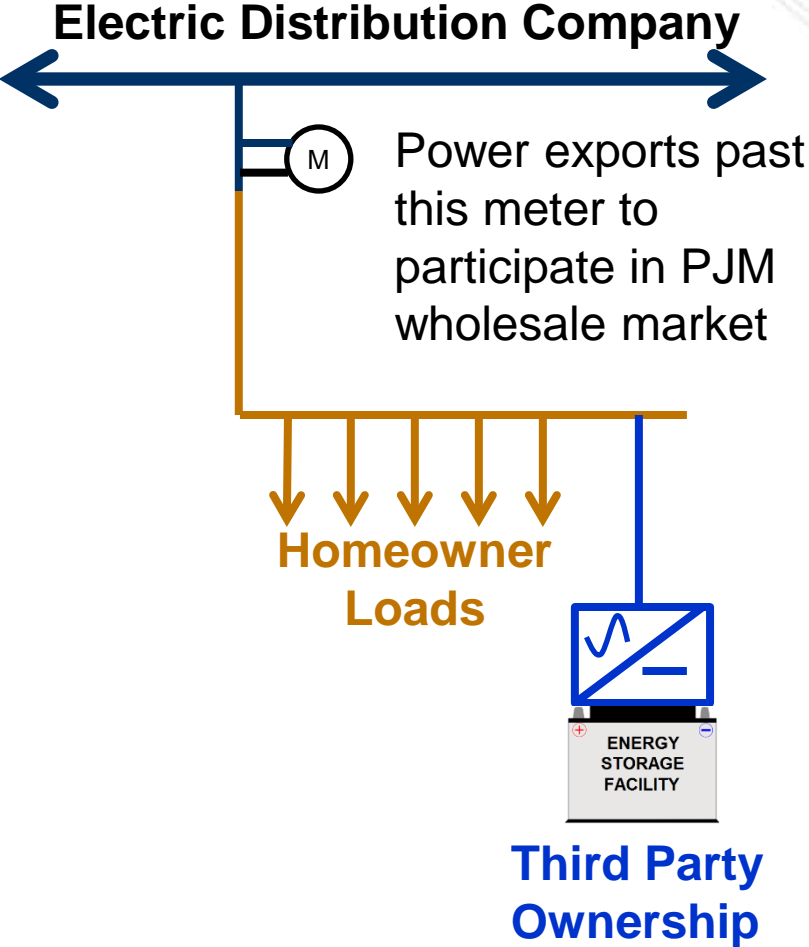


Third Party Wheeling versus Commercial Arrangements for Interconnecting Customers

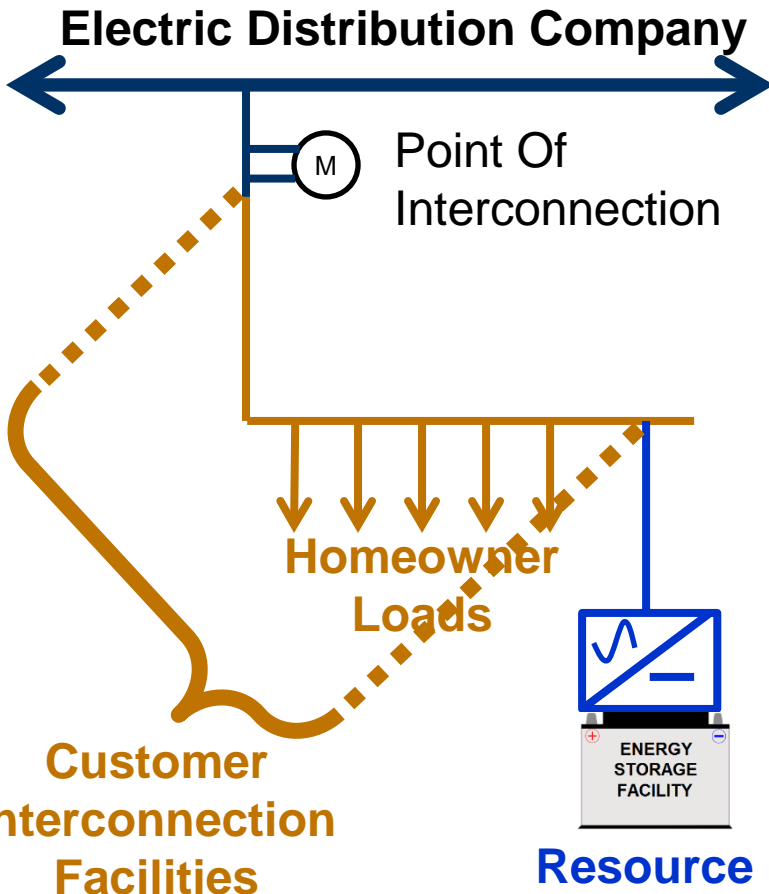
Andrew Levitt and Steve Pincus
Special MRC on DER
Aug. 24, 2016

Generation Metered Wholesale Sales



⊗ Not Allowed

Commercial Arrangements to Avoid 3rd Party Wheeling



Customer Interconnection Facilities are “owned and/or controlled, operated and maintained” by **Interconnecting Customer**.

- Failing that, power must be wheeled over third-party lines. This requires 3rd party to be a public utility, etc → complicated. Hence: “Not Allowed”
- Scenario: DevCo owns Resource. Lisa owns house, incl. wires etc between Resource & Point of Interconnection.

To Avoid 3rd Party wheeling in interconnection:

- **Option A:** DevCo is Interconnecting Customer.
 - Commercial arrangement for DevCo to “control, operate and maintain” Lisa’s home wiring, breaker panel, etc. May be infeasible.
 - DevCo is Market Participant.
- **Option B:** Lisa is Interconnecting Customer.
 - Commercial arrangement: control of Resource from DevCo → Lisa.
 - For scheduling and settlements, Lisa can delegate market participation back to DevCo

- PJM Generators (including storage) may aggregate if they share the same electrical location (Manual 11, sec. 2.3.3 page 19-20).
 - Offers and meter submissions are based on a single aggregate
 - Telemetry is not aggregated

- **Generation Interconnecting Customer:** entity that submits a PJM interconnection request—**Tariff 1.13B**
- **Generation Owner:** “An entity that owns or otherwise controls and operates one or more operating generating units in the PJM Region”—**Tariff 1.13F**
- **Customer Interconnection Facilities:** “All facilities and equipment owned and/or controlled, operated and maintained by Interconnection Customer on Interconnection Customer’s side of the Point of Interconnection...that are necessary to physically and electrically interconnect the Customer Facility with the Transmission System.” **Tariff 1.7A.02**
- **Point of Interconnection:** “The point...where the Customer Interconnection Facilities interconnect with the Transmission Owner Interconnection Facilities or the Transmission System.”—**Tariff 1.33A**
- **Market Participant**—entity responsible for regular scheduling, settlements, etc. with PJM.