



memo

To: NEPOOL Markets, Reliability, and Transmission Committees

From: Henry Yoshimura, Director, Demand Resource Strategy

Date: December 1, 2021

Subject: Order No. 2222: Participation of Distributed Energy Resource Aggregations in Wholesale Markets

The ISO is requesting votes on its proposed Tariff revisions to comply with the Commission’s Order No. 2222 regarding the participation of distributed energy resource aggregations in wholesale markets. By way of background, Order No. 2222 requires revisions to the Tariff to allow distributed energy resources to provide all wholesale services that they are technically capable of providing through an aggregation of resources as described in eleven key compliance directives. The Commission allows Independent System Operators and Regional Transmission Organizations to comply with Order No. 2222 by revising their tariffs to be consistent with the specific requirements of the Order, or by demonstrating how current tariff provisions satisfy the intent and objectives of the Order.

The ISO has put together a package of Tariff changes that will allow Distributed Energy Resources (DERs) to provide all wholesale services that they are technically capable of providing through an aggregation of DERs (known as Distributed Energy Resource Aggregations or “DERAs”) that collectively address the eleven key compliance directives. The ISO has presented to and collaborated with stakeholders on this compliance project since December, 2020 through the various NEPOOL technical committees.

With regards to the compliance requirements of Order No. 2222, the Markets Committee has focused on the market design (for the energy and ancillary services markets, and the Forward Capacity Market), metering and telemetry requirements, the DER/DERA registration process, and operational coordination. The Reliability Committee has focused on matters related to auditing and Installed Capacity Requirements. The Transmission Committee has focused on matters related to the interconnection procedures. All committees have reviewed the changes to defined terms that are used in their respective Tariff areas.

The ISO is proposing two effective dates for these proposed compliance revisions. The proposed effective date for the Forward Capacity Market changes will be during the fourth quarter of 2022 so that the ISO could implement needed changes on time for the FCA 18 qualification process, which commences in the spring of 2023. Assuming that the Commission accepts the ISO’s proposal by the fourth quarter of 2022, Distributed Energy Capacity Resources will be able to participate in FCA 18, which will be conducted in February, 2024 for the Capacity Commitment Period beginning June 1, 2027. The proposed effective date for the changes to the energy and ancillary services markets will be during the fourth quarter of 2026,

such that resources can be commercial and integrated ahead of the Capacity Commitment Period beginning June 1, 2027.

The ISO's proposal incorporates a number of stakeholder-suggested revisions and is the product of extensive discussion with stakeholders. The proposal for the committees' consideration at its December meetings have been presented on the meeting dates outlined below:

Markets Committee

- December 8, 2020, [agenda item #8](#)
- January 12, 2021, [agenda item #3](#)
- February 9-10, 2021, [agenda item #7](#)
- March 9, 2021, [agenda item #4](#)
- April 6, 2021, [agenda item #6](#)
- May 11, 2021, [agenda item #4](#)
- June 8-9, 2021, [agenda item #4](#)
- July 7-8, 2021, [agenda item #5](#)
- August 10-12, 2021, [agenda item #2](#)
- September 13-14, 2021, [agenda item #4](#)
- October 13-14, 2021, [agenda item #10](#)
- November 9-10, 2021, [agenda item #8](#)

Transmission Committee

- February 23, 2021, [agenda item #3](#)
- March 23, 2021, [agenda item #3](#)
- May 27, 2021, [agenda item #3](#)
- June 10, 2021, [agenda item #3](#)
- July 14, 2021, [agenda item #4](#)
- September 28, 2021, [agenda item #5](#)
- October 26, 2021, [agenda item #4](#)
- November 19, 2021, [agenda item #4](#)

Reliability Committee

- July 13, 2021, [agenda item #7](#)
- August 17, 2021, [agenda item #8](#)
- September 21, 2021, [agenda item #8](#)
- October 19, 2021, [agenda item #7](#)