: Thomas DeVita, Esq.
Counsel for PJM Interconnection, L.L.C.

Dear Mr. DeVita:

1. On April 22, 2024, pursuant to section 205 of the Federal Power Act¹ and Part 35 of the Commission's regulations,² PJM Interconnection, L.L.C. (PJM) submitted revisions to its Open Access Transmission Tariff (Tariff), the Amended and Restated Operating Agreement of PJM (Operating Agreement), and the Reliability Assurance Agreement Among Load-Serving Entities in the PJM Region (RAA). PJM proposes to change the effective date of tariff provisions applicable to the capacity market components of PJM's Order No. 2222³ compliance filing from July 1, 2023, and July 1, 2024, to July 1, 2025.⁴ PJM also proposes to modify the definition of DER Capacity

¹ 16 U.S.C. § 824d.

² 18 C.F.R. pt. 35 (2023).

³ *Participation of Distributed Energy Res. Aggregations in Mkts. Operated by Reg'l Transmission Orgs. & Indep. Sys. Operators*, Order No. 2222, 172 FERC ¶ 61,247 (2020), *order on reh'g*, Order No. 2222-A, 174 FERC ¶ 61,197, *order on reh'g*, Order No. 2222-B, 175 FERC ¶ 61,227 (2021).

⁴ Transmittal at 1-2. To implement this effective date change to July 1, 2025, PJM also submitted versions of the Tariff, Operating Agreement, and RAA sections reinstating the language that was in effect for each section before Order No. 2222 compliance language was added, effective July 1, 2023 or July 1, 2024, as applicable. *Id.* at 4 n.17.

Aggregation Resource to align a reference to the “2026/2027 delivery year” with the new proposed effective date.⁵ PJM states that the proposed revisions would allow Planned DER Capacity Aggregation Resources to participate in the PJM capacity market beginning with the 2028/2029 Base Residual Auction (BRA).⁶ As discussed below, we accept the proposed revisions, effective July 1, 2025, as requested.⁷

2. PJM explains that, on March 1, 2023, the Commission accepted, subject to further compliance, PJM’s proposed tariff revisions in compliance with Order No. 2222 that included a set of tariff revisions effective July 1, 2023 to allow Planned DER Capacity Aggregation Resources to participate in the 2026/2027 Delivery Year BRA.⁸ PJM states that, on November 13, 2023, the Commission directed PJM to submit a further compliance filing to make the capacity market mitigation rules applicable to DER Capacity Aggregation Resources effective in time for the commencement of pre-auction activities for, and prior to, the 2026/2027 Delivery Year BRA.⁹ PJM explains that, on March 4, 2024, the Commission accepted PJM’s further compliance filing, effective July 1, 2024.¹⁰

3. PJM states that, because major components of its Order No. 2222 participation model are pending before the Commission in Docket No. ER22-962-005, PJM no longer believes that it is possible to permit Planned DER Capacity Aggregation Resources to participate in the 2026/2027 BRA.¹¹ PJM argues that it is extremely unlikely that Planned DER Capacity Aggregation Resources would be willing to bid into the 2026/2027 BRA to use a participation model with unsettled rules that have not yet been approved by the Commission. PJM explains that it is unable to provide market

⁵ *Id.* at 1-2. PJM’s proposed modification to the definition of DER Capacity Aggregation Resource would replace the reference to “2026/2027 Delivery Year” with “2028/2029 Delivery Year.” *Id.* at 5.

⁶ Capitalized terms that are not defined in this order have the meaning specified in the Tariff, Operating Agreement, and RAA.

⁷ See Appendix for eTariff records and their effective dates.

⁸ Transmittal at 3 (citing *PJM Interconnection, L.L.C.*, 182 FERC ¶ 61,143, *order on reh’g*, 184 FERC ¶ 61,109 (2023)).

⁹ *Id.* (citing *PJM Interconnection, L.L.C.*, 185 FERC ¶ 61,112, at P 30 (2023)).

¹⁰ *Id.* at 4 (citing *PJM Interconnection, L.L.C.*, Docket No. ER22-962-006 (Mar. 4, 2024) (delegated order)).

¹¹ *Id.* at 6.

participants with adequate documentation and training regarding what the participation model will ultimately look like and how the to-be-finalized rules for Order No. 2222 might interact with PJM's capacity market bidding software and procedures, because these rules are not yet known. PJM states that, even if the Commission were to issue an order in the coming weeks, PJM would be unable to assemble and deploy the necessary documentation and training to permit participation because pre-auction activities for the 2026/2027 BRA are imminent, commencing in July 2024. PJM explains that a July 1, 2025 effective date will allow DER Capacity Aggregation Resources to participate in the 2028/2029 BRA, scheduled for December 2025, and allow time for PJM to provide clear documentation and training.¹²

4. Notice of the filing was published in the *Federal Register*, 89 Fed. Reg. 32,414 (Apr. 26, 2024), with interventions and protests due on or before May 13, 2024. Timely motions to intervene were filed by Monitoring Analytics, LLC, acting in its capacity as the Independent Market Monitor for PJM; American Electric Power Service Corporation;¹³ Buckeye Power, Inc.; Public Citizen, Inc.; Rockland Electric Company; Exelon Corporation; North Carolina Electric Membership Corporation; and NRG Business Marketing LLC and Midwest Generation, LLC. No comments or protests were filed.

5. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2023), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

6. We find PJM's proposal to modify the effective date of the capacity market components of PJM's Order No. 2222 filing to July 1, 2025, and the related change to the definition of DER Capacity Aggregation Resource, are just and reasonable, and we therefore accept the revisions, effective July 1, 2025, as requested. PJM's proposed effective date of July 1, 2025, will provide PJM with additional time to provide adequate documentation and training to market participants.¹⁴ Moreover, because PJM is

¹² *Id.* at 6-7.

¹³ American Electric Power Service Corporation filed on behalf its affiliates Appalachian Power Company, Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power Company, Ohio Power Company, Wheeling Power Company, AEP Appalachian Transmission Company, Inc., AEP Indiana Michigan Transmission Company, Inc., AEP Kentucky Transmission Company, Inc., AEP Ohio Transmission Company, Inc., and AEP West Virginia Transmission Company, Inc., and AEP Energy Partners, Inc.

¹⁴ We note that PJM's Order No. 2222 compliance filing in Docket No. ER22-962-005 is pending before the Commission.

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conducting the Reliability Pricing Model auctions on a compressed schedule in which the BRAs for delivery years 2025/2026 through 2028/2029 will be held every six months,¹⁵ we find that PJM's proposal to postpone DER Capacity Aggregation Resources' participation by two delivery years, i.e., from the 2026/2027 BRA to the 2028/2029 BRA, is reasonable under the circumstances and will still allow for participation of DER Capacity Aggregation Resources in PJM in a timely manner.¹⁶

By direction of the Commission. Commissioner Rosner is not participating.

Debbie-Anne A. Reese,
Acting Secretary.

¹⁵ See *PJM Interconnection, L.L.C.*, 183 FERC ¶ 61,172, at PP 6-7, 36 (2023).

¹⁶ See Order No. 2222, 172 FERC ¶ 61,247 at P 361 (“we will require each RTO/ISO to propose a reasonable implementation date, together with adequate support explaining how the proposal is appropriately tailored for its region and implements this final rule in a timely manner”).

Appendix
PJM Interconnection, L.L.C., Intra-PJM Tariffs

Tariff Records Accepted Effective July 1, 2023:

ATTACHMENT Q, OATT ATTACHMENT Q (52.3.0)
RAA ARTICLE 1, RAA ARTICLE 1 -- DEFINITIONS (37.2.0)
RAA SCHEDULE 6.2, RAA SCHEDULE 6.2 (1.1.1)

Tariff Records Accepted Effective July 1, 2024:

C-D, OATT Definitions - C-D (37.1.1)
OATT ATT K APPX SEC 1, OATT ATTACHMENT K APPENDIX SECTION 1 -
MARKET OPERATIONS (1.0.0)
OATT ATT K APPX Sec 1.4B, OATT Attachment K Appendix Sec 1.4B DER
Aggregator Participation (1.1.1)
OATT ATT DD.5.14, OATT ATTACHMENT DD.5.14 Clearing Prices and Charges
(33.1.1)
OA Schedule 1 Sec 1.4B, OA Schedule 1 Sec 1.4B DER Aggregator Participation Model
(1.1.1)

Tariff Records Accepted Effective July 1, 2025:

C-D, OATT Definitions - C-D (40.0.0)
OATT ATT K APPX Sec 1.4B, OATT Attachment K Appendix Sec 1.4B DER
Aggregator Participation (2.0.0)
ATTACHMENT Q, OATT ATTACHMENT Q (59.0.0)
OATT ATT DD.5.14, OATT ATTACHMENT DD.5.14 Clearing Prices and Charges
(40.0.0)
OA Schedule 1 Sec 1.4B, OA Schedule 1 Sec 1.4B DER Aggregator Participation Model
(2.0.0)
RAA ARTICLE 1, RAA ARTICLE 1 -- DEFINITIONS (44.0.0)
RAA SCHEDULE 6.2, RAA SCHEDULE 6.2 (2.0.0)

Document Content(s)

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