



## **DEPARTMENT OF ENERGY AND ENVIRONMENT**

### **NOTICE OF REQUEST FOR INFORMATION**

#### **Advancing DER Aggregations and FERC Order 2222** **Implementation in DC**

##### **Introduction**

This Request for Information (RFI) is issued by the DC Department of Energy and Environment (DOEE) to solicit input from interested parties on next steps that District agencies, utilities, and industry groups should consider taking to enable the use and deployment of distributed energy resource (DER) aggregations in DC.

##### **Background**

Expanding the deployment of distributed energy resources, such as energy storage and smart thermostats, is a key objective for the District of Columbia. DERs can provide significant financial and environmental benefits to District residents and businesses, including helping to lower individual household utility bills. Clean Energy DC and Carbon Free DC, two cornerstones of the District's plans for clean energy, identify the need for new frameworks to value and incentivize DER deployment. A recent study on the Value of Distributed Energy Resources, commissioned by the DC Public Service Commission, similarly underscores the benefits to the District from greater DER adoption, including enhanced grid resiliency and reduced electricity costs. The study specifically highlights the value that smaller, individual DERs can provide when they are controlled and dispatched in unison by third-party aggregators.

In parallel, the Federal Energy Regulatory Commission (FERC) is breaking ground on new models for DERs to participate in wholesale electricity markets. FERC Order 2222, originally issued in 2020, directs regional transmission organizations (RTOs) to enable aggregations of DERs to participate in wholesale electricity markets. Since 2020, FERC has issued updates to Order 2222 and evaluated compliance filings from RTOs, including the PJM Interconnection (PJM) which serves the DC area.

Finally, other organizations like the Rocky Mountain Institute (RMI) and the National Association of Regulatory Utility Commissioners (NARUC) have identified ways that DER aggregations and Virtual Power Plants (VPPs) can provide valuable grid services at the

distribution level.<sup>1</sup> In the coming years, industry groups, utilities, regulators, and other policymakers will need to design and implement tools and processes to enable DER aggregators to participate in wholesale electricity markets. Depending on their design, those processes could also advance the ability of DER aggregations to provide grid services at the distribution level as well.

## **Purpose**

DOEE is seeking responses to this RFI to inform the next steps District agencies, utilities, and industry groups should take to advance the deployment of virtual power plants and implementation of FERC Order 2222 in DC. With these responses, DOEE aims to foster a deeper understanding of the technical, financial, regulatory, and administrative issues that must be addressed to further the participation of DER aggregations in wholesale markets, and potentially in future retail-level programs as well. DOEE intends to use these responses to develop priority actions for DOEE to pursue. For example, these responses may assist DOEE in identifying key steps that should be included in energy plans developed by DOEE, such as Clean Energy DC, in applying for and administering grant opportunities, and in supporting DOEE's work with other District agencies to develop policies that support DER aggregations in DC.

## **Potential Respondents**

DOEE would like to hear from individuals and organizations that have perspectives on the technical, financial, or regulatory changes needed to enable DER aggregations to participate in wholesale electricity markets and/or provide grid services to the distribution system. Potential respondents to this RFI may include but are not limited to:

- DER manufacturers,
- DER installers,
- DER aggregators,
- DER software developers,
- Interested private citizens,
- Non-profit organizations,
- Governmental agencies, and
- Any other private entities.

## **RFI Questions**

DOEE seeks responses from interested persons or organizations to any or all of the following questions related to FERC Order 2222 and DER aggregations. Respondents do not need to respond to all of these questions and may select individual questions to use as the basis for their response:

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<sup>1</sup> NARUC and RMI, *Aggregated Distributed Energy Resources in 2024: The Fundamentals* (July 2024), [https://connectedcommunities.lbl.gov/sites/default/files/2024-07/NARUC\\_ADER\\_Fundamentals\\_Interactive.pdf](https://connectedcommunities.lbl.gov/sites/default/files/2024-07/NARUC_ADER_Fundamentals_Interactive.pdf).

1. How is your organization preparing for or approaching the implementation of FERC Order 2222?
2. What DER types do you expect will participate in DER aggregations in DC (e.g., behind-the-meter storage, electric vehicles through vehicle-to-grid integration, etc.)? Do you expect certain technology types to predominate in the early years of FERC Order 2222 implementation or VPP deployment in the mid-Atlantic region?
3. How do you think the implementation of FERC Order 2222 and DER aggregations will impact the reliability of the electric distribution system in DC (e.g., enhance, compromise, or have no impact)? If you think there may be reliability issues, what specific issues do you think may arise and how should those be addressed?
4. Are there technologies or data sources that currently exist in DC which could be better leveraged to assist with DER aggregations and FERC Order 2222 implementation (e.g. Advanced Metering Infrastructure)? If so, what administrative, technical, or regulatory changes would need to be made to make better use of these technologies and data sources?
5. What cybersecurity standards or protocols should apply in the context of DER aggregations? Are there cybersecurity risks or gaps in existing protocols that DER owners, aggregators, utilities, or regulators should address when implementing FERC Order 2222?
6. What issues do you anticipate could arise with respect to customer privacy and consumer protection in the implementation of FERC Order 2222 and DER aggregations? What actions should organizations and governmental agencies involved in DER aggregations consider taking to address these issues?
7. In addition to participating in wholesale markets through FERC Order 2222, DER aggregations can also provide valuable services to the distribution system through retail-level programs. What, if anything, should organizations in DC keep in mind when implementing FERC Order 2222 in order to enable effective retail-level programs for DER aggregations in the future?
8. What role can DOEE play in supporting DER aggregations and FERC Order 2222 implementation?
9. What steps should other organizations and individuals consider taking to advance the viability of DER aggregations and assist with FERC Order 2222 implementation in DC?
10. Are there other specific jurisdictions or organizations working outside of the District from which DC should learn when it comes to emerging best practices for implementing FERC Order 2222 and DER aggregations at the state level?
11. Questions for Specific Kinds of Organization:

- a. For DER owners or developers: Are you interested in participating in a DER aggregation? If so, what DER component types do you envision employing in a DER aggregation? What changes to your existing technologies or processes do you think will be necessary to participate in DER aggregations?
  - b. For DER aggregators: How do you envision meeting PJM's settlement requirements? Do you have a known or estimated timeline for when you anticipate being ready to operate in DC? How do you plan on acquiring customers? Are there strategic partnerships, new programs, or program modifications DOE could consider to assist with customer participation in DER aggregations?
  - c. For utilities: What processes or technologies are you developing, or intend to develop, to implement FERC Order 2222? How can interested persons comment upon or participate in the development of these technologies and processes? When and how do you intend to recover costs associated with these new technologies and processes?
  - d. For all other organizations: What roles, in general, do you envision your organization playing with respect to FERC Order 2222 implementation or DER aggregations?
12. Do you have any other comments or questions for DOE to consider with respect to FERC Order 2222 implementation and DER aggregations that were not already addressed in this RFI?

## **Submissions**

Respondents should submit their responses to these questions by August 1, 2025, as well as any other relevant information, by email to [2025DERAggregationRFI@dc.gov](mailto:2025DERAggregationRFI@dc.gov). The subject line of the email should state: DOE DER Aggregation RFI Response – [Primary Respondent Name].

Any questions by prospective respondents concerning this RFI shall be sent by email to: [2025DERAggregationRFI@dc.gov](mailto:2025DERAggregationRFI@dc.gov). The subject line of the e-mail should state: "DOE DER Aggregation RFI Questions."

DOE may choose to reissue this RFI again at a later date to gather further input.