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## **NOTICE**

# **IN THE MATTER OF NEW JERSEY'S DISTRIBUTED ENERGY RESOURCE PARTICIPATION IN REGIONAL WHOLESALE ELECTRICITY MARKETS**

**Docket No. EO24020116**

## **REQUEST FOR INFORMATION**

Staff of the New Jersey Board of Public Utilities ("NJBPU" or "Board") asks that all New Jersey Electric Distribution Companies ("EDCs") and other affected stakeholders provide written responses on the Request for Information ("Order No. 2222 RFI") contained in this Notice regarding issues they may have identified regarding distributed energy resource ("DER") participation in wholesale electricity markets.

### **Background and Procedural History**

On September 17, 2020, the Federal Energy Regulatory Commission ("FERC") issued Order No. 2222 in Docket No. RM18-9-000, which requires regional transmission operators like PJM Interconnection, L.L.C. ("PJM") to remove barriers to DER participation in its regional, wholesale energy markets. Order No. 2222 allows for multiple DERs to combine their energy capacity output to form a DER Aggregation ("DERA"); aggregations must be at least 100 kilowatts (kW) in order to participate in PJM's markets. As part of Order No. 2222, there are a number of requirements related to interconnection, location/nodes, data, telemetry and metering, maintaining the reliability of the grid and coordination between the DERAs, utilities, and PJM. As PJM finalizes its Compliance Filings at FERC, it is clear that implementation of Order No. 2222 will begin in the near future and New Jersey must ensure that state level rules and regulations do not further block the pathway for wide-scale DER deployment that FERC is trying to create. The NJBPU Staff therefore issues this Order No. 2222 RFI to better understand any remaining barriers and/or concerns from affected stakeholders, like EDCs and developer/operators of DER asset groups, regarding DER participation in wholesale energy markets. The NJBPU requests this feedback to better understand Order No. 2222's impacts on local grids and to help shape broader engagement with New Jersey stakeholders on this matter in the future.

The following questions will help NJBPU identify barriers and concerns that stakeholders have on Order No. 2222 and will guide subsequent stakeholder engagement work NJBPU will conduct as part of the implementation of Order No. 2222 in New Jersey. The first section of questions is specifically intended to gain information from New Jersey EDCs. Questions that are more general and can be addressed by any and all New Jersey stakeholders are included in a separate section.

### **Questions for New Jersey Electric Distribution Companies**

1. How is your EDC preparing for the operation of DERAs within the distribution grid? Please explain any processes already under development and which departments (e.g., Operations, Finance, System Planning) are doing this preparation work.
2. Are there any concerns about DERAs' impacts on grid reliability that your EDC believes have not been adequately addressed by PJM or the NJBPU, to this date? Has your company quantified these impacts through risk assessments such as the System Average Interruption Duration Index ("SAIDI") or the System Average Interruption Frequency Index ("SAIFI")?
  - a. Are there any suggested solutions to these concerns that your EDC recommends? Have cost and benefit calculations been run on these proposed solutions?
  - b. Have probabilities of occurrence been considered and factored into the risk assessments?
3. Does your EDC have procedures in place to account for and support the addition of new DER technologies into DERAs that may develop between Order No. 2222's implementation and the earliest market participation by DERAs?
  - a. Are there any technological, cyber security, or software updates that are needed prior to implementation?
  - b. Are there any retroactive impacts requiring modification to existing interconnection agreements?
4. Are there any costs for facilitating the DER aggregation process that your EDC expects it needs to pay as part of Order No. 2222 implementation work such as software updates and administrative support? Would these costs be for operational process technologies or additional business functions? Do you have an estimated level of costs available at this time? If not, what is your company's schedule for developing these cost estimates?
  - a. What is your envisioned mechanism for cost recovery?
5. Have you evaluated how combining current and planned generation projects will fit into existing projects and plans, and where limitations may exist?
6. How will your EDC ensure that provisions in PJM's rules pertaining to the double compensation risk for net energy metered DERs are enforced for resources within your company's service territory that will also participate in the wholesale energy markets?
7. Are there any misalignments in telemetry, metering, and settlement requirements required for DERAs at PJM and that of resources within your service territory? If so, please explain whether this creates technological limitations for existing resources' ability to participate.

Please detail, if applicable, how your telemetry, metering and settlement requirements differ from PJM's.

- a. Does your EDC have comments on the advanced metering infrastructure (AMI) data interval requirements as it relates to the requirements for authorized communication networks in the wholesale market?
  - b. Specifically, how would any modifications be implemented to interval metering devices to bring them into compliance for DERA operation?
8. Please specify any unique needs or concerns your EDC has in regard to PJM's demand response opt-out provisions. Are there existing limitations that may restrict demand response from joining a DERA within your service territory?
  9. Are there any aspects of the cybersecurity standards that govern DERAs that your EDC has questions or concerns about? How does your EDC intend to enforce cybersecurity for DERAs that fall within your service territory?
    - a. Please clarify any details on who in your organization will be responsible for coordinating DERA cybersecurity issues and what procedures you will enact to enforce cybersecurity processes among DER components?
  10. With New Jersey adopting the Institute of Electrical and Electronics Engineers (IEEE) Standard 1547, specifically 1547-2018, to govern the interconnection and interoperability between inverter based DERs and utility electric power systems, do you anticipate any difficulty in managing aggregations and the individual DER Components that are interconnected? Are there processes or limitations existing today on a DERA's ability to use 1547's capabilities or for allowing individual DERs or microgrids that are disconnected in emergencies to still fulfill their obligations to other resources in the aggregation?
  11. Does your EDC have any plans to prepare for Order No. 2222's implementation by means of launching pilot DERA program(s)? If so, please provide details on the pilot program, such as timelines and potential planned phases, and how the pilot will support subsequent DERAs. Please provide justification for why a pilot program is needed prior to full deployment and explain what the anticipated benefits of such a pilot program are.
  12. Does your EDC have procedures in place in the event that a DERA or a Component DER's Registration review period goes past 60 days and is granted additional time for the review?

### **Questions for All New Jersey Stakeholders**

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.
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?

15. Do you have any comments or questions about dispute resolution processes between DERAs and utilities?
16. How should DER Aggregator performance be monitored/tracked/reported to the public?
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?
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?
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?
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

## **COMMENTS**

All public comments should be filed under Docket No. EO24020116.

**The deadline for comments on this matter is 5:00 p.m. Eastern Time on April 22, 2024.**

Comments may be submitted directly to the specific docket listed above using the "Post Comments" button on the Board's Public Document Search. Comments are considered public documents for purposes of the State's Open Public Records Act. Only public documents should be submitted using the "Post Comments" button on the Board's [Public Document Search tool](#).

Any confidential information should be submitted in accordance with the procedures set forth in N.J.A.C. 14:1-12.3. In addition to hard copy submissions, confidential information may also be filed electronically via the Board's e-filing system or by email to the Secretary of the Board. Please include "Confidential Information" in the subject line of any email. Instructions for confidential e-filing are found on the Board's webpage <https://www.nj.gov/bpu/agenda/efiling/>.

Emailed and/or written comments may also be submitted to:

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

Phone: 609-292-1599

Email: [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

Please direct all questions on this matter to Richard Graham Barrett at [Richard.Barrett@bpu.nj.gov](mailto:Richard.Barrett@bpu.nj.gov) with the subject "In the matter of. Docket No. EO24020116."

Staff looks forward to receiving and reviewing your responses.

*Sherri L. Golden*

Sherri L. Golden  
Secretary of the Board

Dated: March 7, 2024