GOVERNOR'S OFFICE OF GENERAL COUNSEL
DEPARTMENT OF ENVIRONMENTAL PROTECTION

August 12, 2026

via electronic filing

Matthew 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:

Please find attached comments of Office of Governor Josh Shapiro ("Administration") on the regulation proposed by the Public Utility Commission in the matter captioned above. The Administration respectfully requests that the Commission accept these comments for consideration on a *nunc pro tunc* basis.

If you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Mark Szybist
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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

COMMENTS OF THE OFFICE OF GOVERNOR JOSH SHAPIRO

The Office of Governor Josh Shapiro ("Shapiro Administration" or "Administration") respectfully submits these comments concerning the regulation proposed by the Public Utility Commission ("Commission") in this docket concerning the participation of distributed energy resources ("DERs") in the wholesale electricity markets administered by the PJM Interconnection, LLC ("PJM").

The aggregation and deployment of DERs represents one of the most important near-term levers to bring additional grid resources online to address reliability and affordability challenges in the Commonwealth. The Commission's proposed regulation on DER participation in wholesale markets takes important steps toward unlocking key revenue sources for these technologies, but does not provide strong enough directives to electric distribution companies ("EDCs") to meaningfully accommodate and support DER participation. The Administration urges the Commission to make three critical changes to the regulation, described below, to more fully enable the integration of these important resources.

I. The Commission's final regulation should require EDCs to meet workable statewide data-sharing standards.

A workable statewide framework for the exchange of data among EDCs, customer devices, and DER aggregators is a foundational need to fully realize the benefits of DERs to the grid, and it is crucial that the Commission establish such a framework through regulatory standards. The Commission's current regulations limit access to EDC customer data to EDCs themselves and licensed electric generation suppliers ("EGS"), excluding third parties such as DER aggregators ("DERAs").[1] The Commission's proposed regulation expands access to DER aggregators, but falls short of establishing specific standards related to data-sharing. The proposed rule instead defers the development of such standards to future EDC filings and to the Commission's Electronic Data Exchange Working Group ("EDEWG").

Delegating the development of data-sharing standards to the EDEWG is unnecessary because a proven data-sharing framework—Green Button Connect—already exists, as other parties to this docket have discussed.[2]Moreover, the EDEWG is not well-suited to developing data-sharing standards for DERs. To date, the EDEWG's Commission-assigned role has been to help implement EDC Electronic Data Interchange ("EDI") systems for retail market transactions, which have data needs that are qualitatively different from those of companies aggregating DERs in real time. Deferring details to the EDEWG and EDC filings will cause unnecessary delay in the development of data-sharing standards and risks leading to fragmented implementation and insufficient data sharing methods that may not meet state or federal statutory standards.[3]

To ensure consistent and effective implementation of data sharing, the Commission should establish a statewide data-sharing standard and require all EDCs to implement it. Specifically, the Commission should:

- Require the EDCs' data sharing arrangements to be compliant with the latest version of the "Green Button Connect My Data" standard established by the Green Button Alliance, or such succeeding standard as the Commission may approve that allows for Application Processing Interface ("API")-based automated and secure sharing of granular data.

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[1] *See* 52 Pa. Code 57.254, Docket No. M-2009-2092655, Final Order dated September 3, 2015 at 13.
[2] *See, e.g.,* Mission:data Initial Comments at 8-10; EEA Initial Comments at 1-2; Utility API Initial Comments at 7-8; NRDC Reply Comments at 11-12.
[3] A recent decision by the Federal Energy Regulatory Commission found that PJM's Open Access Transmission Tariff is unjust and unreasonable because residential smart meter data is not readily accessible to all market participants. *See Voltus, Inc., and Mission:data v. PJM Interconnection, L.L.C.,* 196 FERC ¶ 61,074 (2026).

- Identify a minimum set of data fields that the EDCs are required to share with DERAs, including all data required by PJM, now or in the future, for wholesale market participation. This includes revenue-grade energy usage, customer name, account number, premise address, transmission zone, and peak load contribution ("PLC"). EDCs should also be required to provide data that DERAs need to determine the eligibility of a customer to participate in wholesale markets, which currently includes whether the customer has a net-metered resource, an issue discussed below.
- Require EDCs to provide DERAs with settlement-quality usage data within 24 hours after the moment of energy usage, and on a real-time basis where metering technology allows.
- Require EDCs to provide DERAs with usage data at a granularity of 15-minute intervals, and to be capable of providing 5-minute intervals if requested by a customer by the time of PJM's implementation date of FERC Order 2222.

II. The Commission should narrow its proposed restriction on net-energy metering eligibility for wholesale market participation.

As DERs gain the ability to participate in wholesale markets, it is important to ensure that their services are not double-counted, such that ratepayers would essentially pay twice for the same service. For example, a DER should not receive compensation from both net-metering and the wholesale energy market for the same kWh of energy exported to the grid. The Commission's proposed rule aims to prevent double-counting but uses overly broad language by entirely excluding a customer premise from the wholesale capacity and energy markets if it has a DER enrolled in net metering. This language would go beyond preventing double-counting and would prevent certain DERs and grid services from being compensated at all. For example, at a residence with multiple DERs but only one that participates in net metering, all the DERs would be excluded from the wholesale markets. And a net metering customer-generator that receives competitive retail supply and therefore only benefits from the distribution element of net metering would still be precluded from energy and capacity markets.

The Commission should use narrower double-counting language stating that DERs cannot receive double compensation for the same service but allowing more flexibility for resources to participate in both net metering and wholesale energy and capacity markets if tariffs or methodologies are updated to ensure these services are not double-counted. The PUC should draw from the "release valve" methodology proposed by PJM to allow energy and capacity interconnection requests to be net energy metered after being closely scrutinized and confirmed to not be double counted. The PUC could consider leaving final determination of double counting to EDCs.

The proposed regulation does allow net-metered DERs to participate in wholesale ancillary services markets; this is an important step and should be preserved.

III. The Commission should standardize EDC review procedures for DER aggregations.

The PUC's proposed regulation defers to EDC tariff filings many implementation details regarding how EDCs review and approve the registration of DER aggregations. As with the data sharing rules discussed above, this approach risks creating a fragmented regulatory landscape that is difficult for DERAs to navigate across the Commonwealth and could lead to EDC review processes that pose a significant barrier to adoption. In the final rule, the Commission should establish statewide standards for EDC review that ensure streamlined and timely approvals of DER aggregations. At a minimum, the Commission should:

- Standardize application requirements and data formats used in the review process.
- Standardize the requirements for DERAs to register as a recipient of customer data.
- Standardize fees charged by EDCs for the registration of DER aggregations, ensuring that fees are cost-based with justification from the EDCs. The Commission could also establish a schedule of permissible fees.
- Limit the scope of EDC review to distribution reliability concerns and retail program compliance, not wholesale market matters or other non-jurisdictional issues.
- Ensure transparent outcomes by requiring EDCs to report program outcomes such as denial rates and review timelines to the PUC.

- Retain the review conditions in the proposed rule, including electronic application portals, a 60-day review deadline, and detailed reasoning for denials.
  Prohibit EDCs from imposing substantive requirements for DER aggregations beyond those set forth in the Commission's regulation rule that would limit DERA participation or data access.

The Administration appreciates the Commission's continuing work to ensure that DERs in Pennsylvania are able to participate in PJM's wholesale markets, and thanks the Commission for its consideration of these comments.