

May 29, 2024

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

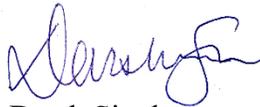
**Re: Distributed Energy Resources Participation in Wholesale Markets;
Docket No. L-2023-3044115**

Dear Secretary Chiavetta:

Pursuant to the Advance Notice of Proposed Rulemaking Order issued by the Pennsylvania Public Utility Commission on February 22, 2024, enclosed for filing please find the Comments of FirstEnergy Pennsylvania Electric Company ("FE PA").

Please contact me if you have any questions regarding this matter.

Very truly yours,



Darsh Singh

*Counsel for FirstEnergy Pennsylvania Electric
Company*

Enclosures

c: As Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Distributed Energy Resources : **Docket No.: L-2023-3044115**
Participation in Wholesale Markets :

**COMMENTS OF FIRSTENERGY PENNSYLVANIA ELECTRIC COMPANY TO THE
ADVANCE NOTICE OF PROPOSED RULEMAKING ORDER**

I. INTRODUCTION

FirstEnergy Pennsylvania Electric Company (“FE PA” or the “Company”) respectfully submits these comments in response to the February 22, 2024 Advance Notice of Proposed Rulemaking Order (“ANOPR”) regarding Distributed Energy Resources Participation in Wholesale Markets. The ANOPR was issued pursuant to a Joint Motion adopted at the Pennsylvania Public Utility Commission’s (“PaPUC” or the “Commission”) November 9, 2023 Public Meeting and seeks comments for the purpose of investigating the PaPUC’s role in the implementation of Federal Energy Regulatory Commission (“FERC”) Order No. 2222.¹

For ease of reference and purposes of completeness, the Company has reproduced each question asked in the ANOPR and then provided its response directly below each question.

II. REPONSES TO ANOPR TOPICS AND QUESTIONS

A. Changes to Distribution DER Interconnection Rules

1. *Whether the PUC’s existing interconnection regulations for customer-generators, 52 Pa. Code §§ 75.31-40, can be adapted to address interconnection of a Component DER participating in a DER Aggregation Resources with EDC distribution facilities, consistent with Order 2222 and PJM’s DAPM.*

¹ *Participation of Distributed Energy Res. Aggregations in Mkts. Operated by Reg’l Transmission Orgs. & Indep. Sys. Operators*, Order No. 2222, 172 FERC ¶ 61,247 (2020), *order on reh’g*, Order No. 2222-A, 174 FERC ¶ 61,197, *order on reh’g*, Order No. 2222-B, 175 FERC ¶ 61,227 (2021) (hereafter “FO 2222”).

- *If so, what are the specific changes to the PUC's interconnection regulations that would facilitate this adaptation?*

Response:

As a general matter, FE PA agrees with the Comments submitted by the Energy Association of Pennsylvania (“EAP”) regarding whether the Commission’s existing interconnection regulations for customer-generators can be adapted to address interconnection of a component distributed energy resource (“Component DER” or “DER”) participating in a DER aggregation (“DERA”) with electric distribution company (“EDC”) facilities. However, all DER types (including energy efficiency and demand response) that are currently interconnected or have requested to be interconnected with EDC facilities would first need to be studied for the PJM Interconnection, LLC (“PJM”) market they plan to participate in and have an executed participation agreement granting them interconnection rights, that are based on how they plan to operate, before being considered a potential DER resource for aggregation.

2. *How will Component DERs previously not subjected to interconnection (energy efficiency and demand response resources) be integrated into an aggregation?*

Response:

Interconnection requirements for these Component DER types would need to be based on the specific market or program for which they plan to participate in (i.e., Pennsylvania or FERC) to ensure the applicable interconnection requirements are in place and to avoid double counting. Interconnection requirements may include current connection standards, dispatch, over-ride signals, revenue metering and data submittal, telecommunication, energy settlements, and communication processes. Furthermore, all DER types and their system impacts must be considered as part of a DERA evaluation. Both load reductions and energy injections from Component DERs will be coordinated via PJM dispatch and would need to be considered as part of the EDC approval of the DERA operation.

3. *In consideration of future technology advancement through distributed energy resource management systems (“DERMS”) and other technologies that may allow for utility direct control and overrides, should approval of interconnection requests extend to consideration of an option for firm and non-firm approval categories to reduce the need for system upgrades?*

Response:

FE PA agrees that approval of interconnection requests should consider both firm and non-firm approval categories to reduce the need for system upgrades. Many load/generation limiting technologies are currently being considered that may be able to integrate with EDCs’ DERMS or advanced distribution management systems (“ADMS”), which would allow for non-firm or dynamic interconnection in the future. However, DERs that participate in a wholesale market where system upgrade costs are attributed to the Component DERs initial interconnection requirements or a change in how the Component DERs plans to operate must be assigned to the Component DERs that caused the need for system upgrade/changes.

4. *Under what conditions will direct control vs. monitoring be required?*

Response:

In most cases, monitoring of DERs may be sufficient to provide the needed situational awareness of the impacts of DERs to the grid. However, if there is significant penetration of a DER on the grid and grid stability and/or reliability are at risk, then direct control may be needed to assure that stability/reliability is maintained. Since a DERM is being considered for situational awareness and real-time system contingency analysis, the dispatch device type and size needs to be part of any interconnection standard and interconnection agreement where device control and operating range requirements are necessary to ensure a safe and reliable electric system. Also, direct control may be required pending the size of the DERA and distribution system conditions. The more variable the DER resource mix is on the distribution system, the more critical it is for the EDC to maintain direct control as opposed to monitoring.

5. *How should the DER aggregation review process differ for different use cases, market services, DER compositions or grid conditions?*

Response:

Each component DER is initially studied for its impact to the electric grid based on the DER's market and operational characteristics for various grid conditions and to determine any system reliability impacts. Then, the particular customer site use-case configuration is evaluated for sub-metering and market settlement, as well as various other attributes mentioned in the Company's response above. To assist in this process, the Component DER must inform the EDC of its intended operation in the PJM markets or other site uses to determine the review needed. Additionally, any proposed DERAs will need to be studied to determine the aggregate/coordinated impacts of the aggregation to allow the EDCs to determine any system reliability impact.

6. *How should load assumptions be adjusted to accommodate the use of load-modifying resources?*

Response:

Load-modifying DER resources need to be modelled (separating actual load from exported energy) and studied not only at peak system load, but more importantly at low load conditions where a PJM dispatch signal could have significant distribution grid impact due to load reduction or DER injection to the grid. This is further complicated when real-time system contingencies require transferring a circuit feeder to a new source to restore the retail customer's electric service.

7. *What data will DERAs need to provide to EDCs and to what extent can this leverage existing PJM registration data requirements?*
- *How should these data be documented?*

Response:

The intent is for the potential DERAs to submit all required data into the PJM portal or "DER hub", which is currently being built, so that the EDC can verify and request any additional

information. EDCs will create the necessary interfaces to that portal to manage the DER review and approval process of the requested aggregation. PJM has committed to holding workshops with relevant stakeholders that will set forth the requirements. Any action by the PaPUC should be consistent with the outcomes of those workshops and subsequent requirements.

8. *Where should automation verses manual coordination and communication between EDCs, the DERA and PJM be required?*
 - *How should the PUC ensure that the EDC DER registration approval process is efficient to consistently meet PJM's 60-day timeline and avoid potential "over-registration"?*

Response:

It is imperative that the EDC DER registration approval process be heavily automated to ensure an efficient review within the 60-day timeline. Those items mentioned in the sections above are critical to the success of FO 2222 implementation. Insufficient data or lack of information will delay this process resulting in EDCs denying aggregation requests. Communication and/or collaboration among the DERA, PJM, and the EDC should be required. Moreover, the relevant electric retail regulatory authority ("RERRA") or state regulatory commission should be provided access to PJM's DER hub and registration process in order to review the status of any DERAs and the communications among the parties involved.

9. *How should the PUC clarify and harmonize the relationships between DER interconnection under PUC regulations with DER interconnection under to PJM's small generator interconnection rules, if needed?*

Response:

An EDC's interconnection standards and operational requirements need to be aligned with items mentioned in the sections above and required to be in place. Additional participation agreements will be necessary (i.e., state and FERC jurisdictional) to address, for example, how market and customer data is shared and submitted, who is registered and approved as a DERA,

how operational dispatch signals are given and acted upon, and how market settlements are to be performed.

B. Changes to Metering Requirements

1. *Whether the PUC's existing metering regulations for customer-generators, 52 Pa. Code § 75.14 (relating to meters and metering), can be adapted to facilitate provision of metering and telemetry data by DERAs to public utilities, consistent with Order 2222 and PJM's DAPM.*
 - *If so, whether and what specific changes to the PUC's interconnection regulations that facilitate this adaptation?*

Response: At this stage, it is far too premature to suggest specific statutory language regarding metering regulations for customer-generators. Until PJM's compliance filings have been accepted by FERC, it is unknown how existing Pennsylvania's telemetry, metering, and settlement regulations may differ from what will be required by PJM and FERC. Once FERC approves the compliance filing, the compliance filing can be used as the starting point for the Company to assess any potential misalignments and necessary changes.

Currently, customer-generators (interconnected DERs) have a point-of-interconnection revenue meter that measures the bi-directional grid power flows. This works well for a single DER for both market settlement and retail billing.

2. *How should interconnection regulations evolve to ensure alignment between EDC and PJM telemetry and metering to facilitate consistency and avoid extensive telemetry differences between DERA requirements and DERs?*

Response:

When PJM's compliance filing is fully accepted by FERC, PJM, EDCs and DERAs will have the opportunity to consider what use cases will be allowed to be configured behind a point-of-interconnection and will conduct workshops to develop the necessary roles and responsibilities regarding metering and telemetry requirements, as previously stated in the section above. EDC interconnection requirements need to evolve to address the needs of customers installing multiple

DER types on site and those desiring to be part of a DERA with PJM or the EDC. The DERA is, however, responsible for telemetry required for its interaction with the PJM market.

3. *Should the PUC facilitate device-level metering and if so, how?*

Response:

Device-level metering is not necessary at this time. Until PJM’s compliance filing has been fully accepted by FERC, it is unknown how existing telemetry, metering, and settlement may differ from what will be required. Using the approved compliance filing as the starting point, the Company will assess any potential misalignments and necessary changes. However, PJM’s compliance filing neither includes nor requires device level metering. Rather, it only requires a single premise or point of interconnection (“POI”) meter that is interval and bi-directional. Neither PJM nor the EDCs are ready to implement any device level submetering. Any future discussion of device level metering should be conducted via workshops and include all parties involved.

C. Cost Allocation Issues for Facilities Allowing the Interconnection of DERs

1. *Whether the PUC’s existing interconnection cost allocation regulations for customer-generators, 52 Pa. Code § 75.36(8), 75.38(e), and 75.39(e)(4) (relating to additional general requirements, level 2 interconnection review, level 3 interconnection review), can be adapted to address interconnection cost allocation among Component DERs, DERAs, and EDCs, consistent with Order 2222 and PJM’s DAPM.*

- *If so, what are the specific changes to the PUC’s interconnection regulations that would facilitate this adaption?*

Response:

Fundamental cost allocation principles such as “beneficiary pays” and “cost causation” should be applied when considering cost allocation issues related to the interconnection of DERs. These principles dictate that the cost should flow to those that “caused” the cost and will ultimately benefit. Meaning, if a customer’s Component DER requires an upgrade to the existing grid to enable participation in the PJM wholesale market, the costs of that upgrade shall be assigned to

the aggregator or directly to the Component DER owner. More specifically, any customer's Component DER that participates in a PJM wholesale market that requires an upgrade to the existing grid for interconnection or market participation shall be assigned those costs via the aggregator or directly to the component DER owner. Furthermore, new costs for interconnection studies, metering/telemetry requirements, etc., should be borne by the Component DER.

2. *How will DERA market participation impact retail rates?*

Response:

Assuming that the principle of cost causation is adhered to, the only costs that will be socialized and, thus, impact retail rates are those that are found to benefit all customers. Where direct costs caused by the Component DER that participate in PJM's wholesale market can be assigned, they should be assigned to Component DER owner or aggregator. On the other hand, those costs incurred by the EDC to implement all aspects of the administration of FO 2222's requirements in order to manage the grid for the benefit of all customers which cannot be directly attributed to one customer must be approved for full and timely cost recovery and included in the respective jurisdictional rates to ensure the safety and reliability of the grid.

3. *What cost recovery guidance, if any, is needed by EDCs for investments that may support both transmission and distribution?*

Response:

See the Company's response to subsections (1) and (2), above.

4. *How should EDCs distinguish cost allocation between grid modernization, general DER costs, and DERA-specific costs?*

Response:

See the Company's response to subsections (1) and (2), above.

5. *What cost recovery mechanisms should be used (upfront charges, usage charges, rates)?*

Response:

See the Company's response to subsections (1) and (2), above.

6. *What is the interplay between the direct procurements aspects of EDCs' default service plans and an EDC's costs to administer DERA participation in wholesale markets, if any?*

Response:

See the Company's response to subsections (1) and (2), above. By way of further response, wholesale grid services are paid to PJM market participants with charges either from the Capacity Market directly or charged to the load serving entity ("LSE") of record for the customers. If the LSE of record for the customer is the EDC because the customer is on provider of last resort ("POLR") rates, those market charges would need to get allocated back to the LSE or record or from the EDC to the POLR providers (like how PJM demand response ("DR") charges get allocated currently). New DERA charges would also need to be allocated back to the POLR providers or the LSE of record.

D. Adjudication Of Disputes Regarding the Registration of DERs

1. *Whether the PUC's existing application process for net metering customer-generators, 52 Pa. Code § 75.17, or its existing dispute resolution regulations, 52 Pa. Code Chapters 1 (relating to rules of administrative practice and procedure), 3 (relating to special provisions), and 5 (relating to formal proceedings), or both, can or should be adapted to facilitate adjudication of disputes about DERA registration of its Component DERs with PJM, consistent with Order 2222 and PJM's DAPM.*
 - *If so, what specific changes to the PUC's regulations would facilitate this adaption?*

Response:

The various agreements that are necessary to facilitate participation in the PJM markets under FO 2222 must contain the appropriate dispute resolution regulation and requirements. Once FERC approves PJM's compliance filing and further detail is available from the use-case

workshops regarding PJM’s process and procedures, it will be necessary to incorporate any necessary changes into the relevant agreements.

Furthermore, as the PJM RERRA, the PaPUC must accept jurisdiction over DERAs just like it does for electric generation suppliers (“EGSs”) and DR curtailment service providers (“CSPs”) today. The Commission must also determine the rules for Component DERs to participate in EDCs’ and PJM’s programs to avoid double counting as outlined in the FO 2222.

E. Management Of Distribution Utility Overrides of DERs To Maintain Reliability, And Disputes Arising Therefrom

1. *Whether and how the PUC’s regulations can or should be augmented to address EDC overrides of DER Aggregation Resource or Component DER operation, consistent with Order 2222 and PJM’s DAPM.*

o *If so, what specific changes to the PUC’s regulations would address overrides?*

Response:

EDCs have the responsibility to provide safe and reliable operation of the distribution system for all customers. EDC overrides are necessary during certain conditions to prevent unsafe or undesirable operating conditions. Application of rules regarding the use of overrides shall be the responsibility of EDC and procedures and processes need to be developed to support the application of PJM’s DERA dispatch. The EDCs have proposed that any EDC override communications to the DERA also be required to be communicated to PJM.

2. *How should the distribution override process align with market bidding windows?*

Response:

EDCs will need to make available day ahead and real-time system configurations to signal whether a DERA can bid into the market and avoid a potential override due to system constraints identified by the EDC. Real-time system constraints will signal an override by the EDC to correct system operational conditions. In general, coordination of EDC overrides must support PJM

market operations. Prior to dispatch, EDCs could provide some level of “system” conditions to PJM and DERAs. For example, if a circuit has been reconfigured from its primary configuration where the DER operation was studied and approved, this information could be communicated to avoid any PJM or DERA dispatch activities during the period of the alternative configuration.

3. *What EDC “real-time” update and override requirements should be addressed in DERA agreements to ensure the reliability and safety of the grid?*

Response:

See the Company’s response to E(2), above.

F. Protection Of DER Owners from Unfair Trade Practices or Excessive Risk in the Wholesale Markets

1. *Whether the Unfair Trade Practices and Consumer Protection Law (“UTPCPL”) applies to the DERA-Component DER relationship and whether and how the PUC’s EGS regulations can or should be adapted to address consumer protection in the DERA-Component DER relationship, consistent with Order 2222 and PJM’s DAPM.*
 - *If so, what specific changes to the PUC’s regulations would address these matters?*

Response:

Until PJM’s compliance filing has been fully accepted by FERC, it is unknown what else will be required. Using the approved compliance filing as the starting point, the Company will assess any potential misalignments and recommend necessary changes.

G. Prevention Of Double Compensation or Double Counting Between Retail and Wholesale Market Participation, Including Rules Governing DER Owners’ Ability to Switch Between Retail and Wholesale Market Participation

1. *Whether the PUC’s existing regulations on compensation for net metering customer-generators, 52 Pa. Code § 75.13, could or should be adapted to incorporate appropriate restrictions on double counting or services provided by a Component DER in wholesale and retail markets, on duplicative compensation for the same service, consistent with Order 2222 and PJM’s DAPM, or on both.*
 - *If so, what specific changes to the PUC’s regulations would or should facilitate this adaption?*

Response:

The Commission's net metering rules and regulations will need to be updated not only for FO 2222 implementation, but also to recognize customers adding stand-alone battery storage systems or V2Home or V2Grid systems. Net metering is based on specific renewable generation types and will be impacted by storage devices capable of grid charging and discharging separate from the renewable generation. Any compensation received by a DER Component or aggregation for the same service should be prohibited, unless specifically allowed by the Commission's regulations.

2. *Does the PUC have authority to decide whether to permit net metering customers to participate in DERAs, noting FERC's statement that "under a [RERRA]'s jurisdiction over its retail programs, such a [RERRA] is able to condition a distributed energy resource's participation in a retail districted energy resources program on that resource not also participating in the RTO/ISO markets?"*
 - *Assuming the PUC does have requisite authority, should the PUC permit net metering customers to also participate in the DERAs at the same time?*
 - *Assuming the PUC does have requisite authority, should the PUC develop rules for when and how often a retail customer may switch between net metering and DERA participation?*

Response:

The Company's interpretation is that the PaPUC has the authority to decide whether to permit net metering customers to participate in DERAs and how such participation needs to be administered. If the Commission permits net metering customers to also participate in a DERA, specific rules will need to be developed that define what is and what is not acceptable before approval is determined by the EDCs. However, any permission from the Commission must consider double counting of payments to customers for the same energy injection. It will be impossible to consider dual participation under current net metering rules without additional metering and system configuration requirements. Additionally, any rules the PaPUC develops for

when and how often a retail customer may switch between net metering and DERA participation should align with the PJM market rules. For example, the capacity market registrations are applicable for the full PJM delivery year (“DY”) spanning June 1 to May 31; however, this is not the case for the energy and ancillary service markets.

H. Any Necessary Electronic Data Exchange Revisions

1. *Whether the PUC should encourage or impose EDI and/or other data exchange protocols between and among the EDCs, EGSs, DERAs, and Component DERs to facilitate implementation of Order 2222.*
 - *If so, what, if any, specific changes to the PUC’s policies and regulations would or should facilitate this adaption?*

Response:

Once PJM’s compliance filings have been fully accepted by FERC, data exchange protocols can be evaluated to determine what changes are needed. Regardless, data request protocols need to be established that eliminate the use of paper letters of authorization (“LOA”), requires the DERA to adhere to PaPUC data and cyber requirements that do not require the EDCs to enforce. Except for certain customers and meter data, much of the data exchange will occur via PJM’s DER hHub tool.

2. *What DERA cybersecurity items require further evaluation?*

Response:

DERs and DERAs must be held by the PaPUC to the same or equivalent security standards as the EDCs. As DERs/DERAs increase their participation in the distribution grid, so rises the potential adverse effects on the grid should a security incident occur – especially for larger DERAs. If DERs and DERAs are not held to the same cyber standards as EDC, they will present a risk or a “gap” in security that bad actors will attempt to infiltrate to gain access to the EDC and electric grid.

3. *What role will advanced metering infrastructure (“AMI”) data play in operational coordination?*

Response:

Although it is unclear what is meant by “operational coordination” in this context, FE PA plans to require metering with the appropriate interval requirements for retail billing and PJM settlement including what is required under FO 2222. However, at this juncture, an understanding of how this will fit into the DER construct is hard to predict. Until PJM’s compliance filing is approved, it is difficult to: (a) understand ultimately what those interval requirements will be; (b) gauge the level of complexity that may or may not exist with respect to what metered quantities will be eligible for consideration to be incorporated into a DERA’s portfolio; and (c) the degree to which the DERA and EDC may need to share or provide data to each other so that both may carry out their obligations to meet retail billing and wholesale market data reporting requirements. EDCs with AMI in place today may be able to leverage this current data to support PJM wholesale market activities. Data requests and data exchange rules and requirements would need to be developed by the Commission.

4. *How should the PUC ensure that processes are in place for efficient data exchange among and between Component DERs, DERAs, and EDCs for customer authorizations?*

Response:

Until PJM’s compliance filings have been fully accepted by FERC and data requirements finalized by PJM, it is unknown how FE PA’s existing telemetry, metering, settlement and usage data may differ from what will ultimately be required. Using the approved compliance filing as the starting point, the Company will assess any potential misalignments and necessary changes and seek to leverage existing data exchange protocols where practical.

I. Small Utility Opt-in Procedures

1. *What should the procedures be for small utilities to “opt-in” to Order 2222 and permit their retail customers to participate in DERAs, consistent with Order 2222 and PJM’s DAPM?*
 - *What specific changes would be required to the PUC’s policies and regulations that would facilitate the opt-in process?*

Response:

FE PA is a large EDC and must comply with FO 2222; however, small utilities must opt in under FERC rules. As such, the Company shall defer to the small utilities regarding the specifics of their opt-in process.

J. Potential PUC Oversight of DERAs

2. *Whether the PUC may assert jurisdiction to regulate DERAs, and, if so, what requirements should the PUC impose on DERAs, consistent with Order 2222 and PJM’s DAPM.*
 - *What specific changes to the PUC’s policies and regulations would facilitate the PUC’s exercise of authority over DERAs?*

Response:

FE PA agrees with the comments submitted by EAP regarding the Commission’s oversight of DERAs.

K. Cybersecurity Considerations

1. *Whether the PUC should impose cybersecurity standards or requirements on Component DERs, DERAs, or EDCs, consistent with Order 2222 and PJM’s DAPM.*
 - *What specific changes to the PUC’s policies and regulations would facilitate appropriate levels of cybersecurity in the implementation of Order 2222?*

Response:

Given the potential impact of DERs/DERAs on the functioning of the electrical grid, the Commission should consider applying a minimum set of cyber security requirements that are equal to or the equivalent of the EDCs’ cybersecurity requirements for DERAs and DERs participating in aggregations pursuant to FO 2222. While all requirements for EDCs may not be applicable to

DERs/DERAs, the PaPUC must issue a minimum cyber security standard for any system that is related to the delivery of generated power to the distribution grid given the interconnected nature of DERs and DERAs. This would most likely be applicable to the DERAs and their interconnections with the DERs. It cannot be the EDCs' responsibility to oversee or support the cybersecurity operations of the DERs or DERAs. PJM has indicated in its compliance filing that it would have to implement cyber security standards; however, details of those requirements are still unknown and, as such, it is too early to opine on changes to the PaPUC's existing policies and regulations.

L. Distribution Level Benefits

1. *Whether and how the PUC should account for the distribution level benefits of DERAs.*

Response:

To respond to this question in full, the Company will need clarification regarding the scenario being inquired about. It is unclear whether this question is asking about a scenario in which EDCs dispatch DER resources or where DERAs provide distribution level services in addition to PJM services.

M. EDCs Acting as DERAs

1. *Whether and how the PUC should mitigate conflicts of interest that may arise from an EDCs participating in wholesale markets as a DERA, consistent with Order 2222 and PJM's DAPM, and whether and what specific changes to the PUC's policies and regulations could facilitate such mitigation.*

Response:

Until PJM's compliance filings have been fully accepted by FERC, it is unknown what will be required. Using the approved compliance filing as the starting point, the Company will assess any potential misalignments and necessary changes. Also, a process will be needed to certify who can become a DERA, and clear rules and responsibilities will be part of any certification. The

Company further points out that FO 2222 correctly recognizes that EDCs can be DERAs as evidenced by their energy efficiency and demand response offerings into the PJM markets. Some jurisdictions are contemplating EDC driven battery storage programs, which will have the ability to become part of a DERA.

N. Billing Issues

2. *Whether and how the PUC could make the billing relationships between EDC customers, DERAs and EDCs transparent to the customer, consistent with Order 2222 and PJM's DAPM, and whether and what specific changes to the PUC's policies and regulations could facilitate such transparency.*

Response:

Customers will have the ability to inject energy into the grid under FO 2222. The Company believes the treatment of exported energy reported and settled in the PJM wholesale market must be addressed. From a retail billing standpoint EDCs will need to understand what data they are required to show on a customer's bill, related charges, impacts to EGS bills, etc.

O. Equity Concerns

3. *How to identify and address potential equity concerns associated with the expected proliferation of DERAs in Pennsylvania in the coming years?*

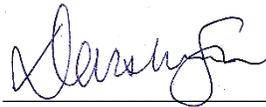
Response:

FE PA generally agrees with the Comments submitted by EAP regarding the potential equity concerns associated with the expected proliferation of DERAs in Pennsylvania in the coming years. Furthermore, the Company urges the creation of clear rules for costs to be assigned to the cost-causer and recommends that any additional costs be included in retail rates. Further, the Company suggests that the creation of workshops could present an opportunity for open stakeholder discussion on this topic.

III. CONCLUSION

FE PA appreciates the opportunity to comment on this complex and still-evolving topic. Although there are several moving (and yet to be defined) parts to FO 2222 implementation – both at the federal and state level – the Company applauds the Commission for attempting to get ahead of the issue and solicit comments from the EDCs. FE PA understands the important role it plays as an EDC that will interconnect with DERs and DERAs and further recognizes that implementation must be conducted strategically and in such a manner as to not compromise grid integrity. As always, providing safe and reliable service is a priority to FE PA, and the Company is looking forward to working with all stakeholders on tackling the multi-faceted issues previewed herein.

Dated: May 29, 2024



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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Distributed Energy Resources
Participation in Wholesale Markets**

Docket No. L-2023-3044115

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing document upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

Service by electronic mail only as follows:

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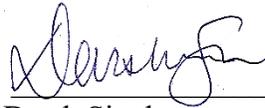
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