



# Order 2222 Implementation



**NRDC**

# Overall

- **Our vision is that DERs should be able to provide wholesale services without more difficulty than obtaining retail service for a similarly sized load.**
- **Simplify, simplify, simplify.** Order 2222 gives the opportunity to simplify rules around interconnection and aggregation. We should take as much advantage of this as possible.
- **Build on DR framework.** We've spent 12 years getting demand response in PJM right, and many very similar issues show up regarding DERS.

# Interconnection

- **FERC declined to exercise jurisdiction over individual DER interconnections when they are part of an aggregation.** This was a clever move, and neatly cuts off the jurisdictional mess around dual-use facilities, first-use doctrine, overlapping interconnection studies, etc. RERRAs clearly, and solely, oversee DER interconnection.
- **PJM's role.** PJMs role seems to be limited to overall impacts of aggregations on the transmission system. This is similar to the current treatment of net metered resources. We should aim to keep this simplicity.
- **Do we need to talk about cost allocation?**

# Technologies

- **FERC defined DERs very broadly, and supports aggregations across technologies.** FERC includes inverter-based resources, traditional demand response, and energy efficiency as DERs
- **Aggregations should participate as a unit.** We believe this means that the capabilities and performance of DER aggregations should be measured for the aggregate as a whole, not as the sum of each individual component. This follows DR practice, and we believe best realizes the full value of DER fleets.
- **Reconciling technology-specific measures of UCAP may be a challenge.**

# Demand Response and EE

- **The order gives an opportunity to streamline rules for aggregates that both curtail load and inject power.** Current rules draw strict lines between DR and other resources, creating a number of difficulties for sites that do both. Our goal here should be to eliminate the “seam at zero” and let heterogeneous aggregations participate without inefficiently.
- **Rules around Order 745 payments could be clarified.** Order 2222 potentially creates more confusion about how behind the meter generators are treated and when they’re eligible for Order 745 payments.
- **Energy Efficiency participation may need review.** Since 2015, EE has been treated different from all other resources in the capacity market. Non-discriminatory treatment may require revision of those rules, either in the 2222 compliance filing or a separate process.

# Metering and Coordination

- **PJM should take advantage of Order 2222's flexibility on metering and telemetry rules.** In general, metering and telemetry should be motivated by operational requirements for specific services, and not allowed to be used as a barrier.
- **Coordination should be largely administrative.** The order requires RTO develop rules for coordination with utilities. We believe that most substantive utility input should occur during the RERRA-jurisdictional interconnection process. Utility review of aggregation registration with PJM should be limited to validating interconnection, preventing double registration, and so on.

# Briefly...

- **The broader the better.** The Order 2222 directive that aggregations be allowed over as large a geographic area as practical is a boon, and PJM should aim for as much flexibility as consistent with good engineering and market design.
- **Double counting is a non-issue.** We believe potential double-counting of services is a small and well-understood problem. It's been solved for DR for years, and we see no reason this needs be any harder for DERS.