



April 19, 2024

Sherri L. Golden, Secretary of the Board
44 South Clinton Ave., 1st Floor
PO Box 350
Trenton, NJ 08625-0350

Re: Docket No. EO24020116– In the Matter of New Jersey’s Distributed Energy Resource Participation in Regional Wholesale Electricity Markets

Dear Secretary Golden:

Advanced Energy United submits for filing the attached comments in response to the March 7, 2024 Request for Information by the New Jersey Board of Public Utilities.

Respectfully submitted,

/s/ Caitlin Marquis

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/s/ Shawn Kelly

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United has responded to many but not all questions; a lack of response does not suggest lack of interest and should not preclude United or its members from opining at a later time.

Answers to Stakeholder Questions

13. Do you have any comments or concerns about the classification of certain resources and their operating profiles as eligible for DERAs? Please state any associated control and/or compensation concerns.

The primary restrictions on distributed energy resource aggregation (“DERA”) participation and compensation are due to limitations in PJM’s tariff regarding dual participation, and are therefore beyond the scope of this proceeding. In particular, PJM limits DERs that are participating in retail net energy metering (NEM) programs from providing capacity, even if the retail NEM program provides no compensation for capacity, because their participation in the retail NEM program precludes their compensation in PJM’s energy market. PJM also restricts participation by component DERs not participating in a retail NEM program but co-located at a site with a DER that is participating in a retail NEM program.

While the Board cannot address these constraints on dual participation, it can ensure that, in light of these restrictions, retail programs that preclude dual participation by enrolled DERs in PJM given restrictions in PJM’s tariff provide compensation for the full value of DERs. We offer additional thoughts with respect to opportunities for valuing DERs that are eligible to participate in PJM markets via distribution tariffs that recognize the distribution benefits of VPPs below in response to question 19.

14. Do you believe that it is technically feasible to implement Order No. 2222 requirements by PJM’s originally proposed 2026 implementation deadline? If not, please explain in detail why not. Are there any actions that PJM or NJBPU could take to make the implementation more efficient and timely?

United believes that the Board and New Jersey EDCs can be prepared for implementation by PJM in 2026. Opening this proceeding and moving it forward expeditiously is the most important step the Board can take to support timely implementation. As part of this procedure, the Board should establish new procedures and/or amend existing procedures for interconnection, dispute resolution, EDC review, operational coordination, and EDC override. Clarity regarding the procedures, responsibilities, and timelines that all parties must adhere to will ensure a smooth and efficient rollout.



In addition, we have provided feedback below regarding data access for DER aggregators. Enabling efficient access to data will accelerate implementation and smooth participation.

15. Do you have any comments or questions about dispute resolution processes between DERAs and utilities?

The Board should create a new dispute resolution process to address issues related to DERs and Order No. 2222 issues. This is most important for disputes concerning the review of applications, interconnection, compensation, and grid reliability issues.

16. How should DER Aggregator performance be monitored/tracked/reported to the public?

United does not see a need for monitoring DER performance beyond the information that will already be captured by PJM. However, we do encourage the Board to evaluate the effectiveness of Order 2222 implementation and the benefits it brings to the state periodically, starting one year after initial implementation. As part of this evaluation the Board should also assess any limitations or barriers to more effective DER participation in PJM's wholesale markets, and identify steps New Jersey can take to ensure that DERs are delivering maximum benefits to the grid and to all New Jersey ratepayers.

17. Should each EDC be required to formally establish pilot programs demonstrating their procedures and performance for DERA integration? Should these pilots be identical/consistent/unique across EDCs?

United has no comments at this time related to this question.

18. As part of NJBPU's efforts to help implement Order No. 2222 how much technical support from the NJBPU, separate from NJBPU's current Grid Modernization Forum working groups, is desired? Would a statewide stakeholder engagement process, working group, technical conference, or public platform for stakeholder engagement be beneficial?

United has no comments at this time related to this question.

19. Are there any specific questions that you have for NJBPU that has not been addressed yet in the FERC Order, PJM's Compliance Filings, or NJBPU's Order No. 2222 outreach efforts?

There are two main issues that United will address that we believe do not fall into the first six questions for All New Jersey Stakeholders: 1) access to customer data and 2) use of virtual power plants ("VPPs") in local distribution level programs.



Customer Data Access

Sufficient access to customer data for authorized third parties is a crucial aspect of successful DER programs. This data includes historical data for new customers, Peak Load Contribution and winter peak load values, and event data. Currently, data aggregators are required to obtain customer consent to access the customer's data. Access to data is critical to operate in the PJM market. Aggregators need data to register their customers with PJM, demonstrate compliance with requirements, and settle following events to pay customers. As it stands, the data is not easy to obtain, and without it, aggregators cannot deliver the services their customers hire them to provide.

In New Jersey, aggregators mainly obtain data through utility portals, direct contacts at the utilities, or through electronic data interchange ("EDI"). While there are individual issues with most utilities when it comes to obtaining data, the biggest issue is that the process can be extremely burdensome and there is no streamlined way to obtain the data.

Currently, there is a very manual and time-consuming process for requesting data. The process varies from utility to utility, but in general aggregators must request data account by account, either by email or through utility portals. This means if an aggregator has 100 accounts where customer data is needed, the aggregator must submit 100 individual requests (exceptions may exist where aggregators have established EDI with the utility).

The current process is relatively functional, but as the emergence of more and more VPPs occurs, the number of accounts for which aggregators will need data will increase exponentially, making it difficult to keep up with manual requests. To solve this issue, there needs to be a streamlined method for obtaining data, allowing aggregators to quickly request data for hundreds or more accounts. EDI is a potential solution, as it allows aggregators to request data for numerous accounts at once, even across utilities, but aggregators do not always have access to EDI. United believes it is essential to address this issue now, as ignoring it would lead to challenges to fully and properly implement Order 2222.

Outside of this general issue, some other difficulties with specific utilities exist including their portals not being user-friendly, utilities not being responsive to requests, or not being able to get data from the utility at all. These differences and outright denial of properly authorized customer data is not within keeping with the spirit and letter of proper implementation of Order 2222.



Distribution Level VPPs

Currently, VPPs participate and provide services in the PJM market, but they are not utilized to help the local distribution grid in any organized fashion. As part of its efforts to implement Order No. 2222, United encourages the Board to maximize the opportunities for VPPs to also provide significant benefits to the distribution network. Creating “stacked programs” would allow for VPPs to provide maximum benefits at both the PJM and local and state levels.

New York State has some well-developed programs that leverage VPPs participating in the NYISO market to also provide local benefits. These include the Commercial System Relief Program (CSR), which is designed to help extend the useful life or defer upgrades of distribution infrastructure, and the Distribution Load Relief Program (DLRP), which is focused on addressing distribution system emergencies that would not be addressed by dispatches from NYISO². DLRP is used to provide localized network-level support through load relief if the next contingency on the local grid would result in a significant outage or the electric distribution equipment being loaded above emergency ratings. This program has shorter event notices – two hours for contingency events and less than 2 hours for an immediate event. CSR on the other hand is intended to defer local grid investments. CSR has longer event notices, normally 21 hours. This is because the program aims to reduce peak demand at the network level by calling on customers during their assigned call window. There is also voluntary participation for unplanned events, where less than 21 hours of notice may be provided.

Payment rates for both tariff-based programs are based upon the relevant utility’s marginal cost of service and explicitly do not include payment for avoided capacity costs which the PJM Load Management programs do provide. This allows the state and regional programs to exist in harmony with each other. United believes these approaches should be considered by New Jersey as part of this proceeding.

20. Which of the following categories best describes the stakeholder perspective your comments provide?
- a. DER Aggregator
 - b. Government Agency
 - c. Concerned Citizen/Building Owner
 - d. Academic Institution
 - e. Commercial DER Developer
 - f. Energy Asset Investor/Owner

² See for Con Edison’s CSR and DLRP programs: <https://www.coned.com/en/save-money/rebates-incentives-tax-credits/rebates-incentives-tax-credits-for-commercial-industrial-buildings-customers/smart-usage-rewards>



United's members represent a broad range of clean energy solutions providers, including both DER aggregators and commercial DER developers.

Conclusion

United appreciates the opportunity to provide our comments on the Board's RFI and we look forward to working on this important issue more in the future.

