

FERC Order No. 2222

NPPD Board of Directors Meeting
June 9, 2021

Robert Pick
Sr. Mgr., Energy Market Strategies



Nebraska Public Power District

Always there when you need us



What FERC Does & Broader Scope

- The Federal Energy Regulatory Commission, or FERC, is an independent agency that regulates the interstate transmission of electricity, natural gas, and oil.
 - Regulates the transmission and wholesale sales of electricity in interstate commerce
 - Protects the reliability of the high voltage interstate transmission system through mandatory reliability standards
- FERC Order No. 841, eliminated barriers for the electric storage resources to interconnect on the distribution system to participate in wholesale power markets.
 - Southwest Power Pool (SPP) was granted a FERC deferral with an effective date of August 5, 2021, to implement this order
 - Order No. 841 laid the groundwork for Order No. 2222 to allow distributed energy resources to participate in wholesale power markets

What is FERC Order No. 2222?

- Establishes rules to allow entities to combine or aggregate distributed energy resources (DERs) to participate alongside traditional resources directly to wholesale markets
- In Order No. 2222, FERC defines DERs as “*any resource located on the distribution system, any subsystem thereof or behind the customer meter.*” DERs may include:
 - Electric storage resources
 - Intermittent generation
 - Distributed generation
 - Resources that are in front of and behind the customer meter
 - Demand response
 - Thermal storage
 - Electric vehicles and their supply equipment
- Utilities that distributed 4 million MWh or less in the previous fiscal year may not participate in distributed energy resource aggregations unless the relevant electric retail regulatory authority affirmatively allows such customers to participate in distributed energy resource aggregations
- Requires Regional Transmission Organizations (RTOs) to accept bids from aggregators of retail customers served by utilities that distributed more than 4 million MWh

Overview of Process



Opting In FERC Requirements

- The rule establishes a small utility (under 4 million MWh) to opt-in.
- Relevant electric retail regulatory authority (RERRA) affirmatively allows such customers to participate in distributed energy resource aggregations.
- RERRA is defined “*any entity that establishes the retail electric prices and any retail competition policies for customers.*” This term includes state-level public utility commissions and locally owned electric utilities or electric cooperatives.
- NPPD’s Board is considered RERRA.
- NPPD’s Wholesale customers have the ability to opt-in under RERRA.
- Opting in opens the door to other Market Participant aggregators to enter in NPPD’s service territories and engage with customers.



Opting In FERC Requirements (Cont'd)

- SPP has approximately 500 entities that participate in the market and only 20 SPP entities (Omaha Public Power District) are affected by the retail 4 million megawatt-hours. NPPD has less than 4 million megawatt-hours and can Opt-out
- NPPD's Retail sales for:
 - 2019 3,206,219 MWh
 - 2020 3,272,069 MWh
 - 2021 projected 3,376,805 MWh (Compute North load growth)
 - 2022 projected 3,634,024 MWh (Compute North load growth)
 - 2023 projected 3,642,164 MWh
 - 2024 projected 3,651,655 MWh
 - 2025 projected 3,658,534 MWh



FERC 2222

TEAM Members












Tim Arlt – VP Corp Strategy & Innovation
Harold Hadland – Senior Staff Attorney
Jim Hotovy – Transmission Services Consultant
Scott Jackson – Pricing & Rates Supervisor
Marie Kapels – Director of Business Innovation
Jarod Nekl – Sustainable Energy Engineer
Chad Podolak – Wholesale Service and Advocacy Manager
Lou Rosatone – Client Services Manager at The Energy Authority (TEA)
Ron Gunderson – System Control Manager
 SPP – FERC 2222 Task Force
Yohan Sutjandra – Research Scientist (TEA)
 SPP – Market Working Group
Robert Pick – Senior Manager Market Strategies
 SPP – Regional Tariff Working Group

TEAM Meets Weekly

- Developed a Charter
- Developing a White Paper
- Following the SPP 2222 Task Force and monitoring the continued changes
- Developing products/services to provide aggregation opportunities and value to customers
- Competitive Advantage Team
 - SOAR Process
 - ✓ Strengths
 - ✓ Opportunities
 - ✓ Aspirations
 - ✓ Results

SPP FERC 2022 Task Force Workload

2022 Dashboard

Policy Issue	Status	# of Req	Percent Complete
1. Allow DER Aggregations to participate directly in RTO/ISO market and establish DER Aggregators as a type of market participant		5	75%
2. Allow DER Aggregators to register DER aggregations under one or more participation models that accommodate the physical and operational characteristics of the DER aggregations		6	67%
3. Establish a minimum size requirement for DER aggregations that does not exceed 100 kW		2	100%
4. Address locational requirements for DER aggregations		1	100%
5. Address distribution factors and bidding parameters for DER aggregations		2	50%
6. Address information and data requirements for DER aggregations		5	8%
7. Address metering and telemetry requirements for DER aggregations		4	10%
8. Address coordination between the RTO or ISO, the DER Aggregator, the distribution utility, and the relevant electric retail regulatory authorities		10	4%
9. Address modifications to the list of resources in a DER aggregation		3	0%
10. Address market participation agreements for DER aggregators		4	70%
Total		42	37%

≡ When will this rule take effect?

- April 9, 2021, FERC granted SPP a compliance filing extension to April 28, 2022
- SPP estimates 2024 operational implementation

Next Steps and Order No. 2222

Communications

- On May 22, NPPD distributed the SPP informational letter to NPPD's customers
- NPPD will hold a customer informational webinar on June 16 at 1 p.m.
- On June 22 at 2 p.m., SPP will provide a webinar to all customers in SPP footprint. SPP plans to have monthly webinars ending in late October 2021

Questions?

Stay connected with us.



Nebraska Public Power District

Always there when you need us