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July 10, 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 reply 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,

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

REPLY 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.[1] On December 18, 2025, a Notice of Proposed Rulemaking Order ("NOPR Order") *Re: Distributed Energy Resources Participation in Wholesale Markets*, was entered by the Pennsylvania Public Utility Commission ("PUC" or "Commission") at Docket No. L-2023-3044115. The NOPR Order sought comment on the proposed addition of regulations at 52 Pa. Code, Chapter 57 to include provisions for Distributed Energy Resources ("DERs") participating as DER Aggregation Resources ("DERAs") on electric distribution company ("EDC") distribution facilities, consistent with Federal Energy Regulatory Commission ("FERC") Order 2222.[2]

Pursuant to the NOPR Order's April 11, 2026 publication in the Pennsylvania Bulletin, comments were due by June 10, 2026 and reply comments by July 10th. EAP submitted comments to the NOPR Order on behalf of its EDC members. In addition to comments by EAP and its members, comments were filed by a broad array of parties representing the perspectives

[1] EAP's electric distribution company members include Citizens' Electric Company; Duquesne Light Company; FirstEnergy Pennsylvania Electric Company; PECO Energy Company; Pike County Light & Power Company; PPL Electric Utilities Corporation; UGI Utilities, Inc.-Electric Division; and Wellsboro Electric Company.
[2] *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) (unless orders are individually referenced, collectively, "Order 2222")

of solar developers and DER aggregators, data platform providers and associations, and environmental, energy efficiency and consumer advocates on a wide range of topics. EAP submits these reply comments on behalf of its EDC members addressing select topics raised in those comments. Individual EAP members may also express their views in separate company filings.

II. OVERVIEW

EAP reiterates and incorporates herein by reference the positions stated in its comments. EAP again commends the Commission's approach to implementing Order 2222, which avoids overly prescriptive solutions to facilitate DER participation in the PJM wholesale market. EAP is cognizant of the time constraints of both industry and regulators to accommodate DERAs by PJM's February 2028 implementation date. Flexibility in implementing Order 2222 is key so that utilities can be nimble in standing up programs and processes quickly to meet this timeframe. There is no longer time for comprehensive stakeholder processes to gain statewide consensus on anything other than the most critical issues necessary for DERA implementation.

EAP also restates its recommendation that the Commission look for opportunities to align proposed Subchapter P more closely with PJM manuals, PJM tariff, and associated PJM documents implementing Order 2222 (collectively "PJM Governing Documents") to avoid any perceived conflicts in defined terms or the process and timeline for approving DERAs. State processes that are duplicative or redundant with those of PJM in implementing Order 2222 must also be avoided so that utility resources can be focused appropriately to facilitate DER participation.[3]

[3] Duplicative tracking of denial requests is one such area where redundant processes should be avoided. *See* Comments of the Energy Association of Pennsylvania *Re: Distributed Energy Resources Participation in Wholesale Markets*, Docket No. L-2023-3044115, filed June 9, 2026 ("EAP Comments") at p. 11.

In these reply comments, EAP will address the following topics raised by parties in their initial comments, some of which were also raised in EAP's comments: (1) Order 2222 implementation must incorporate consumer protections and enforceable penalties similar to those applicable in the context of electric choice for the benefit of utility customers; (2) agreement on data sharing practices – to the extent necessary – should be initiated through a working group that can evaluate best practices and industry standards, rather than through prescriptive regulations that may not fully appreciate the evolving DER landscape in Pennsylvania; (3) the Commission should exert its full authority to prevent double compensation between retail and wholesale market participation; (4) EDCs must be provided the flexibility to determine the appropriate mechanism to recover costs associated with DERA implementation; (5) the Commission must not entertain recommendations that unnecessarily burden EDCs through oversight responsibilities, penalties, or constrained timelines; and (6) small EDCs must not be required to opt-out of DERA participation or justify their non-participation. EAP will also address, in less depth, items raised in comments that EAP suggests are beyond the scope of this proceeding.

III. COMMENTS

A. Consumer Protections Are Critical to Successful DERA Implementation.

EAP generally aligns itself with those parties recommending that the Commission impose requirements on DERAs with respect to marketing and customer offerings to ensure adequate disclosure and transparent program operation.[4] With customer affordability a key concern for

[4] *See generally*, Comments of the Office of Consumer Advocate ("OCA"), the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA"), the Energy Efficiency Alliance and the Keystone Energy Efficiency Alliance ("EEA" and "Keystone EEA" respectively), the Earth Justice Advocates ("Earth Justice"), the Philadelphia Energy Authority ("PEA"), and the Natural Resources Defense Council ("NRDC"), Duquesne Light Company ("DLC"); PECO Energy Company ("PECO"), and PPL Electric Utilities Corporation ("PPL").

utilities, regulators, and advocates, any new initiative demands a careful review of costs and benefits. Recent history is rife with examples of well-intended energy regulatory initiatives – from net metering under the Alternative Energy Portfolio Standards Act ("AEPS") to retail energy competition under the Electricity Generation Customer Choice and Competition Act ("Choice Act") – that have led to some utility customers bearing higher costs for non-discretionary, life-sustaining services than they otherwise would have.[5] As CAUSE-PA articulated in its comments, "without strong consumer protections and robust regulatory oversight, DERAs could exacerbate the energy affordability crisis in Pennsylvania and harm vulnerable ratepayers."[6] OCA commented that the "unique considerations of DERs, and their general unfamiliarity among residential consumers, may provide new and unanticipated avenues for fraud and deception."[7] EAP agrees.

As stated in EAP's comments, the EDC-DERA coordination will be equally, if not more, complicated than retail shopping, an undertaking that required years of coordination between EDCs and electric generation suppliers ("EGSs") after electric restructuring. Years post restructuring and *despite* a licensing requirement for EGSs and a retail code of conduct between EDCs and EGSs, concerns persist over the impact of EGS marketing practices on Choice customers.[8] The Commission should heed this cautionary tale. The risk to utility customers from DERAs is not hypothetical. In 2024, FERC fined Ketchup Caddy, LLC $25 million in civil penalties for engaging in a scheme to register demand response resources with the Midcontinent

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[5] 73 P.S. § 1648 et seq. and 66 Pa. C.S. § 2801, et seq., respectively.
[6] CAUSE-PA Comments, p. 1.
[7] OCA Comments, p. 12
[8] According to data reported by Pennsylvania's electric and natural gas distribution utilities, in 2024 alone residential customers paid approximately $350 million above what they would have paid for default service from their local utility through retail shopping. Testimony of Andrew S. Tubbs, President and CEO of the Energy Association of Pennsylvania, before the Pennsylvania Senate Democratic Policy Committee, June 23, 2026.

Independent System Operator, Inc. ("MISO") without those resources' knowledge or consent.[9] In early 2025, FERC fined energy aggregator Voltus, Inc. $18 million to settle allegations of market manipulation and the unauthorized use of customer data in violation of the MISO tariff.[10]

Predatory third-party practices not only impact participating utility customers; they impact all regulated utility customers when utilities serve as the explicit or *de facto* point of contact for shared customers. EAP's members' customer service representatives frequently field calls unrelated to the provision of the distribution services that the utility provides. EDC customers bear the cost of the EDC addressing non-electric distribution concerns and complaints. EDCs, as the face of the customer's utility services, are also the focus of complaints over customer cost increases – whether or not those costs are within the EDC's power to control. These extant issues in the current relationship between EGSs and EDCs should inform the Commission so that future regulations do not put EDCs in the role of policing or administering DERA offerings.

EAP agrees with CAUSE-PA that consumer protection requirements for DERAs are not a topic that should be reserved for a "utility-specific tariff proceeding".[11] EAP will address certain recommendations made by parties in support of DERA consumer protections and distinguish its position from those recommendations it does not support. While EAP endeavors to address the most significant consumer protection recommendations in these reply comments, any recommendations not addressed should not be presumed to be either endorsed or opposed by EAP – they simply may be outside the scope of EAP's purview.

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[9] Ketchup Caddy, LLC and Philip Mango, Docket No. IN23-14-000, Order Assessing Civil Penalties, [189 FERC ¶ 61,176] (Dec. 5, 2024)
[10] Voltus, Inc. and Gregg Dixon, Docket No. IN21-10-000, Order Approving Stipulation and Consent Agreement, [190 FERC ¶ 61,008] (Jan. 6, 2025)
[11] CAUSE-PA Comments, p. 9.

i. Direct DERA Billing

CAUSE-PA and OCA recommend that the Commission should adopt a rule establishing a stand-alone dual billing process for DERA program participants.[12] In the alternative, CAUSE-PA recommends that DERA fees or charges must be separately itemized on the EDC bill and classified so that they are not a grounds for termination.[13] EAP agrees that EDCs must not be *required* to bill for DERA services. As to CAUSE-PA's alternative suggestion of itemization of DERA fees or charges on EDC bills as non-basic charges, EAP notes the challenges that EDCs face with billing for third-party services – no matter how they are undertaken. Where an EDC is required to bill non-distribution fees under a purchase of receivables ("POR") program, the EDC retains responsibility for uncollectible balances for DERA services and "uncollectibles" are socialized amongst the EDC's customers. Even rate-ready billing, where the third party alone is responsible for collection from delinquent customers, is not an ideal solution because it requires significant IT programming and expense by the EDC to facilitate. For these reasons, EAP opposes the Commission directing EDCs to assume a role in facilitating billing or settlement of DERA participant costs and revenues.

ii. DERA Licensing, Penalties, and Consumer Complaint Process

Both OCA and CAUSE-PA propose that the Commission establish state-level licensing process for DERAs that incorporates consumer protection requirements with clear, binding, and enforceable penalties for DERA administrators who fail to comply – including license suspension and revocation.[14] CAUSE-PA further recommends that the Commission create a DERA consumer complaint process and a public database of DERA complaints.[15]

[12] OCA Comments, p. 17; CAUSE-PA Comments, p. 11.
[13] *Id*.
[14] OCA Comments, pp. 12-13.
[15] CAUSE-PA Comments, p. 13.

EAP likewise recommends that the Commission address consumer protection concerns through a uniform licensing or registration framework applicable to DERAs, rather than imposing ad-hoc or unclear obligations on EDCs. EAP and other commenters have raised concerns of customer risks associated with DERA participation, including misleading marketing, inadequate consent, cybersecurity vulnerabilities, and inappropriate control of customer-sited resources. A Commission-administered framework with meaningful penalties to deter non-compliance would provide consistent, transparent, and enforceable requirements across all DERAs, while avoiding the need to rely on EDCs to monitor or police third-party market participants. While EAP takes no position on how the Commission manages a consumer complaint process or public accounting of DERA complaints, it agrees with these commentators that the Commission should manage DERA oversight. Leaving enforcement responsibilities to EDCs with unclear lines of accountability would administratively burden EDCs and result in inconsistent enforcement without effectively addressing the main consumer protection concerns.

B. Data Sharing

In the NOPR, the Commission deferred the development of specific data sharing provisions to the Electronic Data Exchange Working Group ("EDEWG"). Several commenters, including the Coalition Advocating DER Regulation Efficiency ("CADRE"), Voltus, Mission:data Coalition ("Mission Data"), UtilityAPI, Earth Justice, and EEA/Keystone EEA recommend that the Commission promulgate data sharing regulations and opine that EDEWG is either insufficient for the task or should be directed to develop recommendations that do not consider existing EDC IT systems.[16] These Commentators in favor of data sharing regulations promote "Green Button" standards for data sharing, which is based on North American Energy

[16] *See, e.g.*, CADRE Comments, pp.12-14, Voltus Comments, p. 5, Misson Data Comments, pp. 9-10, UtilityAPI Comments, p. 2.

Standards Board ("NAESB") and National Institute of Standards and Technology ("NIST") Smart Grid Interoperability Panel standards.[17] CADRE recommends that EDCs be required to modernize their systems to accept device-level metering data.[18]

As an initial matter, EAP is not opposed to implementing industry-wide best practices on data sharing. Some of EAP's members have publicly supported Green Button *standards*, which should be distinguished from the proprietary Green Button *platform* for data sharing.[19] However, even if moving towards Green Button standards is a goal, it is a *long-term* goal, not an immediate one, considering the Order 2222 implementation timeline.

This type of integrated data sharing will require the promulgations of strong regulations on customer consent – the type of consumer protection regulations that EAP and others advocated for and which were not included in the NOPR Order. Data sharing principles should also not be a means to having EDCs assume more responsibility than is warranted. DERAs, not EDCs, are subject to next-business day data submission requirements to PJM. Data sharing systems and processes must not be designed in a manner to shift PJM reporting or data gathering responsibilities to EDCs as implementing these measures may require significant and costly investment in IT solutions or third-party platforms. Costs to implement wholesale market programs should not be borne by EDC customers – particularly those who do not participate in DERAs – as the negligible benefit to an EDC customer from overhauling its IT systems to provide that level of granularity is not warranted by the associated cost.

However, as EAP has advocated elsewhere, the key to successful implementation of Order 2222 is flexibility. While EDCs should not be *required* to make significant IT

[17] *See, e.g.*, UtilityAPI Comments, p. 3.
[18] CADRE Comments, p. 16.
[19] As this is an emerging industry, there is insufficient information at this time to render a conclusion as to whether the Green Button platform is a cost-effective solution.

investments, they should have the flexibility to make prudent IT investments, so long as assurances for cost recovery are made. EAP notes that Voltus has recommended that, as an intermediate step, while EDEWG convenes, the Commission direct each EDC to file a third-party data access tariff within 90 days of the Final Rulemaking Order, or show cause why it cannot.[20] Yet, disagreement within the pro-Green Button camp demonstrates why doing so without a stakeholder process is premature. For example, Voltus cites FirstEnergy's data access tariff, yet Mission Data in its comments provides their opinion of the inadequacy of that same FirstEnergy tariff.[21] If the parties advocating for standard data-exchange processes require some harmonization of their positions, it suggests there is need for some collaboration before any Commission requirement is imposed for each EDC to file a data access tariff.

OCA favors deferring to EDEWG.[22] Our members agree with OCA that at the outset some collaborative process is needed on data sharing, whether or not EDEWG as currently formulated is the appropriate vehicle. Data sharing practices are best developed through discussion of best practices and industry standards, rather than through prescriptive regulations that may not fully appreciate the evolving DER landscape in Pennsylvania. Ideally this stakeholder engagement would be moderated by a neutral party, preferably Commission staff, which is not currently the case with EDEWG.

C. Double Recovery

In its NOPR, the Commission explicitly prohibited participation in the PJM capacity and energy markets for net metered customers but did not exclude participation in the ancillary services market. Several EAP member utilities, PECO, PPL and DLC, as well as OCA, opposed participation for NEM customers in the ancillary services market. As OCA articulated:

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[20] Voltus Comments, p. 6
[21] Voltus Comments, p. 6; Mission Data Comments, p. 11.
[22] OCA Comments, p. 9.

> The OCA disagrees that a customer-generator receiving service under a net metering tariff that can be dispatched in real-time to meet system needs should also be able to receive compensation from the wholesale ancillary service market as well as a DERA resource. As noted by several commentators, retail net metering customers are already receiving compensation for providing ancillary services via the net metered rates, as those costs are bundled with the retail net-metering rate. Therefore, allowing customer-generators to receive ancillary service compensation if they can be dispatched in real-time to meet system needs is double counting and should not be allowed.

EAP agrees and supports OCA's requested amendment to §57.263.(a)(1) to preclude Customer-generators from participating as a DER Aggregator Resource in the PJM ancillary services market.

Other commentators such as CADRE and NRDC would provide more opportunities for double recovery. CADRE proposes to exclude shopping customers from the double recovery prohibition and advocates for double recovery prohibitions on a device basis, not a premises basis. NRDC joins CADRE in this latter recommendation. Other commenters yet would place upon EDCs oversight responsibilities. In its comments, Earth Justice recommends that EDCs be required to provide PJM information on Component DER participation in a public registry, such as whether the Component DERs are participating in a retail program (net metering, price-responsive demand) to police double counting.

However, what CADRE, NRDC, and Earth Justice fail to acknowledge is that PJM's FERC-approved Order 2222 compliance filing is on a premises-basis, not an individual device level basis.[23] Likewise, Pennsylvania net metering is on a premises-basis, not a device-level basis. The costs of device level metering and data collection that would be required for the adoption of the CADRE, NRDC, and Earth Justice recommendations is untenable, and these recommendations are unrealistic and far outside the scope of immediate implementation

[23] *PJM Interconnection, L.L.C.*, 191 FERC ¶ 61,097 (2025).

strategies for Order 2222 in Pennsylvania. EDC customers should not bear these costs to stand up the DERA market.

D. Cost Recovery

There was a wide range of comments filed with respect to cost recovery. Pro-DERA commentators such as SEIA and CADRE propose capping fees on DERAs to a one-time $100 fee.[24] Customer advocates do not want any socialization of costs to customers not participating in DERAs.[25] EAP would again like to take the opportunity to acknowledge that in its NOPR Order the Commission has provided EDCs with flexibility for cost recovery. The costs, participation, and non-participating customer impact of DERA adoption are difficult to predict at this time. EAP asks that the Commission retain this flexibility in its final rule.

E. EDCs Must not be Unnecessarily Burdened by Oversight Responsibilities, Penalties, or Constrained Timelines

Some commentators have proposed recommendations that would unduly burden EDCs by foisting upon them oversight responsibilities of wholesale market participants, penalize them for exercising their mandate to maintain reliability of service, or arbitrarily subject them to constrained deadlines.

i. Unnecessary and Improper Reporting Requirements

Earth Justice advocates that EDCs issue an annual DER Aggregation report focused on "efficiency and equity", and should include the extensive data described in the technical report attached to their comments.[26] This data falls into three main buckets: interconnection process reporting data, the state of the market data, and transactional data.[27] EAP posits that EDCs should not be put in the position of collecting DERA data and reporting this information out to

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[24] SEIA Comments, p. 6; CADRE Comments, p. 7.
[25] CAUSE-PA Comments, p. 7.
[26] Earth Justice Comments, pp. 29-30.
[27] *Id*.

the Commission, particularly when this information will likely be more readily collected by, and available from, PJM.

ii. Proposals that Undermine Reliability and Safety

Philadelphia Energy Authority ("PEA") has recommended that if utilities make overrides after day-ahead bids have been submitted, that the EDC should be required to pay any fine due to PJM from an affected Aggregator. If the override resulted from a genuine emergency, the utility should be entitled to recover those costs from its ratepayers. If the override was called without good cause, the utility should have no right of recovery from ratepayers. EAP disagrees with this recommendation. EDC ratepayers should not bear the cost of DERA implementation. DERAs should bear the risk of any PJM-imposed non-performance penalties resulting from an override.[28] EDCs must have the flexibility and discretion, based on real-time system conditions, to make an override to maintain safety and reliability without being subject to criticism on that decision by those informed by hindsight bias.

iii. Untenable Timeframes in Contravention of FERC Order 2222

Earth Justice recommends EDC approval of Component DERs within 50 days rather than the 60 days authorized by FERC.[29] Earth Justice would have this shortened to 45 days for Component DERs in environmental justice areas to that it can "prioritize the expeditious review of such DER aggregations."[30]

There is ample argument that this recommendation is not justified by Earth Justice's unsupported assertion that EDCs do not need the time because a "physical interconnection review for all CDERs will have been completed by this stage."[31] Nor does Earth Justice explain

[28] Order 2222, ¶ 312.
[29] Earth Justice Comments, pp. 11-12
[30] *Id*. at 12.
[31] *Id*.

whether it would cut these ten days from the 15-day location review or the 45-day reliability review or why the location of Component DERs in "Energy Justice" areas would render an EDC able to cut *another* five days off its review period. Earth Justice lastly fails to cite to the authority that would allow an EDC to prioritize a particular Component DER over one not operating in an Energy Justice area.

However, one need not even address such arguments because FERC has already decided, through its approval of PJM's Open Access Tariff compliance filing, that this is the timeline.

> The Electric Distribution Company review process shall consist of two periods, in sum not to exceed sixty calendar days. The first shall be a single period, not to exceed fifteen calendar days, during which time the Electric Distribution Company and the Office of the Interconnection shall review and verify each Component DER for which a location was created. The second shall be a single period, not to exceed forty-five calendar days, during which the Electric Distribution Company shall perform a reliability review of the DER Aggregation Resource.[32]

EAP recommends that the Commission reject any proposals, such as this one, in contravention of FERC Order 2222, that could trigger preemption litigation over inconsistencies with PJM's FERC-approved compliance filing.

F. Small EDC Participation in DERAs.

In their comments, both Earth Justice and OCA make recommendations regarding small EDCs that are incompatible with Order 2222. Earth Justice advocates that the Commission enforce an opt-out approach to small EDCs through a proposed change to Section 57.293 of the Commission's new proposed regulations.[33] OCA does not attempt to convert Section 57.293 to an opt-out approach but would place an affirmative obligation on small EDCs to justify why they cannot opt-in, provide a timeline for opt-in, and allow customer-specific requests to participate in the PJM DER Aggregation program.[34]

[32] PJM Open Access Tariff Schedule 1 Sec 1.4B, DER Aggregator Participation Model.
[33] Earth Justice Comments, p 13.
[34] OCA Comments, p. 5.

Earth Justice and OCA's recommendations should be disregarded. FERC has made the determination that smaller EDCs are *not* required to comply with DER wholesale energy market aggregation initiatives and that they *may not* comply without additional approval. In Order 2222, FERC acknowledged:

> [T]his final rule may place a potentially greater burden on smaller utility systems. Recognizing this potentially greater burden on small utility systems, we will exercise our discretion to include in this final rule an opt-in mechanism for small utilities . . . Specifically, we determine that customers of 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.[35]

Upon review of Order 2222, FERC extensively considered this issue and came out with a reasoned decision with respect to small EDCs. EAP's small EDC members (some of whom have less than twenty full-time employees) would be inordinately burdened with the intricacies of complying with the PJM DER Aggregation. Given the myriad of competing regulatory requirements facing EDCs, the expenditure of resources to comply with these recommendations is not in the best interest of small-EDC customers.

One small EDC recommendation that does merit consideration by the Commission was raised by Voltus with respect to a perceived conflict between the NOPR Order and FERC 2222.[36] Voltus noted that pursuant to Order 2222 an EDC below the threshold of having served at least four million MWh in the previous fiscal year only is – by default – opted out regardless of Component DER type. However, the NOPR Order imposes an opt-out threshold based on customers served. While Voltus notes that an EDC under this customer threshold will generally deliver fewer than four million MWh annually, there could be a scenario where a small EDC as defined by customer count does meet the Order 2222 threshold due to very large individual

[35] *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), ¶64.
[36] Voltus Comments, pp. 3-4.

loads. EAP recommends that the Commission address any unintended inconsistencies in its classification of small EDCs to better align itself with Order 2222.

G. Recommendations that Exceed the Scope of this Rulemaking

Some commenters have made recommendations on topics that fall outside the scope of a rulemaking focused on DERA participation procedures. These recommendations range from negative Peak Load Contribution ("PLC") and Network Service Peak Load ("NSPL") proposals to system planning, and hosting capacity proposals. The Commission should decline to address these proposals and, if desired, defer these recommendations to more appropriate proceedings.

i. Negative Peak Load Contribution and Network Service Peak Load Proposals

CADRE, an ad hoc coalition of DER service providers, recommends that EDCs calculate PLC and NSPL on actual usage rather than profiled or average rate class usage on the argument that customers who are reducing their individual usage should be credited for that reduction and not be subsidizing other customers. CADRE wants EDCs to explicitly permit *negative* PLC and NSPL values for customers and cite Illinois ComEd's Attachment M-2 to the PJM Open Access Tariff as a model to treat load attributable to net metering projects as "both consumption and generation in the capacity peak load contribution and therefore, can result in a positive or negative value for any such individual customer's calculation."[37]

The Commission should reject proposals related to negative PLC and NSPL values in this proceeding, as those issues fall outside the scope of a rulemaking focused on DERA participation procedures. Addressing negative PLC and NSPL proposals within this proceeding would expand the scope of the rulemaking beyond DERA participation and introduce complex rate design and settlement issues without the necessary record or stakeholder engagement.

[37] CADRE Comments, p. 20.

ii. Planning

CAUSE-PA recommends that the Commission require EDCs to integrate DERAs in integrate resource planning ("IRPs") whereas OCA recommends that they be accounted for in an EDC's Long Term Infrastructure Improvement Plan ("LTIIP") under the presumption that DERA-related distribution upgrades mitigate the cost of interconnected DERAs.[38] On an initial matter, since electric restructuring, Pennsylvania EDCs do not engage in integrated resource planning. IRPs are more typically required in states that retained vertically-integrated utilities. Given this, it would be a very significant undertaking, and outside the scope of this docket, to institute an IRP process in Pennsylvania in which DERAs are factored.

With respect to LTIIPs, Pennsylvania EDCs seeking recovery of system improvement costs pursuant to a distribution system improvement charge ("DSIC") operate under PUC-approved five-year long infrastructure improvement plans that identify eligible property *owned or operated* by the utility for which the utility would accelerate replacement and seek recovery of costs pursuant to the DSIC.[39] OCA's recommendation, as referenced in its May 24, 2024 comments at this docket, would require that utilities account for the distribution-level benefits of DERAs and Component DERs in their LTIIPs.[40] This presumes that utilities would maintain DERA and Component DER data, when that data collection is not the responsibility of EDCs. Even if the data were available, the value of DERA and Component DER data collection for LTIIP planning seems questionable. EDCs already look at load when prioritizing projects for

[38] CAUSE-PA Comments, p. 15; OCA Comments, p. 15; Earth Justice referred generally to the value of comprehensive integrated distribution planning. Earth Justice Comments, p. 11.
[39] 66 Pa. C.S. §1352(a)
[40] OCA Comments ¶VL, p. 20 (May 24, 2024).

accelerated replacement.[41] Similar to CAUSE-PA's recommendation on IRPs, incorporation of DERA and Component DERs into an LTIIP feels like jamming a square peg into a round hole. It additionally goes beyond the scope of this rulemaking, which is focused on developing procedures for DERA participation, not accelerated infrastructure replacement.

These proposals involve broader policy, cost allocation, and system planning considerations that are not necessary to undertake to implement Order No. 2222. Acting on these recommendations would require making assumptions about DERA adoption and system impacts that are currently speculative.

iii. Hosting Capacity Mapping

OCA and Earth Justice have recommended that EDCs publicly provide distribution system hosting capacity maps.[42] CAUSE-PA has less directly referred to capacity maps as an additional planning resource that EDCs should consider.[43] The hosting of capacity maps goes beyond the scope of rulemaking focused on procedures for DERA participation. However, EAP would reply generally that, as with all initiatives and obligations placed on EDCs, there is a cost to EDC customers associated with hosting and maintaining capacity maps as well as a security concern with the potential disclosure of confidential security information. The potential benefit of capacity mapping must be balanced against these financial and security concerns. To further elaborate on these considerations, EAP incorporates by reference its April 28, 2026 testimony before the Pennsylvania House Energy Committee.[44] However, whether or not a party is in favor

[41] *See*, e.g., *Petition of PECO Energy Company for Approval of Its Long-Term Infrastructure Improvement Plan for the Period January 1, 2026 through December 31, 2030*, Docket No. P-2025-3056987, p. 11 ("PECO will prioritize these retirements based on the existing substations' condition, the number of customers and load served, and the risk of failure.")
[42] OCA Comments, p. 15; Earth Justice Comments, p. 11.
[43] CAUSE-PA Comments, p. 15 fn. 35;
[44] Testimony of Danielle Jouenne, Vice President and General Counsel of the Energy Association of Pennsylvania, before the Pennsylvania House Energy Committee, April 28, 2026.

or opposed to capacity mapping on its merits, there are more pressing and integral issues that must be addressed for the successful implementation of Order 2222 and EAP recommends that this topic is not ripe for this forum.

IV. CONCLUSION

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

Respectfully submitted,

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Date: July 10, 2026