

Participation Criteria

306. *However, we find that the first three factors as well as the fifth factor identified in PJM's tariff do not comply with the requirements of Order No. 2222.* With respect to the fifth factor, the proposal addresses whether "participation" in PJM's markets complies with rules of any applicable RERRA. However, the Commission has exclusive jurisdiction over the wholesale markets and the criteria for participation in those markets. Nonetheless, we continue to recognize the important role that state and local authorities play with respect to distributed energy resources and their potential aggregation. Therefore, this criterion could be compliant if it were revised to address whether the aggregation complies with rules of any applicable RERRA. PJM may propose such a criterion on further compliance. Accordingly, we direct PJM to file, within 60 days of the date of issuance of this order, a further compliance filing that either removes or revises this criterion in its tariff consistent with the discussion above.

307. Turning to the first three factors, *these do not constitute capability criteria because they do not include a principle or standard by which an electric distribution company would determine whether each proposed Component DER is capable of participation in a DER aggregation.* These factors implicate operational characteristics (the first factor), the PJM market where the DER Aggregator will participate (the second factor), and customer account numbers (the third factor), and arguably this is just information that an electric distribution company could review and verify. It is unclear how the electric distribution company will use this information in its review, and we therefore find that inclusion of these factors is inconsistent with the requirement of Order No. 2222 that the review process be transparent with specific criteria for the electric distribution companies to use when reviewing Component DER. *More specifically, we find that the "operational and physical characteristics" that an electric distribution company should be reviewing, and what should comprise the referenced "inventory of the individual Component DER location-specific capability to reduce load and/or produce electricity," are inappropriately vague. It is likewise unclear what "related information" the electric distribution company should be reviewing with respect to customer account numbers and Component DER locations.* As a result, these provisions are inconsistent with the requirement of Order No. 2222 that the distribution utility review process be transparent and provide specific review criteria. *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 include specific, transparent criteria by which an electric distribution company will determine during its review whether each proposed Component DER is capable of participating in a DER Aggregation Resource and to explain why these criteria are appropriate for the PJM region, as required by Order No. 2222.*

EDC Position and Response:

- The EDCs agree with PJM's position to remove the tariff references to data and information and replace it with a single criterion for the EDC to review as applicable whether the information provided by the DER Aggregator is accurate. The EDCs recognize PJM has only provided a draft of the suggested data and information to be provided and further work will be needed by all parties in the PJM stakeholder process to identify the specific detail to be provided and verified by each entity.
- As stated previously by the EDCs, capability to participate in a DER Aggregation could involve many items, including retail interconnections, double counting determination by RERRA for NEM and other retail programs, location of the Component DER for a specific Pnode aggregation in the energy market, metering and telemetry etc. If/when any of the items identified are missing or cannot be validated by the EDC during their DER Aggregation review process, the DER Aggregation will be recommended for denial. As discussed more fully in the comments submitted for the Utility Review process, the EDCs want to avoid denying DER Aggregation registrations by utilizing a transparent process in PJM's proposed DER Hub tool where Component DER information can be gathered, verified and participation approved prior to being part of the DER Aggregation registration where there impacts of the DER Aggregation need to be studied and approved.
- DER Aggregators, PJM, LSEs and the EDCs and the Transmission Operators will all have roles in the process of validating Component DER data to ensure information is accurate and system impact studies performed for the individual Component DER and subsequently for the entire DER Aggregation.