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June 9, 2026

VIA ELECTRONIC FILING

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

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

Dear Secretary Homsher:

Enclosed for filing please find the comments of the Energy Association of Pennsylvania to the Notice of Proposed Rulemaking Order entered on December 18, 2025, at the above-captioned docket. Please do not hesitate to contact me with any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Danielle Jouenne', is written over a faint, larger version of the same signature.

Danielle Jouenne
Vice President and General Counsel

Via email

CC: Tiffany L. Tran, Law Bureau, tiftran@pa.gov
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Enclosure

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**COMMENTS OF THE ENERGY ASSOCIATION OF PENNSYLVANIA TO THE
NOTICE OF PROPOSED RULEMAKING ORDER**

I. INTRODUCTION

The Energy Association of Pennsylvania (“EAP” or “Association”) is a trade association representing Pennsylvania’s regulated electric and natural gas distribution utilities. EAP submits these comments on behalf of its electric distribution company (“EDC”) members in response to the Pennsylvania Public Utility Commission (“PUC” or “Commission”) December 18, 2025 Notice of Proposed Rulemaking Order (“NOPR Order”) Re: Distributed Energy Resources Participation in Wholesale Markets, Docket No. L-2023-3044115.

The NOPR Order was preceded by an Advanced Notice of Proposed Rulemaking (“ANOPR”) opened by the November 9, 2023 Joint Motion of Commission Chairman Stephen M. DeFrank and Vice Chair Kimberly Barrow (“Joint Motion”) to investigate the PUC’s role in the implementation of FERC Order 2222¹ and determine the need for amendments or additions to align Commission regulations or policy statements with Order 2222. The Joint Motion noted that Pennsylvania’s regional transmission organization (“RTO”), PJM Interconnection, LLC (“PJM”),² was engaged in a since-concluded FERC compliance process concerning Order 2222,

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) (collectively “FERC Order 2222”).

² PJM is the RTO that coordinates the movement of wholesale electricity in all or parts of 13 states, including Pennsylvania. <https://www.pjm.com/about-pjm>

which required RTOs to allow for Distributed Energy Resources (“DERs”)³ to participate in the wholesale energy market through aggregations.⁴

EAP and its members engaged with the Commission’s Bureau of Technical Utility Services (“TUS”) in stakeholder sessions to inform the ANOPR Order and provided comments upon entry of the ANOPR. Amongst its many recommendations, EAP encouraged the Commission to: (1) Approach implementation of Order 2222 with flexibility; (2) Expand interconnection regulations to include customer-owned DERs seeking participation in the PJM wholesale markets via Distributed Energy Resource Aggregators (“DERAs”)⁵; (3) Modify the interconnection application fee structure to permit full recovery of costs; (4) Afford EDCs discretion on overriding the physical operation of Component DERs or DER Aggregation Resources; (5) Assert jurisdiction over DERAs through licensing to protect consumers; (6) Enact provisions to prevent double counting of services provided by Component DERs; (7) Avoid prescriptive requirements for electronic data exchange; and (8) Refrain from requiring EDCs to “police” DERAs and their contracts or agreements with Component DERs.

Following the stakeholder process and ANOPR, the Commission entered the NOPR Order proposing the creation of a Subchapter P at 52 Pa. Code, Chapter 57 entitled “Distributed Resources” to include provisions for DERs participating as DERAs on EDC distribution facilities, consistent with FERC Order 2222. Comments from interested parties are due within

³ A DER is a resource on the electric distribution system, any subsystem thereof, or behind a customer meter. DER examples include electric storage resources, intermittent generation, distributed generation, demand response, energy efficiency, thermal storage, and electric vehicles and their supply equipment. FERC Order 2222 ¶ 114.

⁴ FERC subsequently approved PJM to commence DERA participation in delivery year 2028-2029. *PJM Interconnection, L.L.C.*, 191 FERC ¶ 61,097 (2025). On July 22, 2025, FERC accepted PJM’s May 29, 2025 compliance filing and revisions to its Open Access Transmission Tariff, the Amended and Restated Operating Agreement, and the Reliability Assurance Agreement under FERC Docket No. ER22-962, thus concluding PJM’s compliance process.

⁵ A DERA is an entity that registers one or more DER aggregations for purposes of participation in the PJM capacity, energy and/or ancillary service markets. Order 2222 ¶¶ 6, 118.

the 60-day period following the April 11, 2026 publication in the *Pennsylvania Bulletin*, i.e. June 10, 2026.

II. BACKGROUND

Prior to Order 2222, DERs desiring to participate in wholesale markets faced barriers to entry due to minimum size requirements, certain market qualification and performance standards, and costs of participation – such as metering, telemetry, and communications equipment. Order 2222 strives to remove such barriers with the objective of enhancing wholesale market competition and ensuring that wholesale markets provide just and reasonable rates. Order 2222 envisions DER participation in the RTO via the services of a DERA, as aggregation helps individual DERs collectively meet the minimum size and operational requirements to participate in RTOs and enables them to share the commercial and transactional costs. FERC concluded in Order 2222 that the benefits of DER participation in wholesale markets may include “a better understanding of a DER’s impact on installed capacity requirements and day-ahead energy demand, DER’s ability to locate in load pockets in response to price signals, and DER’s ability to co-locate with load.”⁶

FERC recognized the continued regulatory rights and obligations of the “relevant electric retail regulatory authority” (“RERRA”), here the PUC, in the context of DER participation in the wholesale market. Nothing in Order 2222 preempts the right of the Commission to regulate the safety and reliability of distribution systems and enforce state interconnection and operating requirements. The PUC is not precluded from amending its interconnection processes to address potential distribution system impacts that the participation of DERs through DERAs may cause.⁷

⁶ *Id.* ¶4

⁷ *Id.* ¶ 294

Furthermore, FERC provided that pursuant to a RERRA’s jurisdiction over its retail programs, the state or local authority is “able to condition a [DER]’s participation in a retail distributed energy resource program on that resource not also participating in [PJM] markets.”⁸ With respect to smaller utilities, FERC determined in Order 2222 “that customers of utilities that distributed 4 million MWh or less in the previous fiscal year may not participate in DERAs unless the [RERRA] affirmatively allows such customers to participate in DERAs.”⁹

Additionally, to the extent that information related to participation of Component DERs comes from or flows through EDCs, Order 2222 requires PJM to coordinate with EDC and the Commission to establish protocols for sharing Component DER metering and telemetry data that minimize costs and other burdens and address concerns raised with respect to privacy and cybersecurity.”¹⁰ Order 2222 further recognizes that state and local interconnection processes for DERs will serve as a forum “to address and study potential distribution system impacts” and provide the EDC with crucial information to inform its review during the DERA registration process at the RTO, i.e., PJM.¹¹

On May 29, 2025, PJM submitted a compliance filing and revisions to its Open Access Transmission Tariff, the Amended and Restated Operating Agreement of PJM, and the Reliability Assurance Agreement Among Load-Serving Entities in the PJM Region with redated eTariff records, applicable to PJM’s Order No. 2222 Participation Model, to memorialize in eTariff the effective date of February 1, 2028, accepted by the Commission in the May 1, 2025 order. FERC approved the submittal in a letter order dated July 22, 2025 at Docket No. ER22-962, thus concluding PJM’s compliance process.

⁸ *Id.* ¶ 64.

⁹ *Id.*

¹⁰ *Id.* ¶ 270

¹¹ *Id.* ¶ 294

III. COMMENTS

EAP's comments below address the provisions outlined in the NOPR Order and proposed Subchapter P. EAP will address each proposed regulatory provision but first notes a few general comments on continuing efforts to prepare for Order 2222 implementation.

First, EAP appreciates the Commission's flexible approach in implementing Order 2222. EAP advocated in its comments to the ANOPR that the Commission adopt flexible, rather than overly prescriptive, solutions to facilitate DER participation in the PJM wholesale market via DERAs. However, EAP has identified where additional definition and clarity in proposed Subchapter P would benefit the Commission's goals of facilitating coordination amongst DERs, DERAs, and EDCs related to DER Aggregation Resource participation in the PJM market and will address each of those areas in turn.

EAP also notes the time constraints that both industry and regulators are working under to be prepared to accommodate DERAs by PJM's February 2028 implementation date. In its comments to the ANOPR, EAP noted that its members supported development of a work plan or participation in a technical conference to address issues in need of resolution prior to the Order 2222 implementation deadline. EAP members continue to be open to participation in such a process but recommend if the Commission engages in such an effort that the addressed issues be limited and discrete as time is of the essence.

A. §57.262 Definitions: Reducing Opportunities for Conflict with Defined Terms

There are opportunities for proposed Subchapter P to more closely align with PJM manuals, PJM tariff, and associated PJM documents implementing Order 2222 (collectively "PJM Governing Documents"). With respect to defined terms, such definitions should be vetted against PJM Governing Documents and cross referenced, rather than redefined, to avoid conflicting terms and processes and to accommodate updates to PJM defined terms and

processes. Any differences between Subchapter P and related policy statements and provisions and PJM Governing Documents should be explicitly identified, intentional, and clearly explained to avoid ambiguity. Where terms are already defined in Pennsylvania statute or regulations, use of such terms should reference existing definitions rather than redefining them. **Appendix A** to these comments highlights those terms in section 57.262 where cross references to existing definitions would advance this goal.

B. § 57.263 General Provisions: Prevention of Double Compensation or Double Counting Between Retail and Wholesale Market Participation.

Section 57.263 provides for a means for small EDCs to allow DER Aggregation Resource participation upon Commission approval and sets a requirement for participating EDCs to preclude customer-generators receiving service under the EDC's net metering tariff from participating as a Component DER within a DER Aggregation Resource in the PJM capacity and energy markets. EAP posits that this is one area of Subchapter P where additional detail would be instructive to eliminate the potential of "double counting" between retail and wholesale market participation.

In the ANOPR, EAP provided specific exceptions on how the Commission could limit such double counting, including prohibiting a DER from participating in retail net metering programs if that DER has entered into an agreement with a DERA, and vice versa, thereby preventing the DER from receiving double compensation. The Commission itself noted, in its comments on Order 2222, that Pennsylvania's net-metering program compensates customers for energy, capacity, and ancillary services which could result in double compensation regardless of what type of program a DER participates in at the wholesale level.

[T]he Alternative Energy Portfolio Standards Act, provides that customer-generators in Pennsylvania shall receive "full retail value" for energy produced as part of a net metering program . . . "full retail value" is the fully bundled retail rate, which includes generation, transmission, capacity, ancillary services and

distribution components as compensation for the electric the customer-generator sends to the distribution grid. This compensation is accounted for as a month-to-month kilowatt-hour credit against the customer's retail bill until the end of the year, when any unused excess generation is compensated for at the EDC's price-to-compare, which is the EDC's retail default service generation and transmission charge that includes generation, capacity, ancillary services, transmission, and other charges. As a result, participants in the Pennsylvania retail net metering program already receive revenues for all aspects of PJM's wholesale markets, and more, for the energy they send to the distribution grid. Accordingly, if they were permitted to participate in the wholesale markets as part of a DER Aggregation Resource, that resource would be again receiving payments for the same wholesale component the resource already received compensation from the retail net metering program, resulting in double compensation, which FERC and PJM appropriately prohibits.¹²

Despite the recognized concern with double counting, Order 2222 appears primarily concerned with preventing the same DER resource from participating with the same service in multiple markets rather than preventing a resource being compensated through a retail program for services it does not provide. Regardless, the Commission should exercise its authority and require customers with DER resources to choose between net metering participation, a program clearly falling within the Commission's authority to regulate, and Component DER participation.

EAP recommends that the Commission prohibit DER resources from concurrently participating in retail net metering programs and in an aggregation under Order 2222. EAP also recommends that the Commission regulations limit the frequency of a customer switching between a retail and wholesale market participant once every 12 months to avoid seasonal arbitrage. It is prudent for the Commission to limit "switching" between net metering and DER participation in the wholesale market to prevent potential "gaming" that can occur when a resource switches back and forth between wholesale and retail programs. For example, to take advantage of high wholesale prices during summer and/or winter while abusing annually-

¹² Comments and Limited Protest of the Pennsylvania Public Utility Commission, *PJM Interconnection, L.L.C.*, Docket No. ER22-962-000 (Filed March 31, 2022).

levelized net metering compensation in shoulder months. Limiting switching frequency will also assist EDCs in administering these resources and alleviate some administrative complexity.

C. 57.264(a) Review of Component DER Applications

Section 57.264(a) sets out some general requirements for an EDC to establish a process to receive and review requests from a DERA, DER operator, or PJM for approval of *Component DER* to participate in the PJM market. EAP requests that the Commission clarify what is meant by *requests for approval of a Component DER* in this context. It is open to interpretation whether the “process” that EDCs must establish is the review of a state-based agreement, which is a condition precedent for a DER to become Component DER, or whether it is the review of the aggregator application submitted by the DERA to PJM that contains all Component DER it wishes to include in its aggregation resource.

Once clarity is obtained on its scope, the process itself as laid out in the rules is not overly prescriptive. It only requires that the submission of requests be electronic and the EDC describe in detail any reason for denial. Section 57.264(b) allows the EDC to establish a fee – subject to Commission approval - for processing such requests. EAP appreciates the flexibility provided by the Commission to develop processes for handling these requests but also believe this is an area where reference to the PJM Governing Documents would be useful – in particular to avoid a perceived conflict between the timing of the request process in this section and the PJM process.

With respect to timing, some clarification is needed to Section 57.264(a) so that the Commission’s process timeline is not misconstrued as being out of alignment with PJM’s review phases. Section 57.264(a)(2) states that “[t]he EDC shall complete review of the request [from a DERA, DER operator or PJM] within 60 days of submission. This provision could be misinterpreted as requiring the EDC to make its final recommendation to PJM within 60 days of

the receipt of a DERA application, when the actual process is a bit more nuanced and consists of two steps to the 60-day process: a 15-day and 45-day review structure that relies on sequenced reviews and time-bound coordination between PJM and EDCs.

It is helpful to review the PJM DERA application steps:

Step 1: DERA creates and submits a location for the Component DER in the PJM Demand Response (“DR”) Hub.

Step 2: A 15-day Location Review is conducted. PJM and the EDC are notified. The EDC verifies certain data and provides the Power System Simulator for Engineering (“PSS/E”) transmission node. The EDC recommends, and PJM finalizes, approval or rejection of the Location.

Step 3: Following Location Approval, the DERA creates a registration in DR Hub with the approved Component DERs. Both PJM and EDC are notified.

Step 4: A 45-day reliability review follows. The EDC performs any reliability studies for DERAs market participation and makes a recommendation to PJM.

Step 5: Within 15 days of the EDC's recommendation, PJM approves or denies the Registration and applies the appropriate pricing node (pnode).

This process is not a straight 60-calendar day review from DERA application to providing a final recommendation to PJM. The step between the 15-day EDC location review and the 45-day EDC reliability review is dependent on the DERA submitting a registration in DR Hub. The completion of the EDC’s responsibilities in this process – its recommendation to PJM - is therefore dependent on factors beyond the EDC’s control, namely the DERA’s creation of a registration in DR Hub.

This is one example of where potential confusion or conflict could arise between the Commission’s regulations and the PJM Governing Documents. EAP’s recommendation is that, whenever possible, the Commission refer to the PJM Governing Documents, rather than restating PJM’s requirements. However, there *is* opportunity for the Commission to clarify some aspects of this application process where not already detailed in the PJM Governing Documents. For example, Section 57.264 allows the EDC to establish a fee. EAP suggest that the Commission

consider the application incomplete until the fee is paid, whereby payment would then trigger the initial 15 day location review.

With respect to describing in detail the reason for any denial of a request, EAP recommends that the Commission not create a separate and duplicate state process. Reasons for denial are already captured in the PJM process. These proposed regulations do not provide any substantive metrics by which an EDC can determine what is an eligible or ineligible Component DER for participation in these markets. EAP therefore presumes that there are no separate state requirements for approval – nor does EAP recommend that there should be. Given that there are no separate state requirements, there should be no duplicate recording of denial rationales.

Lastly, with respect to the fee noted in Section 57.264(b), EAP recommends that there be provisions that permit recovery of all costs for this process – ideally from DERAs – but in the event of low participation, or costs that cannot be directly assigned to an individual DER or aggregation, such costs should be recoverable in base rates, with EDCs provided the flexibility to determine the appropriate mechanism for recovery – such as through a rider. There may be significant costs associated with this implementation for the development of the IT infrastructure to facilitate this market participation.

D. Section 57.265 Component DER Operations: Logistical Challenges and Information Security

Section 57.265(a) provides that “EDCs shall provide DERA access to Component DER data upon consent of the DER operator in a format approved by the Commission.” This provision does not clearly distinguish between upfront data required for distribution-level approval, and ongoing PJM data, telemetry, or settlement requirements placed on DERAs. Absent clarity, the provision could be interpreted to require EDCs to support ongoing data flows necessary for PJM market participation. This ambiguity risks misallocating responsibilities under PJM’s Order 2222

framework. Even if this ambiguity can be reconciled, EDCs cannot provide information for Component DER data without submetering, which may cause operational concerns for some EDCs.

Even more importantly, the Commission should modify proposed section 57.265(a) to clarify that it is not intended to require EDCs to install submetering for the benefit of the DERAs. Statewide, EDCs do not have such extensive submetering infrastructure currently; it would be costly to build, and the costs likely would have to be borne by all customers. To be clear, EAP is not suggesting the Commission meant to create such a requirement; however, we do not want the language to give rise to any confusion. Accordingly, EAP suggests that the word “shall” be changed to “may” in this section and that the EDCs be permitted to develop fee structures to share this data with the DERA

E. Section 57.265(b) Review of Component DER Applications: Dispatch Overrides

Section 57.264(b) requires EDCs to establish Component DER dispatch override procedures. EAP members appreciate that this provision is not overly prescriptive as it is essential for EDCs to have the operational flexibility to determine when an override is authorized and, as the distribution grid operator, the authority to make override decisions based on safety and/or reliability concerns without each such decision becoming grounds for an adjudicated dispute. EAP members propose that Subchapter P also permit EDCs to define penalties for non-compliance with an override as some EDCs do not have the technical capability to force an override and must rely on DERA compliance with an EDC directive. And, while it is presumed, EAP also proposes that the PUC explicitly recognize that no advanced notice for override is required.

A. Section 57.266 Disputes

Section 57.266 provides for resolution of “disputes” through “complaint and petition procedures available through the Commission.” Subsection (c) further states that “[p]ursuit of dispute resolution shall not affect a DER interconnection applicant with regard to consideration of an interconnection request or an interconnection applicant’s position in the EDC’s interconnection queue.” “Pursuit of dispute resolution” is notably not limited to disputes that arise with respect to the provisions of this subchapter.

As drafted, these provisions could be misinterpreted so that no dispute adjudicated in formal complaint proceedings could be used as grounds to prevent interconnection. For that reason, EAP suggests that this language be changed to “Pursuit of dispute resolution *under this subchapter...*”

B. Additional Consumer Protections: Licensing

Initially, EAP restates its earlier comments that EDCs should have no role in policing DERAs and their contracts or agreements with Component DERs. EDCs do not have the necessary resources to resolve or adjudicate disputes between DERAs and Component DERs who are customers of the EDCs. In addition, EDCs may not be viewed as fair or unbiased by the DERAs or the EDC customers seeking to enter into an agreement with a DERA to sell electricity into a PJM market.

EAP advocates for a licensing regime overseen by the Commission, which EAP raised in its comments to the ANOPR but is not addressed in the proposed Subchapter P. The EDC-DERA coordination effort is equally, if not more, complicated than retail shopping and coordinating between EDCs and Electric Generation Suppliers (“EGSs”), which took years to fully implement. EAP recommends that the Commission undertake a licensing requirement for

aggregators similar to the existing requirement for EGSs, which would provide much-needed oversight and consumer protections for Pennsylvanians.

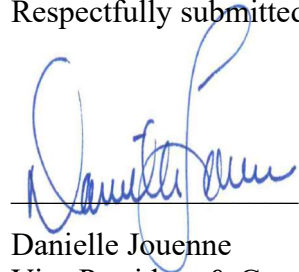
As noted in EAP's comments to the NOPR, cybersecurity concerns remain paramount as requests under Order 2222 seeking to connect to the power grid increase in number. EAP maintains the Commission should carefully consider cybersecurity implications of DERAs, including those related to data sharing that may be required to implement Order 2222. DERAs should be subject to, at a minimum, the same PUC cybersecurity requirements applicable to EDCs. The PUC should retain or obtain authority to determine whether DERAs meet these standards and, if not, how to ensure compliance or remedy threats – that is best done through a coordinated licensing regime.

Unless PJM or FERC is prepared to monitor those relationships to ensure that customer privacy and protection concerns are met, the PUC should assert its authority in this area. PUC licensing or registration, as is done for energy suppliers currently, is the appropriate process to ensure that the Commission maintains a minimal level of control over DERAs to ensure adequate consumer protections around the relationship between a DERA, who uses a DER Aggregation Resource to participate in the wholesale markets, and retail customers desiring to have their DER assets be part of a DER Aggregation Resource.

IV. CONCLUSION

EAP appreciates the opportunity to provide comments in this proceeding and welcomes opportunities to further discuss EDC facilitation of this emerging market.

Respectfully submitted,



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Date: June 9, 2026

Appendix A

§ 57.262. Definitions.

The following words and terms, when used in this subchapter, have the following meanings, unless the context clearly indicates otherwise:

Commission—The Public Utility Commission of the Commonwealth[.], as defined in 66 Pa.C.S. § 102.

Component DER—As defined in the FERC approved PJM Tariff, [A] any resource that is located on an EDC distribution system, any subsystem thereof, or behind a customer meter, and is used in a DER Aggregation Resource by a DERA to participate in the energy, capacity, and/or ancillary services markets of PJM through the DER Aggregator Participation Model. A Component DER may not exceed 5 MW.

Customer-generator—As defined in 73 P.S. § 1648.2, the Alternative Energy Portfolio Standards Act, [A] a nonutility owner or operator of a net metered distributed generation system with a nameplate capacity of not greater than 50 kilowatts if installed at a residential service or not larger than 3,000 kilowatts at other customer service locations, except for customers whose systems are above 3 megawatts and up to 5 megawatts who make their systems available to operate in parallel with the electric utility during grid emergencies as defined by the regional transmission organization or where a microgrid is in place for the primary or secondary purpose of maintaining critical infrastructure, such as homeland security assignments, emergency services facilities, hospitals, traffic signals, wastewater treatment plants or telecommunications facilities, provided that technical rules for operating generators interconnected with facilities of an EDC, electric cooperative or municipal electric system have been promulgated by the institute of electrical and electronic engineers and the Commission.

Customer-generator facility—The equipment used by a customer-generator to generate, manage, monitor and deliver electricity to the EDC.

DER Aggregation Resource – As defined in the FERC approved PJM Tariff, [C] comprised of one or more Component DER. A DER Aggregation Resource is used by a DERA to participate in the energy, capacity, and/or ancillary services markets of PJM through the DER Aggregator Participation Model. A DER Aggregation Resource is capable of satisfying a minimum energy and/or ancillary services market offer of 100 kW. The market participation eligibility of a DER Aggregation Resource shall be determined in accordance with the physical and operational characteristics of the underlying Component DER that comprise the DER Aggregation Resource.

DER Aggregator Participation Model—The participation model described in PJM Tariff, Attachment K-Appendix, section 1.4B.

DER Capacity Aggregation Resource— As defined in the FERC approved PJM Tariff, [O] one or more DER Aggregation Resources that participates in the PJM Reliability Pricing Model, capable of satisfying a minimum capacity market offer of 100 kW, or is otherwise treated as capacity in PJM's markets, such as through a Fixed Resource Requirement Capacity Plan.

DER—Distributed energy resource— Energy resources interconnected at the distribution level. The term refers to generation resources, load sources, and energy storage resources.

DER operator – Any entity operating a DER or seeking to interconnect a DER in Pennsylvania.

DERA—Distributed energy resource aggregator—An entity that is a PJM Market Participant that:

- (i) uses one or more DER Aggregation Resources to participate in the energy, capacity, and/or ancillary services markets of PJM through the DER Aggregation Participation Model; and
- (ii) has a fully-executed DER Aggregator Participation Service Agreement. A DERA must be a PJM member.

Electric distribution system—

- (i) The facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries from interchanges with higher voltage transmission networks that transport bulk power over longer distances. The voltage levels at which electric distribution systems operate differ among areas but generally carry less than 69 kilovolts of electricity.
- (ii) Electric distribution system has the same meaning as the term Area electric power system, as defined in 3.1 of IEEE Standard 1547-2018.

EDC—Electric distribution company—As defined in 66 Pa. C.S. § 2803, [A] a public utility providing facilities for the jurisdictional transmission and distribution of electricity to retail customers, except building or facility owners/operators that manage an internal distribution system which serves a building or facility and which supplies electric power and other related electric power services to occupants of that building or facility.

EGS—Electric generation supplier—

- (i) As defined in 66 Pa. C.S. § 2803, [A] a person or corporation, including municipal corporations which choose to provide service outside their municipal limits except to the extent provided prior to December 16, 2006, brokers and marketers, aggregators or any other entities, that sells to end-use customers electricity or related services utilizing the jurisdictional transmission and distribution facilities of an EDC or that purchases, brokers, arranges or markets electricity or related services for sale to end-use customers utilizing the jurisdictional transmission and distribution facilities of an EDC.
- (ii) The term excludes building or facility owner/operators that manage the internal distribution system serving the building or facility and that supply electric power and other related power services to occupants of the building or facility.
- (iii) The term excludes electric cooperative corporations except as provided in 15 Pa.C.S. Chapter 74 (relating to generation choice for customers of electric cooperatives).

FERC—The Federal Energy Regulatory Commission.

MW—Megawatt—A unit of power representing 1,000,000 watts. A[n] MW equals 1,000 kW.

Net metering—The means of measuring the difference between the electricity supplied by an electric utility or EGS and the electricity generated by a customer-generator when any portion of

the electricity generated by the alternative energy generating system is used to offset part or all of the customer-generator's requirements for electricity. 4

PJM – PJM Interconnection, L.L.C.—An RTO serving thirteen states, including the Commonwealth of Pennsylvania and the District of Columbia.

Retail electric customer or customer—A direct user of electric power as defined by 66 Pa.C.S. § 2803 (relating to definitions).

RPM Auction – Reliability Pricing Model Auction—the Base Residual Auction or any Incremental Auction held by PJM.

RTO—Regional transmission organization—An entity approved by the FERC that is created to operate and manage the electrical transmission grids of the member electric transmission utilities as required under FERC Order 2000, Docket No. RM99-2-000, FERC Chapter 31.089 (1999) or any successor organization approved by the FERC.