

# **DER Task Force Stakeholder Input Session**

August 25, 2026



# DER Task Force Overview

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HB590/SB223 established the Distributed Energy Resources Task Force as an advisory commission within the executive branch through July 1, 2027.

The purposes of the Task Force are to develop a comprehensive strategy to:

1. *advance energy affordability and the Commonwealth's transition toward integrated distributed energy resource markets and*
2. *to support the Commonwealth's compliance with Federal Energy Regulatory Commission (FERC) Order No. 2222.*

See [here](#) for more information and a list of members of the DER Task Force.

The next two 2026 DER Task Force meetings are will be on Sept 15 and Oct 14.

# Plan for Today

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**Goal:** Get public stakeholder input and feedback on draft Task Force key themes and findings to help inform the DER Task Force's findings and recommendations.

## **Agenda:**

- Summary of emerging themes and findings to date with discussion (40 min)
  - Vision for DERs in Virginia
  - Overview of select preliminary findings
- Discussion (15 min)
- Wrap Up (5 min)

*Note: Findings discussed today are preliminary and have not been voted on or formally confirmed by the Task Force.*

# Key Definitions

## Distributed Energy Resource (DER)

A **resource of up to 5 MW** located on the distribution system or on a customer's premises that can generate, store, or control load, including solar PV, battery storage, EV chargers, demand response, and smart thermostats.

## Virtual Power Plant (VPP)

An **aggregation of dispatchable DERs**, enrolled either directly with an electric utility or indirectly through an aggregator, that is operated in coordination to provide one or more grid services.

## Aggregator

An entity that enrolls DERs and coordinates the operation of those energy resources.

# Vision for DERs in Virginia

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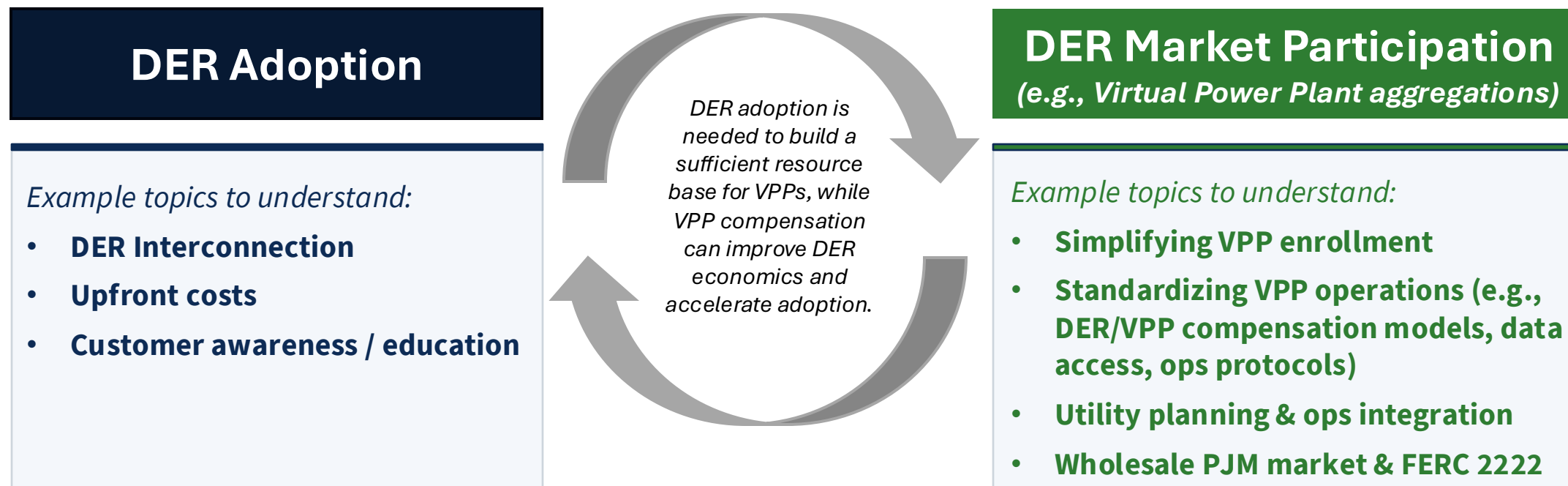
*A Virginia energy system where **all types of dispatchable DERs are valued as integral, scalable grid resources—enabled to deliver and be fairly paid for providing cost-effective grid services to meet Virginia’s energy needs** (affordable, reliable, clean, safe, secure, and resilient power) through market and regulatory designs that build on the Commonwealth’s existing foundations and evolve with technology, markets, and system innovations.*

Why this matters:

- **Helps Meet Virginia’s Growing Demand:** Serves rapid demand growth by converting passive DERs into dispatchable Virtual Power Plants.
- **Improves Affordability:** Enables better use of existing grid infrastructure and defers costly traditional substations and wire buildouts, keeping electric bills lower for all Virginians.
- **Accelerates Clean Energy Goals:** Turns customer investments in batteries, EVs, and solar into active grid resources that maintain reliability while advancing clean energy deployment.

**Discussion:** Any feedback on this long-term vision for the role of DERs in Virginia's energy system?

# Primary areas identified as important to address



**Primary DER technologies in focus for market participation (e.g., VPPs):** *dispatchable* DERs including storage, storage+solar, managed load (i.e., smart thermostats, EV managed charging, smart heat pumps), EV V2G

**Other important DER solutions:** energy efficiency, standalone solar, traditional demand response

*Other technology areas included in Task Force statute: microgrids & community resilience hubs*

# Preliminary findings – select themes (1/3)

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## 1. DER Adoption

- **Consumer education and trust.** Awareness of DER and VPP options is low, particularly among low-income and rural communities. Expanding proactive and consistent education, consumer protections, and vendor standards can support informed and equitable participation.
- **Workforce and contractor development:** Meeting Virginia's DER deployment needs will require expanded workforce training and contractor capacity. Installer qualification and oversight can also help protect customers from low-quality or predatory practices.
- **DER interconnection:** Virginia's interconnection rules (Chapter 314 and 315) have not been comprehensively updated. There is an opportunity to align with national best practices for DER interconnection processes to remove DER deployment frictions.

**Discussion questions:** Are there specific actions that Virginia could consider to improve customer awareness, clarity, trust, and informed participation in DER and VPP programs (across residential, small business, public facility, etc. customers)? What should that look like?



# Preliminary findings – select themes (2/3)

## 2. DER Aggregation & Market Integration (e.g., VPPs) continued

- **VPP enabling regulations:** Virginia has not yet defined core statewide VPP rules, including data access, dispatch and utility-override protocols, and settlement. A common framework could support scalable, permanent VPP programs and incorporate lessons from utility pilots. *(See appended document for more comprehensive set of policy topics that may need to be addressed)*
  - **Data access and interoperability:** Secure, standardized data access is critical to VPP enrollment, dispatch, and settlement. Common approaches could improve coordination among utilities, DER providers, and aggregators.
  - **Dual wholesale and distribution participation:** DERs can provide utility distribution and PJM wholesale services. Clear participation, coordination, and settlement rules are needed to enable compensation stacking without double counting.
- **Compensation beyond NEM:** NEM does not fully value flexible load, storage, capacity, peak reduction, or local grid support. Value-stacking or performance-based compensation models could pay dispatchable DERs for measurable services, adapted from leading state models (e.g., IL, MA, NY) to Virginia's vertically integrated structure.
- **PJM and FERC Order 2222 alignment:** Virginia can update its policies to enable Order 2222, but some of PJM's rules for DER participation will also need to evolve. Demand-response aggregation may provide best near-term pathway for PJM participation, while Virginia advances minimum Order 2222 requirements and PJM rules continue to mature for longer-term DER opportunity.

### Discussion questions:

1. **Compensation models:** Any input on principles for how compensation models (building on NEM) should be designed to fairly pay DER aggregations for their grid services provided?
2. **VPP regulatory roadmap:** Are there particular policies or rules that are most important to define to enable effective DER and VPP participation, such as customer protections, data access, dispatch, compensation, and settlement?



# Preliminary findings – select themes (3/3)

## 3. DER Aggregation & Market Integration (e.g., VPPs)

- **Prioritizing VPP types:** VPPs combine different DER technologies and business models to deliver specific grid services, such as capacity, energy, peak reduction, and grid-balancing support.
  - **Match rules to use cases and build phased roadmap:** Each VPP type requires fit-for-purpose rules and procedures (e.g., operational coordination, comms, data access, dispatch, transaction settlement). Identifying priority VPP types can focus early regulatory work on the essential rules needed to launch them, with policies refined over time to support additional technologies, business models, and grid services.
  - **Preliminary Virginia priority VPP types identified through Task Force (draft; still being refined):**
    - **PJM capacity:** Aggregated behind-the-meter storage participating in PJM capacity markets.
    - **Utility peak shaving:** Behind-the-meter and front-of-meter storage, managed EV charging, and automated load controls participating in utility peak-reduction programs.
    - **Data-center demand flexibility:** Data-center contracts that enable flexible demand within utility programs (and/or directly with third-party aggregators).
  - **Future expansion:** These VPP models could grow to other grid services (e.g., non-wires alternatives, transmission capacity), incorporate other technologies (e.g., EV V2G), and other business models.

**Discussion:** Any feedback on the priority VPP types identified for initial focus to best meet Virginia's energy needs and market context?

# General discussion

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1. Are there other important barriers, opportunities, or actions have not yet been addressed?
2. Any perspective on what are the most important actions that would best accelerate equitable DER adoption and market participation in Virginia?
3. What best practices or lessons learned from other states or programs should the Task Force consider in developing its recommendations on scaling DER adoption and market participation to achieve this vision?
  - How should they be tailored to Virginia's context (e.g., vertically integrated; PJM wholesale-markets)?

# Appendix

# Other preliminary findings (1/2)

## *DER Adoption*

- **Deployment goal:** Setting a clear DER deployment and market aggregation goal for Virginia could help set a clear direction, vision, and help foster further deployment.
- **Energy efficiency:** Energy efficiency remains a cost-effective tool for reducing customer bills and can improve the economics of right-sizing solar, storage, and other DER investments.
- **Local trust and equity:** Durable DER adoption depends on clear customer benefits, affordability for vulnerable populations, and meaningful local engagement—not only program design.
- **Local government capacity:** Localities vary in their ability to support DER permitting, siting, and resilience planning. Uneven capacity may lead to inconsistent outcomes across the Commonwealth.
- **Public institutions and enrollment:** Schools, public buildings, and other community facilities are strong opportunities for DERs, VPP participation, and microgrids—reducing operating costs, providing grid services, and strengthening resilience. Procurement complexity, limited capacity, and low awareness can impede adoption. Supporting model contracts (learning from other models like state ESPC and DR standard contracts), education and assistance resources, and removing other barriers could support scale up.
- **Dual-use and brownfield development:** Brownfields, parking lots, agrivoltaics, and other dual-use sites can host visible DERs that make productive use of developed land while supporting local grid needs and resilience. Higher costs of these types of projects can weaken project economics and may require tailored financial and/or policy support, particularly in near-term until market matures.
- **Load interconnection and cost allocation:** When new loads, such as EV chargers, require grid upgrades, responsibility for upgrade costs is not always clear. Emerging models of flexible resi load interconnection practices could help manage costs. As adoption expands, Virginia may need to explore allocation practices to support equitable deployment and infrastructure planning.
- **Microgrids and resilience:** Microgrids can provide resilience, safety, and equity benefits, particularly for critical facilities and communities facing disproportionate outage impacts. Additional support likely necessary to support project economics.

# Other preliminary findings (2/2)

## *DER Market Integration (e.g., VPPs)*

- **VPP business models:** Utility-administered, third-party aggregator, and hybrid or bring-your-own-device VPP models each offer potential advantages. Virginia has not yet established a common approach or clear role for each model—and the corresponding rules and procedures necessary to enable these. Dominion’s current pilot includes variety of models that are being tested.
- **Use data-center growth to fund beneficial DERs and aggregations.** Data centers create local capacity constraints and potential cost-shift concerns, but they could also support investment in storage, flexible load, and other DERs that relieve constraints, reduce peak demand, and create broader grid and community value. Virginia can support these pathways through implementation of recent demand flexibility legislation (HB / SB ) and other mechanisms.
- **Utility incentives and DER growth:** Cost-of-service regulation can favor capital investment over operating-expense DER or VPP solutions, even where the latter may provide lower-cost grid services. Virginia’s ongoing Performance Based Regulation (PBR) proceedings could help inform future efforts.
- **Distribution planning and hosting capacity:** Capturing and valuing the full benefits of DERs and VPPs requires their consistent integration into utility planning and operations. Continued IRP reforms, improved hosting-capacity information, and clearer consideration of DERs alongside traditional infrastructure can support more effective deployment and grid investment decisions.
- **Pilot-to-policy feedback:** Ongoing utility pilots can generate useful operational and customer-participation insights to support regulatory development, permanent program designs, and market scale up if transparently shared.

# How These Key Findings Emerged

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## Member Input

Written responses to questions and 1:1 follow-up interviews with Task Force members (in progress).

## Task Force Meetings

Discussions and presentations from Task Force Meeting #1 (July 16, 2026) and Meeting #2 (August 4, 2026).

## External Analysis

Case studies, peer state policy and program structures, and interviews with practitioners & experts (in progress).

*PRELIMINARY*

# The DER & VPP Opportunity

Many trends impacting Virginia's grid could be supported through expanded DER deployment and aggregation (VPPs)

## Key Trends in Virginia

*(not exhaustive)*



### Rapid load growth

*Surge in data center demand*



### Affordability pressures

*Tight wholesale capacity markets; expensive infrastructure buildout; rising equipment costs*



### Long-lead times add utility-scale generation & transmission

*Siting/permitting, interconnection, supply chain constraints*



### Transition to zero-carbon grid

*Need to reduce emissions as required by the Virginia Clean Economy Act and participation in the Regional Greenhouse Gas Initiative*

## DER & VPP Key Attributes

*(not exhaustive)*



### New reliable and flexible capacity

*Shift and manage peak demand; generation & storage additions; flexible*



### Reduces costs

*Lower cost than peaking assets; defers or avoids grid capex; improves use of existing infrastructure*



### Quick-to-deploy (<6 months)

*Quickly adds capacity to address existing grid constraints*



### Reduces emissions

*Adds renewable generation; reduces need for fossil fuel assets and new generation*

PRELIMINARY

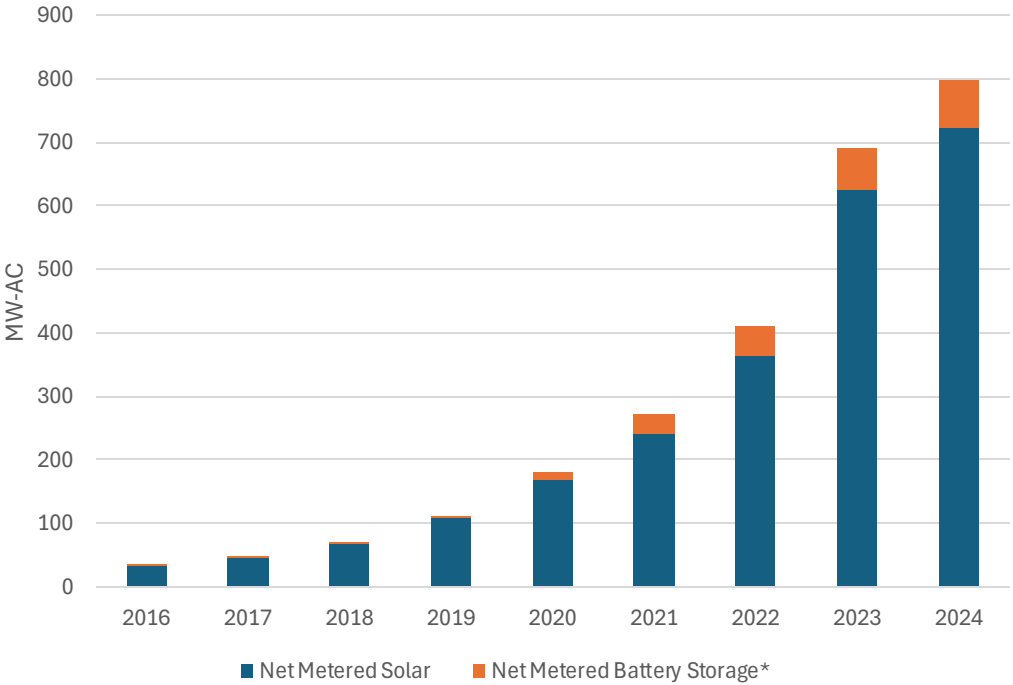


# Current State of DERs in Virginia

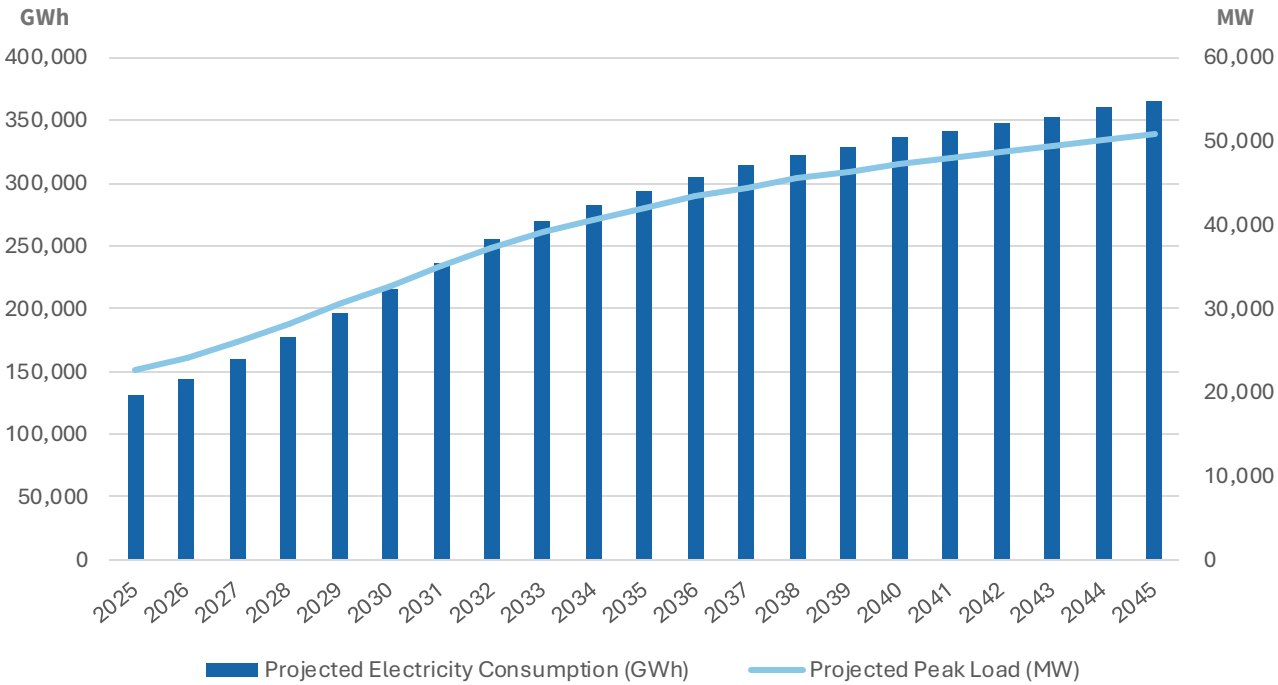
Significant opportunity to scale relatively low DER deployment across VA to help meet rising demand

## BTM Net-Metered Solar & Storage Deployment (MW)<sup>1</sup>

Capacity from other resources (e.g., distributed storage, smart thermostats) to be assessed



## Projected Annual Electricity Consumption (GWh) and Peak Demand (MW) – Dominion Load Zone (DOM Zone)<sup>2</sup>



Virginia’s BTM distributed solar capacity is **less than 3%** of total statewide installed generation capacity.

*\*Net metered battery storage figures are estimated based on available data.*

Dominion projects **annual electricity consumption** and **peak demand** for DOM Zone to be **5.2%** and **4.1% CAGR**, respectively.

1: EIA 860, 861 + proprietary data, LBNL battery attachment rates, and EnergySage marketplace data.

2: Dominion Energy 2025 Update to 2024 IRP; 2025 PJM Load Forecast Annual Net Energy (GWh) and Growth Rates

PRELIMINARY

# DER Task Force Membership & Support

- **Chair:** Chief Josephus Allmond, Chief Energy Officer, Office of the Governor
- **Delegate Richard (Rip) Sullivan**, Delegate, 6th District, Virginia House of Delegates
- **Delegate Dan Helmer**, Delegate, 10th District, Virginia House of Delegates
- **Senator Schuyler VanValkenburg**, Senator, 16th District, Virginia State Senate
- **Deputy Secretary Kristin Dahlman**, Designee of Sec. Chenery, Office of the Secretary of Commerce and Trade
- **Carrie Hearne**, Director, Commission on Electric Utility Regulation of Virginia (designee of Senator Scott Surovell)
- **Emily Orvis**, Vice President of Energy Markets, Voltus
- **John Farmer**, Energy Regulatory Attorney, Virginia Office of the Attorney General
- **Lt. Governor Ghazala Hashmi**, Lt. Governor of the Commonwealth of Virginia
- **Ashish Kapoor**, Senior Energy and Climate Advisor, Piedmont Environmental Council
- **Richard Caperton**, Vice President of Public Policy, SPAN
- **Tony Smith**, Chair and Co-Founder, Virginia Distributed Solar Alliance
- **Dawn Oleksy**, Clean Energy Manager, City of Richmond
- **Joe Lerch**, Director of Local Government Policy, Virginia Association of Counties
- **Angela Navarro**, President, Align Energy Advisors
- **Bill Murray**, Senior Vice President, Corporate Affairs & Communications, Dominion Energy

## Task Force Support

**TF Chair support:** Louise White, Deputy Energy Officer

**Staff lead:** Callie Houghland, Associate Director of DG Solutions, Virginia Energy

## **External support:**

Deloitte – Lead: Anna Holland & Andrew Kimball

Energy Policy Design Institute (EPDI) – Lead: Ted Ko