

Utility Review

Utility Review	Change reviewer to <i>host</i> EDC only, limit review to incremental changes, elimination of pre-registration and strict 60 day review, add data sharing with Aggregator.	May
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Pre-Registration

FERC Requirements:

257. To implement section 35.28(g)(12)(ii)(g) of the Commission’s regulations, the Commission in Order No. 2222 required each RTO/ISO to ***modify its tariff to incorporate a comprehensive and non-discriminatory process for timely review by a distribution utility of the individual distributed energy resources that comprise a distributed energy resource aggregation, which is triggered by initial registration of the distributed energy resource aggregation or incremental changes to a distributed energy resource aggregation already participating in the markets.***

258. More specifically, the Commission stated that each RTO/ISO must coordinate with distribution utilities to develop a distribution utility review process that includes criteria by which the distribution utilities would determine whether ***(1) each proposed distributed energy resource is capable of participation in a distributed energy resource aggregation; and (2) the participation of each proposed distributed energy resource in a distributed energy resource aggregation will not pose significant risks to the reliable and safe operation of the distribution system.***

297. We find that PJM’s proposal partially complies with the requirement of Order No. 2222 to include a distribution utility review process that is triggered by initial registration of the distributed energy resource aggregation or incremental changes to a distributed energy resource aggregation already participating in the markets.⁵⁶¹ Pursuant to PJM’s proposed tariff revisions, a DER Aggregator is required to provide information to PJM regarding its DER Aggregation Resource in order to initially register with PJM, and must provide notice of any proposed update to the inventory of Component DER or proposed additional market services provided by the DER Aggregation Resource. (562) ***With respect to initial registration, PJM explains that it will review the information submitted for completeness, verify that the DER Aggregator meets the eligibility criteria for participation in the DER Aggregator Participation Model, and notify the electric distribution company of the DER Aggregator’s initial registration.*** (563) Accordingly, PJM’s proposed 60-day distribution utility review period commences upon the electric distribution company’s receipt of such notice from PJM. (564)

300. PJM’s proposed registration review period partially complies with the requirement to provide adequate and reasonable time for distribution utility review that does not exceed 60 days. ***Pursuant to PJM’s proposed tariff revisions, the 60-day electric distribution company registration review process may commence only after a DER Aggregator completes a pre-registration process, unbounded by any deadlines or timeframes, which requires the DER Aggregator to “obtain and verify” certain location and data information in coordination with the applicable electric distribution company and Transmission Owner.***

300. Because PJM's proposed preregistration process is mandatory but contains no deadline or obligation for timely coordination and review by the electric distribution company, an electric distribution company could unduly delay or erect barriers to distributed energy resource aggregation participation in the wholesale markets by failing to verify the necessary information in a timely manner or simply through inaction. As a result, the unbounded timeframe for distribution utilities to verify information during the pre-registration process may create undue barriers to entry for distributed energy resource aggregations, in contravention of Order No. 2222.

We find that any distribution utility review, to include verification of information provided by the DER Aggregator, should be completed as part of the 60-day process as set forth in Order No. 2222 through which the distribution utility determines whether the proposed distributed energy resource is capable of participation in the DER aggregation.

314. However, we find that PJM does not address the scope of such review criteria. The Commission clarified in Order No. 2222-A that the potential impacts on distribution system reliability specifically refer to any incremental impacts from a resource's participation in a distributed energy resource aggregation that were not previously considered by the distribution utility during the interconnection study process for that resource.⁶¹³ We find that, to demonstrate compliance with this requirement, ***PJM must propose in its tariff that the scope of distribution utility review is limited to any incremental impacts that the utility has not previously considered.*** Section 1.4B(b) of PJM's Tariff and Operating Agreement contain no provision that limits the scope of the utility's reliability review as the Commission required.⁶¹⁴ Accordingly, we direct PJM to file, within 60 days of the date of issuance of this order, a further compliance filing ***that revises its tariff to clarify that the scope of the distribution utility review of distribution system reliability impacts is limited to any incremental impacts from a resource's participation in a distributed energy resource aggregation that were not previously considered by the distribution utility during the interconnection study process for that resource.***

373. In Order No. 2222, the Commission added section 35.28(g)(12)(ii)(e) to the Commission's regulations to require each RTO/ISO to establish market rules that address modification to the list of resources in a distributed energy resource aggregation. (725) The Commission required each RTO/ISO to revise its tariff to specify that distributed energy resource aggregators must update their lists of distributed energy resources in each aggregation (i.e., reflect additions and subtractions from the list) and any associated information and data, but that, when doing so, distributed energy resource aggregators will not be required to re-register or re-qualify the entire distributed energy resource aggregation. (726) ***The Commission noted that any modification triggers the distribution utility review process.***

Host EDC Review & Limit Review to incremental changes

258. In Order No. 2222-A, the Commission clarified that, although it is providing each RTO/ISO with the flexibility to develop review procedures and criteria appropriate for its region, the Commission expects that the criteria proposed on compliance will require that an RTO/ISO decision to deny wholesale market access to a distributed energy resource for reliability reasons be supported by a showing that the distributed energy resource presents significant risks to the reliable and safe operation of the distribution system. **(481) *In addition, the Commission clarified that only the distribution utility hosting a distributed energy resource (i.e., the utility that owns and/or operates the distribution system to which the resource is interconnected) should be given an opportunity to review the addition of that resource to a distributed energy resource aggregation.***

Data Sharing with Aggregator

259. To support this distribution utility review process, *the Commission stated that RTOs/ISOs must share with distribution utilities any necessary information and data about the individual distributed energy resources participating in a distributed energy resource aggregation.* (483) In Order No. 2222-A, *the Commission clarified that the specific information regarding a distributed energy resource that is provided by a distribution utility to an RTO/ISO as part of the distribution utility review process should be shared with the distributed energy resource aggregator.* (484) The Commission explained that *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.* (485) To the extent that a distribution utility declines to provide distributed energy resources with the information that they need to participate in RTO/ISO markets via an aggregation, the Commission stated that it expects that RTOs/ISOs will provide an avenue to facilitate those resources' participation, including, where appropriate, the use of the RTO/ISO dispute resolution procedures. (486)

EDC Comments and Position:

FERC finds that the distribution utility review includes verification of information provided by the DER Aggregator to be completed as part of the 60-day process.

- PJM, DER Aggregators, RERRAs and the EDCs have discussed significant value from a 2-step process for Component DER data and double counting validations and the DER Aggregation study. In the initial step, the EDC's and LSE's roles would be to validate information within PJM's DER Tool as entered by the DER Aggregator and raise any double counting concerns. The "validation" would be geared toward correctness of the necessary data fields and to provide the Enode location which supports PJM's process of assigning a Pnode to each Component DER to validate eligibility for a certain DER Aggregation requirements.
- The FERC directed that each RTO/ISO must coordinate with distribution utilities to develop a distribution utility review process that includes criteria by which the distribution utilities would determine participation whether the DER was capable of participating and in a safe and reliable manner. The pre-registration (locational verification) phase aims to do just that.
- EDCs must be involved prior to the actual registration to validate the Component DER being proposed for an aggregation to ensure it is capable of participating in an aggregation by 1) ensuring an approved interconnection agreement, 2) verifying NEM participation pursuant to RERRA guidance, 3) verify Double Counting of other retail programs/services utilizing current DER types such as EE, DR and Battery Storage resources , 4) provide the electrical node location for PJM to assign a pricing node for each component DER to determine DER aggregation eligibility for the energy market.
- FERC does not have jurisdiction over EDCs to impose artificial deadlines for retail activities with the RERRA related to Double Counting reviews, and Component DER data verification.
- This pre-registration or "Location" data verification process should be transparent to all relevant parties to ensure awareness of the process steps being completed, those verified by the EDC and LSE, inaccurate data, missing data etc. to facilitate having a complete and accurate list of Component DERs data being proposed for the DER Aggregation to ensure the EDCs can perform the critical studies to ensure safety and reliability of the DER Aggregation.
- FERC Order is contradictory in that on one hand they agree that any modifications to the list of Component DERs in the aggregation triggers a 60-day review however they order PJM to combine the "location" data verification and studies in the initial DER Aggregation registration process into the strict 60-day timeframe. Not having the ability to study the DER Aggregation correctly will lead to many unnecessarily denied registrations.

Host EDC Review & Limit Review to incremental changes

- The EDC review must allow review of the relevant Component DER changes and must permit the new DER Aggregation to be studied. Additionally, the EDC review should be performed on some periodic basis after the DER Aggregation registration has been initially approved as distribution system changes can occur that could alter the performance of the DER Aggregation. At a minimum, the EDCs want to periodically validate the electrical node values and, if modified, have a process defined with PJM to make necessary updates to the Component DER data and or relevant DER Aggregations.

Data Sharing with Aggregator

Indicated Utilities' Comments & Position – Working Draft for Discussion Purposes with PJM

- The EDCs agree data should be shared with PJM and the DER Aggregator and recommend all the data exchange be handled via PJM's DER hub to minimize data transfers. Data security can be addressed via limited data access roles assigned to various reviewers like those currently used in the DR Hub.