

April 22, 2024

*Submitted electronically*

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

**Re: Request for Information: In the Matter of New Jersey's Distributed Energy Resource Participation in Regional Wholesale Electricity Markets, Docket No. EO24020116**

Dear Secretary Golden:

Vote Solar respectfully submits the following joint comments on behalf of Vote Solar, Energy Efficiency Alliance of New Jersey, Waterspirit, Environment New Jersey, and the New Jersey Sustainable Business Council in response to the Request for Information issued March 7, 2024.

Respectfully submitted,

/s/ Kartik Amarnath

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## Introduction

These comments are respectfully submitted by Vote Solar, Energy Efficiency Alliance of New Jersey, Waterspirit, Environment New Jersey, and New Jersey Sustainable Business Council in response to the New Jersey Board of Public Utilities' Request for Information (RFI) in Docket No. EO24020116 regarding FERC Order No. 2222. Successfully implementing this Order will require a balanced approach that 1) ensures flexibility for distributed energy resource aggregators (DERA) while 2) prioritizing oversight and coordination by NJBPU and PJM and 3) ensuring transparency and affordability for NJ ratepayers.

Flexibility for DER aggregators is crucial to encourage innovation and maximize the potential of distributed energy resources in PJM. By allowing aggregators to participate in wholesale energy markets, we can help unlock the full value of DERs, encourage private capital investment in the clean energy transition, and promote a more sustainable and resilient energy system. We encourage the NJBPU to consider policies that make it easier for DERAs to access and participate in these markets.

At the same time, oversight and coordination from NJBPU and PJM will be essential to ensure the reliability and stability of the grid and ensure that resources are appropriately tracked and reported. By maintaining coordination between DERAs, utilities, and PJM, we can guarantee the smooth integration of DERs into the grid while safeguarding their reliability.

Finally, transparency for all stakeholders and affordability for NJ ratepayers must be a top priority throughout the implementation process. All stakeholders should be provided with clear information about the process, including context throughout the rollout of DERA participation in these markets and information about the benefits of DER diffusion in the PJM network. All public stakeholder engagement should include multilingual access.

Below, we respond to the specific questions directed at non-EDC stakeholders in the RFI. We also wanted to point to some resources related to this topic which may be helpful:

- [FERC Order 2222 Implementation: Preparing the Distribution System for DER Participation in Wholesale Markets](#)
- [Grid Investments to Support FERC Order 2222 - GridWise Alliance](#)
- [Virtual Power Plants and Energy Justice](#)
- [Real Reliability: The Value of Virtual Power](#)

**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 BPU must ensure that existing compensation program design does not inadvertently prevent wholesale market participation of aggregated DERs. Reasonable accountability measures should also be in place so that double-counting doesn't happen, while at the same time ensuring that DERs already participating in retail markets are still eligible to participate in

wholesale markets through aggregation. Furthermore, EDCs should be required to support all DERA engagement in the wholesale market, primarily but not exclusively as a facilitator of third party involvement.

**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?**

We are unable to comment on these questions without more clarification about where the BPU stands on existing and related proceedings that have not received rulings yet. For example, the Grid Modernization proceeding involved a solicitation of comments one year ago, and yet the BPU has not yet released a ruling or public update. Furthermore, the working groups that formed as part of this proceeding have been challenging to join and engage with. To make implementation more timely, clarification needs to be provided as to the status of related and existing proceedings, and clear commitments to public access and accountability.

Although there are remaining questions about how Order No. 2222 implementation might interact with ongoing and related proceedings related to grid modernization in New Jersey, until we have more information, we expect that the NJBPU and PJM would work together to meet this 2026 deadline.

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

Dispute resolution processes should be developed and executed by the Relevant Electric Retail Regulatory Authority (RERRA) with rate-setting oversight for the utility (e.g., the NJBPU and municipalities). Ideally, PJM would provide guidance and support to the NJBPU, relevant city councils, and other bodies with rate-setting responsibilities in the state.

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

Ultimately, we hope that DERAs would report capacity and supply information to a centralized portal with real-time updates by hour. This platform could be modeled after the online portal provided by ISO-NE, which includes data on peak periods "if not for" the presence of DERs such as distributed solar.

However, EDCs will have different starting points for controls, monitoring, and DER deployment levels and thus will require flexibility in ramping up new monitoring and reporting processes. ACEEE and GridLab recommend a "crawl, walk, run" framework to assess control, monitoring, and reporting expenses at different phases of the implementation process so that investments

are scrutinized and “least risk” investments are made first.<sup>1</sup> We believe that this is a good model to use to ramp up DERA performance monitoring so that both day-ahead and real-time monitoring and data can be reached for all EDCs.

This data should be provided transparently but with context. New initiatives require time to get off the ground and for systems to be adapted to support them. Any early-stage data collected and reported should be used to help facilitate a more streamlined and affordable transition for aggregated DERs to be able to participate in the PJM market. Any efforts by entrenched utilities to use this data out of context to slow down or prevent DERA participation should be avoided.

**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?**

Where an existing program that can be built upon doesn't exist, EDCs should be required to establish pilot programs for DERA integration, and these programs should have the flexibility to meet the unique geographic, demographic, and technical needs of each service territory. Where EDCs do possess programs that DERA integration could be incorporated into, this form of program build-out should be required in lieu of a new standalone program. Requirements should be established for LMI participation, emissions reductions from existing generating facilities in environmental justice areas, and deploying a diversity of DER technologies. Furthermore, programs should give favorable treatment to DERA projects that demonstrate other environmental and economic co-benefits such as ethical sourcing of materials, job creation, and water-energy conservation. These programs, whether pilots or build-outs of existing programs, should be developed and established through proceedings that ensure meaningful public stakeholder engagement.

**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?**

A truly accessible process for stakeholder engagement will be paramount for Order No. 2222 implementation. We recommend that this process be separate from the current Grid Modernization Forum working groups, or that these working groups become radically restructured in order to be more accessible for public participation. Vote Solar has been attempting to join the Grid Modernization Forum working groups for months, regularly contacting BPU staff with this request, however, we have received no response. BPU staff must be held accountable for receiving public input through processes that are truly accessible and

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<sup>1</sup> See

<https://gridlab.org/wp-content/uploads/2022/01/AEE-GridLab-FERC-O.2222-Campaign-Final-Report.pdf> at 41.

transparent, rather than through processes that seem to attract the same stakeholders with specific technical expertise.

**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?**

Two questions that should be considered in the BPU staff outreach. First, access to customer data is the key to making Virtual Power Plants (VPPs) work. While the current process does work for enrolling customers and accessing their data from the utilities, the process is labor intensive as each inquiry requires an individual manual request. In order to grow the VPP market we must look for a streamlined method for obtaining data, allowing for a seamless flow of data across accounts. Electronic data interchange (EDI) is a potential solution, as it allows aggregators to request data for numerous accounts at once, even across utilities.

Second is the use of VPPs in local distribution level programs. Currently, VPPs participate and provide services in the PJM market, but they aren’t being utilized to help the local distribution grid in any organized fashion, when they can provide significant benefit. Creating so-called “stacked programs” would allow for VPPs to provide maximum benefits at both the PJM and local and state levels.

New York has some well-developed programs that leverage VPPs participating in the NYISO market to also provide local benefits. The Commercial System Relief Program (CSRP) is designed to help extend the useful life or defer upgrades of distribution infrastructure. The Distribution Load Relief Program (DLRP) is focused on addressing distribution system emergencies that would not be addressed by dispatches from NYISO<sup>2</sup>.

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 – 2 hours for contingency events and less than 2 hours for an immediate event.

CSRP on the other hand is intended to defer local grid investments. CSRP 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. We recommend BPU staff consider these examples from New York in the development of the NJBPU DER Participation plan.

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<sup>2</sup> See for Con Edison’s CSRP 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>

**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**

Our organizations span a variety of different sectors of clean energy and environmental advocacy landscapes, and are collectively fighting for an equitable clean energy transition. We believe in the promise that responsible and equitable DER deployment can provide for an enhanced, clean, and resilient grid future. Several of our organizations have been involved with advancing clean energy goals in various BPU regulatory proceedings. None of the above categories explicitly apply to all of our organizations, which span multiple different stakeholder perspectives. However, the information we have collectively provided in these comments is perhaps best considered representative of perspectives that align with that of “Concerned Citizen,” “Commercial DER Developer,” and “Academic Institution.”

We thank you for your consideration,

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