



# FERC Order 2222 Compliance Filing: Dispute Resolution; Information & Data (metering); Reliability Criteria

DISRS

PJM Staff

June 23, 2023



# Dispute Resolution

- **Paragraph 323:** We also find that PJM’s proposal to prohibit the use of its dispute resolution procedures during the 60-day review period for disputes “arising under any applicable tariffs, agreements, and operating procedures of the electric distribution company, and/or the rules and regulations of any [RERRA]” is an overly broad and vague carve out that **unreasonably restricts a DER Aggregator’s use of PJM’s dispute resolution procedures when those procedures may be appropriate.** While recognizing that state commissions may adjudicate disputes appropriately within their authority that distributed energy resource aggregators may seek to bring before them, we are concerned that PJM’s proposed phrase “disputes arising under” EDC or RERRA rules is so broad that it may allow for disputes to be inappropriately brought to a state or local regulator when PJM should resolve them. Accordingly, we direct PJM to file, within 60 days of the date of issuance of this order, a further compliance filing that addresses **how PJM will resolve disputes that it determines are within its authority and subject to its tariff.**

- Generally speaking, ‘keep as is’. We support having language in our Tariff that clearly defers to the EDC/RERRA the resolution of disputes related to issues within their jurisdiction.
- Address FERC’s concerns over ‘broad and vague’ by 1) modifying the “arising under” language to make provision more narrow (without being overly specific) and 2) directly stating that there is a role for PJM’s dispute resolution process.
  - Specify that disputes that “solely concern the interpretation of” EDC tariffs, agreements, and operating procedures and/or rules and regulations of any RERRA will not be arbitrated by PJM.
  - Add language to indicate that disputes attributed to provisions in PJM’s OATT Section 1.4B can be arbitrated under the dispute resolution processes under Operating Agreement, Schedule 5.

**Additionally...in the transmittal letter of the Sept 1 filing, PJM proposes to:**

- Specify circumstances where PJM’s dispute resolution process *would* be applicable
- Describe that PJM has an informal dispute resolution process used today for demand response resources that may be used to address issues arising during the registration process

OATT Att K-Appx Sec 1.4B(b):

- “Disputes arising under any applicable tariffs, agreements, and operating procedures of the electric distribution company, and/or the rules and regulations of any Relevant Electric Retail Regulatory Authority, shall be resolved in accordance with applicable state or local law, and shall not be arbitrated or in any way resolved by the Office of the Interconnection or through the dispute resolution processes under Operating Agreement, Schedule 5.”



# Information & Data

- **Paragraph 223:** ... PJM has not identified or explained the specific information that the **DER Aggregator is required to obtain and verify in coordination with the electric distribution company regarding “compliance with applicable PJM and electric distribution company metering and telemetry requirements.”** Therefore, we find that PJM must clearly identify and explain this requirement, consistent with Order No. 2222. We note that electric distribution companies are not responsible for evaluating PJM’s metering and telemetry requirements for DER Aggregation Resources. We also note that electric distribution companies’ metering and telemetry requirements may not all be the same.

- Scope of FERC Directive: The expectation with respect to metering and telemetry in the registration process.
- PJM's intent:
  - Ahead of registering a Component DER to participate in PJM's wholesale markets, a DER Aggregator must **obtain** information on all applicable metering/telemetry characteristics of each Component DER that it wishes to register and **verify** that these meet PJM requirements.
- How will this requirement be met?
  - **Metering:** During the registration process, the DER Aggregator will attest to the fact that it has appropriate settlement/compliance metering
    - Confirm a utility meter is in place and will be utilized by PJM Settlements
    - Utilizing Aggregator meter; confirm meter meets configuration/accuracy requirements
  - **Telemetry:** The DER Aggregator will provide PJM SCADA information on the DER Aggregation registration to verify established telemetry.



**DRAFT REDLINE:** OATT Att K-Appx Sec 1.4B(b):

Prior to the initiation of the registration review process by the Office of the Interconnection, a DER Aggregator shall obtain and verify, through good faith efforts and in coordination with the applicable electric distribution company **where appropriate**, and, if necessary, any relevant Transmission Owner, the following location and data components needed for the DER Aggregator's registration with the Office of the Interconnection:

- i. With the express written consent of the applicable Component DER, the electric distribution company customer account number and associated physical ~~and transmission system electrical~~ location information of the applicable Component DER; ~~including~~
- ii. **Evidence of necessary metering for participation**, in compliance with applicable PJM ~~and electric distribution company~~ metering and telemetry requirements;
- iii. Evidence of approval to interconnect, ~~including but not limited to~~—a finalized interconnection agreement **or equivalent**,—with the applicable Component DER, in accordance with any applicable tariffs, agreements, and operating procedures of the electric distribution company, and/or the rules and regulations of any Relevant Electric Retail Regulatory Authority, to the distribution system for identified megawatts, and identification of participation in an electric distribution company program that recognizes grid withdrawals and/or injections, including but not limited to a net energy metering program.



# Reliability Criteria

- **Paragraph 314:** ... 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. 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. 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.**

- PJM Proposal: Update OATT Att K-Appx Sec 1.4B(b) to reflect the scope of the distribution utility review of distribution system reliability impacts is limited to any incremental impacts

**DRAFT REDLINE: OATT Att K-Appx Sec 1.4B(b):**

...the electric distribution company may...review and verify, as applicable, the registration and the following information contained therein:

vii. The participation of the Component DER in the PJM energy, capacity, and/or ancillary service markets do not pose a threat to the reliable and safe operation of the distribution system, the public, or electric distribution company personnel. **The scope of the distribution utility review of distribution system reliability impacts is limited to any incremental impacts arising from the proposed update to the inventory of the individual Component DERs participating in the DER Aggregation Resource, and/or proposed additional market services provided by the DER Aggregation Resource, that were not previously considered by the distribution utility during the interconnection study process for that resource.**

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**Order on PJM's FO2222 Compliance Filing**



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