

Order 2222

OPSI Annual Meeting
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IMM



Monitoring Analytics

Competition Is Key.

- **Keys to a competitive market for distributed energy**
 - **Correct definition of distributed energy resources**
 - DERs are small.
 - **All resources receive the same payment, and only one payment, for services.**
 - **Accurate identification of costs imposed on the transmission and distribution grids.**
 - **A level playing field in terms of**
 - Access to the market
 - Information about the distribution system
 - Access to customers

DERs Are Small.

- **The purpose of Order 2222 is to create access to the market for resources too small to participate.**
- **This means that resources that can participate under the current rules are in most cases not DERs.**
- **Size requirements are necessary to ensure that larger resources do not use DERA rules to gain advantage.**
 - **Max size for a single DER**
 - **Max size for an aggregation**
- **How do we ensure that 100 x 1 MW batteries at a single site are not treated as a DERA?**

Payment Structures

- **Generation, load, and demand response are currently separate in the PJM market.**
- **Order 2222 begins to combine and mix them.**
- **Net Energy Metering retail programs**
 - **Resources should not be paid twice for the same services through both net metering and the PJM market.**
 - **Different net metering participation rules by state or by EDC would create unfair advantages in the market.**
- **Demand response with injection as a PJM DERA**
 - **Possible to pay the same resource for the same services using two methods: DR rules vs. generation rules.**

Transmission Impacts

- **The impact of DERs on the transmission and distribution systems should be correctly identified and costs correctly allocated.**
- **PJM and the EDCs are best positioned for this analysis.**
- **Order 2222 does not require the PJM interconnection process for DERs.**
- **PJM needs to analyze the effects of growth of DERs in EDCs to properly define the impact on the grid and to allocate those costs.**

The EDC Role

- **The EDC is the distribution grid operator.**
 - **For the wholesale markets, the grid operator cannot participate in the markets.**
 - PJM cannot have affiliates that participate in the markets.
 - PJM board members and employees cannot participate.
 - **The grid operator should avoid even the appearance of a conflict of interest in the market.**
- **Inherent advantages of the EDC in the DER market**
 - **Cost of service regulation**
 - **Data and knowledge of the distribution system**
- **EDC role: reliability, interconnection, and dispatch**

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