



# Order No. 2222-A

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DIRS  
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1. The Commission affirms that it has “exclusive jurisdiction over wholesale markets and the criteria for participation in those markets, including the wholesale market rules for participation of resources connected at or below distribution-level voltages.” (12)
  - This includes the exclusive authority to determine who may participate in wholesale markets. (12)
  
2. The Commission reverses its prior finding in Order No. 2222 that the participation of demand response in DER aggregations is subject to the opt-out requirements of Order Nos. 719 and 719-A in all circumstances. (22)
  - Thus, if a heterogeneous DER aggregation contains DR, the RERRA may not prevent that DR from participating in the heterogeneous aggregation via an Order No. 719/719-A opt-out. (23)
  - However, if a homogenous DER aggregation contains only DR, then the opt-out provisions of Order No. 719/719-A still apply, and the RERRA may continue to prohibit that DR from participating through the homogenous aggregation. (29)

3. The Commission affirms the 4 million MWh line of demarcation for the “small utility” opt-in. (34)
  
4. The Commission affirms its decision not to exercise jurisdiction over the interconnection of DERs that participate in RTO markets exclusively through a DER aggregation. (42)
  - This applies to all interconnections of DERs participating exclusively through a DER aggregation, even when there is a pre-existing “first use” on the applicable distribution facility, and even when the DER aggregation consists of only a single DER. (42)
  
  - The Commission clarifies that its decision not to exercise interconnection jurisdiction also applies to QFs that participate exclusively through a DER aggregation. (44)

5. The Commission clarifies that “double counting” of services would occur if the same DER reduces the amount of a service that an RTO procures on a forward-looking basis in a certain time period while also acting as a provider of that same service in that same delivery period. (63)
  - The Commission notes that DERs participating in retail programs should not be prevented from participating in DER aggregations “unless that is the only possible way to prevent double counting of services.” (64)

6. Regarding the distribution utility review process, the Commission clarifies:

- Energy efficiency resources that participate through DER aggregations are included in the distribution utility's review, even though they do not present the same reliability concerns as other kinds of DERs. (69)
- Only the distribution utility hosting a DER should be given an opportunity to review the addition of a resource to a DER aggregation. (70)
- While any modification triggers the distribution utility review process, it may be appropriate for each RTO to abbreviate the distribution utility's review of modifications to DER aggregations, including the addition or removal of individual resources. However, abbreviated review may not be appropriate in all circumstances. (71)
- 60 days should be the maximum time needed for most distribution utility reviews, but RTOs "may propose provisions for certain exceptional circumstances that may justify additional review time." (72)

## 7. Regarding information sharing, the Commission clarifies:

- The specific information regarding a DER that is provided by a distribution utility to an RTO as part of the distribution utility review process should be shared with the DER aggregator. Such information could include whether a resource: (1) affects the safety and reliability of the distribution system; or (2) is capable of participating in an aggregation. (75)
- To the extent that a distribution utility recommends removal of a DER from an aggregation due to a reliability concern, an RTO should not remove the resource without a showing that the resource's market participation presents a threat to distribution system reliability. (76)

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