

Distributed Energy Resources Problem Statement Proposed Revision

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Problem Statement

Distributed resources, such as battery storage, that would like to participate in PJM markets have two options: i) Interconnect as a Generation Resource under the normal PJM queue process with associated Wholesale Market Participation Agreement (WMPA) or Interconnection Service Agreement (ISA) or, ii) Demand Response Resource with associated registration and certification process.

There are unique challenges ~~It is cost-prohibitive and time consuming~~ for distributed resources to go through the PJM queue process and be designated as a Generation Resource for two specific reasons.

- i. A second utility service line may be required to be installed at the end user facility dedicated just for the distributed resource.
- ii. Potentially ~~C~~ostly measurement and verification processes are introduced if the distributed resource intends to provide any service to the end user facility other than PJM market services. A mixed wholesale and retail tariff may be applied to the distributed resource where power charged by the distributed resource is charged at full retail value and power discharged from the distributed resource is credited at wholesale LMP.