



DER Task Force Meeting 1

July 16, 2026

Agenda

Time	Topic	Speakers/Presenters
9:30AM	Call to Order, Roll Call, Welcome & Introductions	Chair
9:45 AM	Task Force Overview and Mandate	Chair
9:55 AM	Current State of DERs in Virginia	Chair / Deloitte
10:10 AM	DER Strategy, Road Map, and Discussion	Ted Ko, TF Members
11:30 AM	Review and adopt Task Force Work Plan & Stakeholder Engagement Strategy	Chair / Deloitte
11:45AM	Public Comment Period	Chair
12:00PM	Meeting Adjourn	Chair



DER Task Force Overview

The Distributed Energy Resources Task Force is created as an advisory commission within the executive branch.

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.*



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

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

Staff support: Haley
Weinstein, Virginia Energy

TF Chair support: Louise
White, Deputy Energy Officer

External support:

Deloitte – Lead: Anna Holland
& William Kimball

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



Process & Logistics

- For the 16-person Task Force, **quorum to hold a meeting is 9 members**. All voting must be held during in-person meetings, scheduled:
 - **August 4, 2pm-5pm** – vote on Participative Planning Report
 - **September 15, 2pm – 5pm** – vote on Interim Report
 - **October 13, 2pm – 5pm** – vote on Final Report
- Voting is based on simple majority based on Task Force members present (can note any areas of disagreement in final materials)
- Any correspondence or materials related to the Task Force are **subject to Freedom of Information Act (FOIA) requirements**.
- **The presence of three members discussing board matters triggers public meeting requirements**. Please do not discuss Task Force business with three members outside official meetings, unless otherwise asked.



Context: Overview of DER deployment and market integration in Virginia today



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 distributed energy resources, 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 distributed energy resource owners and coordinates the operation of those energy resources.

Sources: § 56-585.1:16 of the Code of Virginia; 2026 Va. Acts, ch. 997.

The DER & VPP Opportunity

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

Key Trends in Virginia

(not exhaustive)



Rapid load growth

Surge in data center demand; electrification



Affordability pressures

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



Long-lead times (1-3+ years) to 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

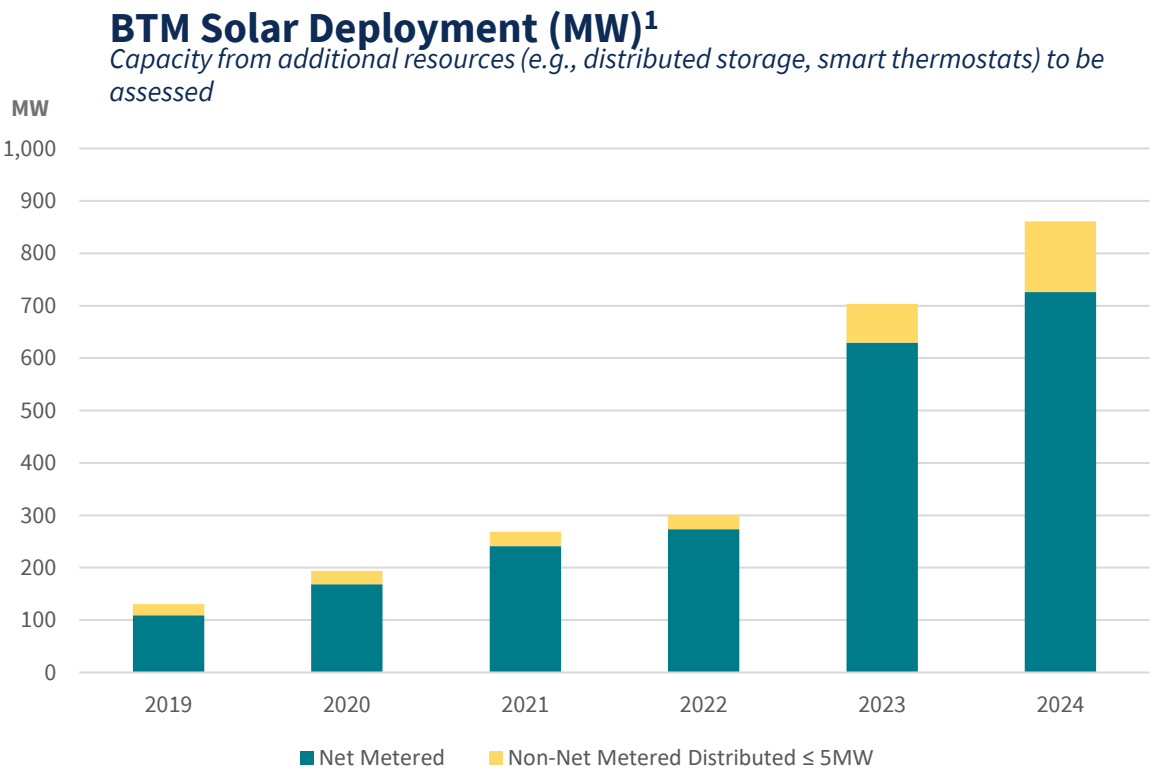


Reduces emissions

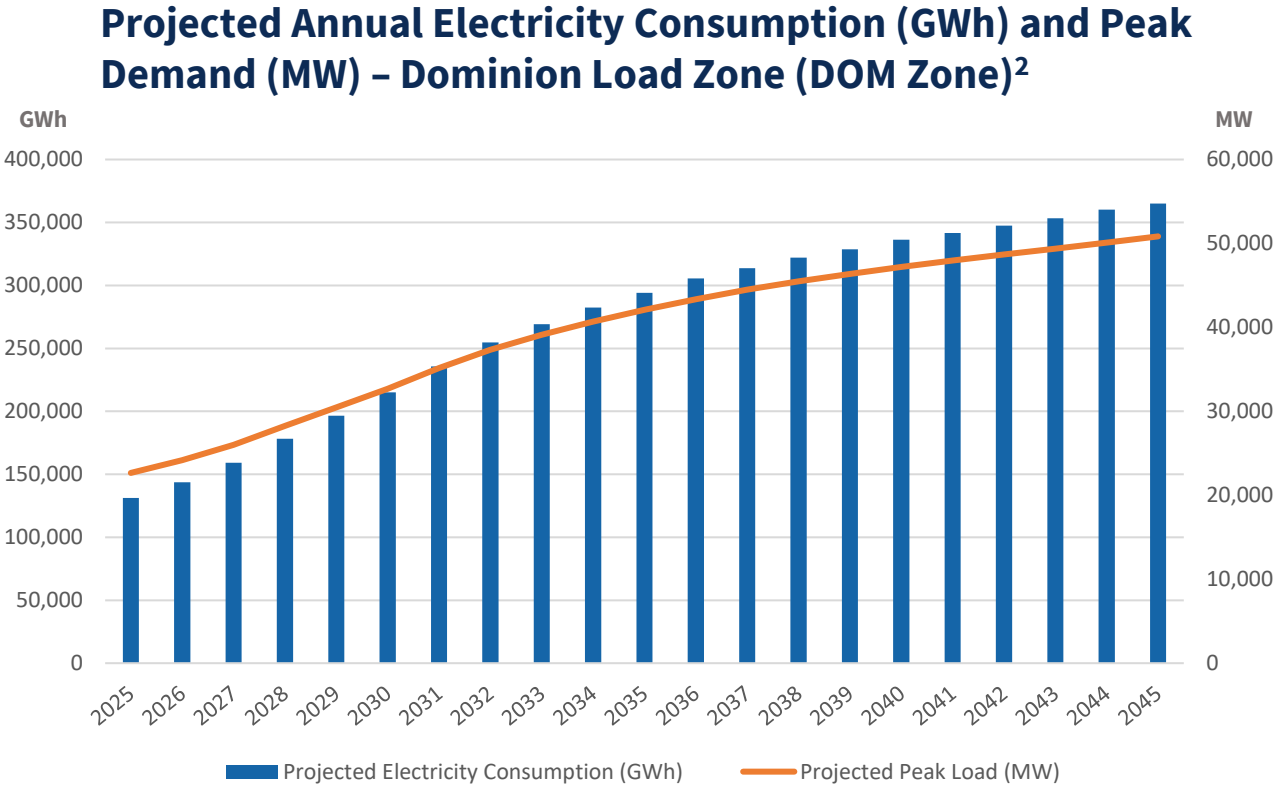
Adds renewable generation; reduces need for fossil fuel assets and new generation

Current State of DERs in Virginia

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



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



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

1: EIA 860, 861
2: Dominion Energy 2025 Update to 2024 IRP; 2025 PJM Load Forecast Annual Net Energy (GWh) and Growth Rates

Legislative & Regulatory Milestones

Virginia has a robust legislative and regulatory foundation to build on to support DER deployment and aggregation

2020	2025	2026	
FERC Order 2222 Requires ISOs/RTOs to allow aggregated DERs in wholesale markets. Compliance deadline: Feb 1, 2028 .	HB 2266 / SB 1058 Requires SCC to establish distribution cost-sharing program for Appalachian Power & Dominion.	HB 1467 Requires Appalachian Power petition SCC for approval for pilot program to evaluate methods to optimize demand through various technologies, including VPPs . July 1, 2027, filing deadline.	HB 284/SB 371 Requires Dominion, Appalachian Power, and certain cooperatives to establish demand flexibility program for high energy demand customers (Jan. 2027 & Jan. 2029 filing deadlines); SCC establishes rules on capacity reduction credits .
Virginia Clean Economy Act Increased net metering cap from 1% to 6%, created 1,100 MW DG petition requirement, and created 1% DG carveout in the RPS	HB 746 / SB 565 Requires Dominion establish a pilot VPP program consisting of DER aggregations totaling 450 MW . SCC to create permanent program and procurement targets in 2028.	HB 895 / SB 448 Distributed storage carveout established for Dominion and Appalachian Power: 1,678 MW .	HB 562/SB 487 Authorizes co-ops to establish VPP programs ; includes aggregation of technologies such as residential storage , managed EV charging technologies , and smart thermostats .
Shared Solar Created 200 MW shared solar program for Dominion with minimum bill exemption for low-income customers.	PUR-2025-00211 Dominion files initial VPP pilot petition pursuant to HB 746 / SB 565 (Va. Code § 56-585.1:16).	PUR-2026-00011 Dominion proposes approach to SCC to accelerate interconnection of large loads.	HB 628 / SB 175 Requires Dominion fulfill 4.5% of its annual RPS obligation with ≤1MW distributed resources (<i>increases to 5% in 2031</i>), flips ownership ratio for DG projects, allows PPAs for all.

DER Deployment Challenges in Virginia

Continuing to identify and address remaining challenges and gaps can support greater uptake

Market / Customer	Technical	Regulatory
Uneven customer knowledge of and adoption of DERs	Emerging utility experience aggregating and operating DERs at scale in VA	FERC Order 2222 compliance deadline <i>Feb 1, 2028, for energy & ancillary services markets</i>
Inadequate cost incentives to adequately compensate DERs	Uneven availability of statewide DER hosting capacity data	Permitting timelines vary significantly by locality
Upfront cost barriers for some customers	Integrating and optimizing DERs in utility planning and operations	Aligning electric distribution utility incentives with DER deployment
	Cybersecurity vulnerabilities to manage as aggregated DERs & enabling tech scales	Direct transfer trip (DTT) requirements adding cost for interconnection of DERs ≥250 kW
	Adoption of clear third-party data access and DER<>grid communication standards	

Virginia's DER and VPP Vision & Roadmap



EPDI Introduction

The [Energy Policy Design Institute](#) (EPDI) accelerates effective policy change for a resilient, equitable, clean energy system by providing tools and training to staff at state agencies and their stakeholders

- National 501(c)3 nonprofit
- Neutral — does not do advocacy or represent stakeholders

VPP Convergence Project

Adopting a Common Policy Framework to Help States Enable VPPs

- Launched Oct 2025 - Chair: Jigar Shah, former DOE LPO Director
- Currently: 20+ companies, dozen utilities, 15 PUC/SEO
- VPP Framework; Policy Navigator; Regulatory Roadmaps; Implementation Manuals

Vision Statement: Objectives

A market where all types of dispatchable DERs can get paid to provide cost-effective services in support of our **major energy system objectives**

Key Objectives

Safe

Clean / Decarbonized

Reliable

Affordable (**large loads**)

Cost-effective

Equitable

Secure

Resilient

Vision Statement: Grid Services

A market where all types of dispatchable DERs can get paid to provide **cost-effective services** in support of our major energy system objectives

Objectives

Example grid services

Reliability



Resource Adequacy

Affordability



Local Capacity (**large loads**)

Resilience



Backup Power

Clean Energy



Wholesale Ancillary Services

VPP Policy Framework = Subset of overall DER Policy
Focused on grid services, not other benefits of DERs

VPP Types: The Building Blocks of VPP Policy

Grid Services

- Wholesale: capacity market, energy, ancillary services
- Transmission capacity
- Distribution Capacity: System; Local (NWA); Hosting capacity
- System Resilience
- GHG Reduction
- Contracted Capacity (large loads)

Technologies

- BTM vs FTM
- BTM: Residential vs C&I
- Dispatchable: (not EE or standalone solar)
- Less focus on traditional DR
- Energy Storage
- EVs
- On-site automated load control

Business Model

- Utility Program
- Utility Control
- 3rd party aggregator - retail
- Wholesale markets participant

VPP Types: Examples

VPP Type	Services	Technology	Biz Model	Examples
Utility Capacity Program	Bulk Capacity / RA	DR only	Utility Program	
		C&I Batteries	Utility Program	
Aggregator Retail	Bulk Capacity/RA		3 rd party retail	
	NWA	BTM batteries	3 rd party retail	
Utility Direct Control	Bulk or Distribution capacity	FTM batteries	Utility Control	Distributed Capacity Procurement (DCP)
		EVs	Utility Control	Managed EV charging
Wholesale Market	Capacity & Energy	DR Only	Wholesale participant	Existing DR aggregations
	All wholesale	Order 2222	Wholesale participant	None yet
Data center capacity	Contracted Capacity	All	All	Google-Voltus Google-Xcel (Minn) VA SB371 – demand flexibility

Policy Categories and Topics

Setup / Registration

- DER Registry
- Utility Review of DERs
- Aggregator Licensing
- Dispute Resolution

Deployment

- Interconnection
- Grid Data Access
- Cybersecurity
- Load interconnection

Operations

- Operational Coordination
- Comms Protocols
- Dispatch Override

Markets / Txns

- Metering
- Transaction Settlement
- Dual Participation

Dist. Planning

- Pilot Programs
- Benefits – Costs Analysis
- Non-Wires Alternatives

Ratepayer Issues

- DERMS
- Program cost-recovery
- Rate design interaction

Purple = important for
selected VPP Type

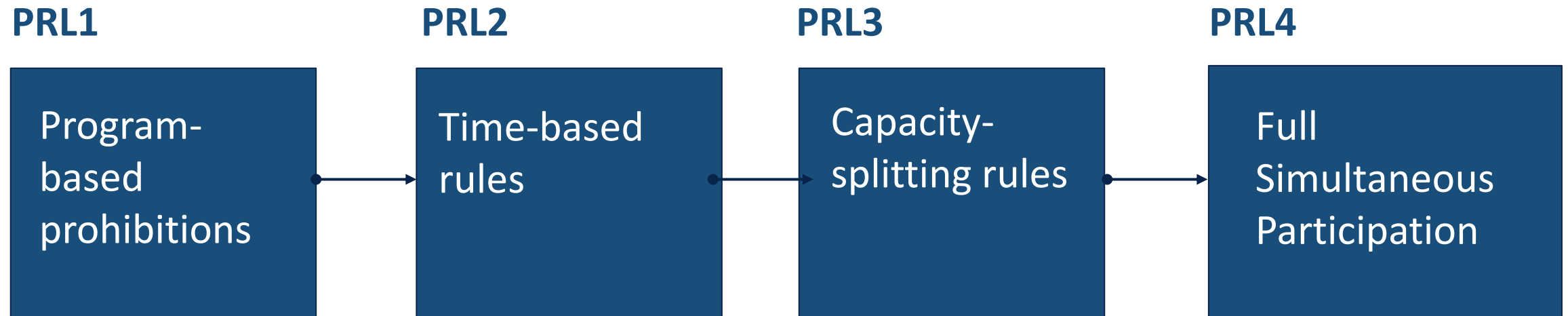
Green = helpful for
selected VPP Type

Red = relevant to large
load VPP type

Policy Readiness Levels (PRLs)

PRL = Regulatory milestones / phases of development for each Policy Topic

Example PRLs for Policy Topic: Dual Participation / Double Counting

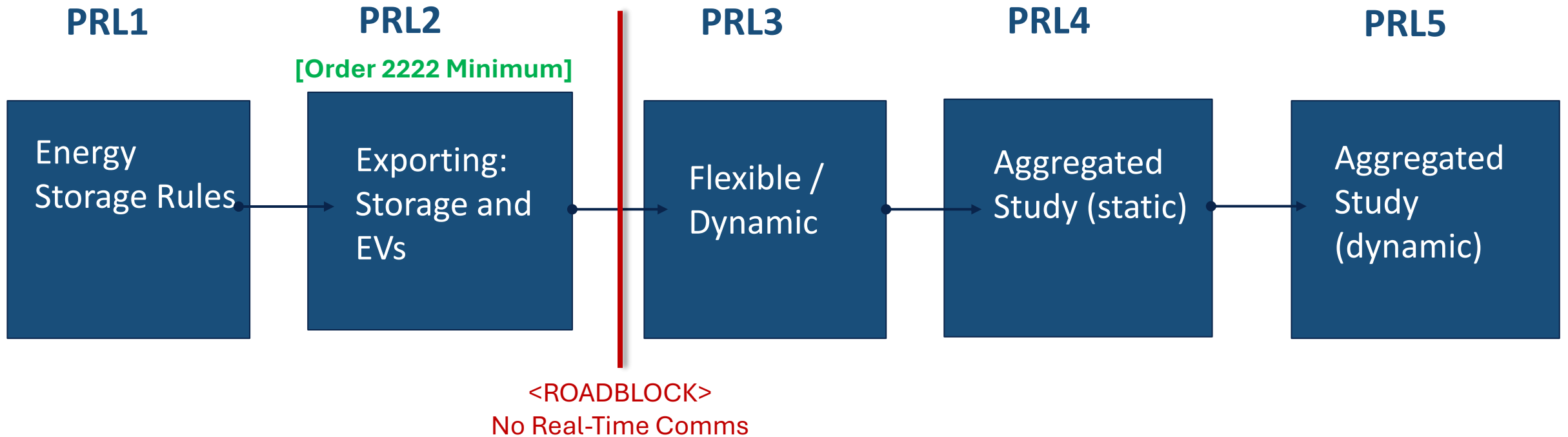


Policy Readiness Levels (PRLs): Minimum PRL and Roadblocks

Minimum PRL: Milestone needed to enable VPP Type

Roadblock: Issue preventing achievement of PRL

Example PRLs for Policy Topic: DER Interconnection (VPPs)



Policy Map Prototype Demonstration

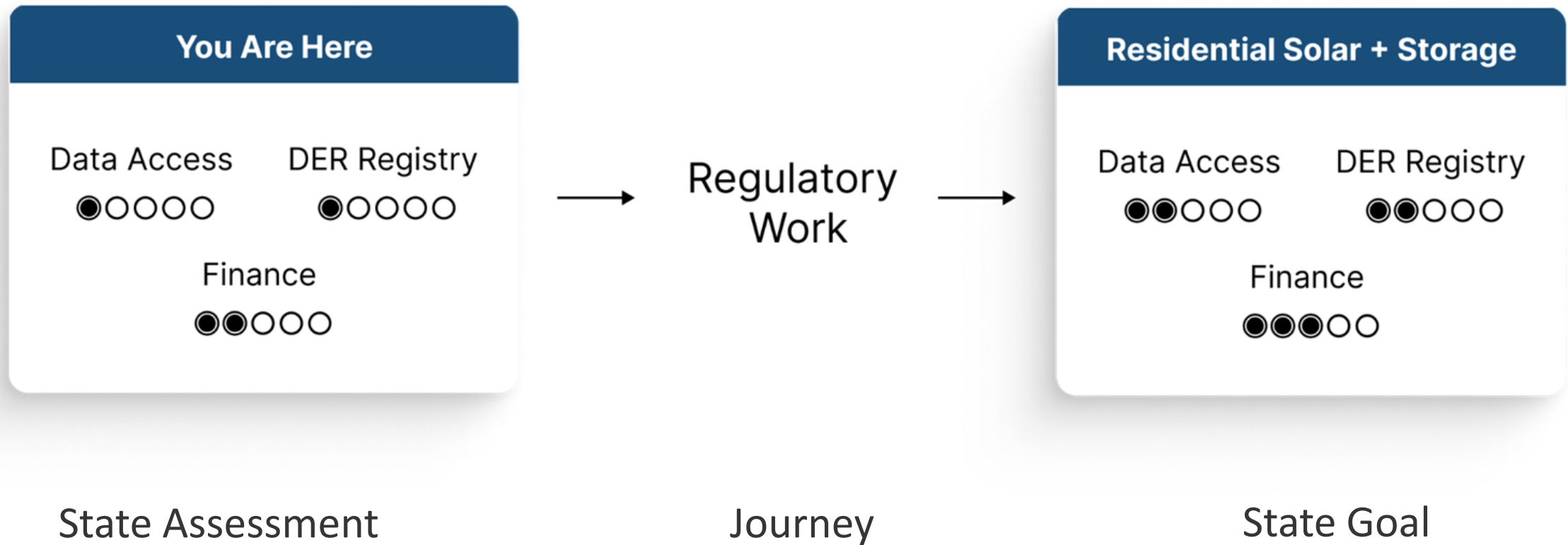
Regulatory Roadmap Process: Prioritize and Assess

- **Step 1: Rough prioritization of VPP Types**
 - Already identified via DER Task Force statute to look at FERC 2222:PJM type
 - Not a forced ranking, but at least a ~priority 1, priority 2, priority 3
- **Step 2: Identify relevant Policy Topics for prioritized VPP Types**
 - At least: Required for 2222:PJM
 - Identify minimum PRL
- **Step 3: Assess where Virginia currently is across those required PRLs**
 - Is current VA policy/regulation at, below, or above the minimum required PRL needed to enable the priority VPP?
- **Step 4: Identify gaps and build regulatory roadmap: regulatory changes needed to move from current state to minimum PRLs**
 - Identify and Roadblocks in the way of achieving minimum PRLs
 - Identify any topics where you want to plan to go beyond the minimum PRL
 - Identify regulatory work that supports multiple VPP types and use framework to make sure chosen path supports long-term journey

Step 1-2: VPP prioritization & PRL identification

- After Task Force meeting today, DER Task Force members will do a rough prioritization exercise
- EPDI will synthesize and identify top priority VPPs and identify required minimum PRLs needed to achieve those
- At the second meeting on Aug 4, Task Force will review priority VPP types and minimum PRL requirements

Step 3: “You Are Here” Assessment and Planning



Step 4: Regulatory Roadmap - Action Plan

- **Initial Roadmap is an action plan to achieve the minimum PRLs**
 - Primarily regulatory action, but may include legislative action if needed to achieve PRLs
 - Consider prioritizing regulatory actions that support multiple VPP types
 - Order 2222 Roadmap: Fit into broader Roadmap
 - *Actions become part of DER Task Force recommendations*
- **Roadmap is a living document**
 - Priorities may shift
 - Discover new policy topics / subtopics
 - Discover new roadblocks
 - Minimum PRLs may make VPP Types technically feasible but not economically feasible

Step 1 Exercise: VPP Types Prioritization

Overall goal: greatest impact on objectives, soonest

- As mentioned: already required to do 2222
- But 2222 may not be most near-term impact, so may do minimum compliance while working to advance other VPP Types

Grid Services Prioritization

	Ratepayer Benefits	System Need	Speed to Implement	Technical Readiness	Potential Barriers
PJM Capacity	High			Medium	
Wholesale Energy	Low		Fast		
Distribution NWA			Slow		Cost Recovery Rules
System Resilience		Low		Low	
Contracted Capacity	High	High	Medium	Low	Need advanced DERMS

Step 1 Exercise: VPP Types Prioritization - Other Dimensions

- DER Technology
 - existing deployment
 - forecast adoption
 - technology readiness
- System Readiness – examples
 - DER control systems at utilities
 - Communication protocols
- Business Model:
 - Utility Program: easy for consumers
 - Utility Control: reliability
 - 3rd party retail: competition
 - Wholesale: larger impact?

Next Roadmap Steps

- **EPDI to send out “homework” to TF Members**
 - Provide input on prioritization: Grid services, technologies, business model
 - Provide some narrative on priority choices
- **EPDI to lead meetings with SCC and Utilities to gather input on VPP Type prioritization**
 - Additional broad stakeholder engagement opportunities forthcoming after Aug 4 Meeting #2

Task Force Workplan



Workplan Overview

Mtg 1 (Jul 16)
Kickoff

Mtg 2 (Aug 4)
Vote on Participative Report

Mtg 3 (Sept 15)
Vote on Interim Report

Mtg 4 (Oct 13)
Vote on Final Report

Nov 1
Submit Report

	Phase 1: July 16 – Aug 4	Phase 2: Aug 4 – Sept 15	Phase 3: Sept 15 – Oct 13	Phase 4: Oct 13–Nov 1
Key Deliverable	- Baselining research for report - Draft Participative Report	Draft Interim Report	Draft Final Report	Final Reviews & Submission
Core Research & Analysis	- For prioritized VPP types, identify minimum PRL requirement needed & assess current VA state for those PRLs - Refine research on current DER market state & barriers	- Draft VPP Regulatory Roadmap based on current vs. target state - Assess FERC 2222 compliance - Draft policy, regulatory, implementation rec's - Share early findings for integration with VA Energy Plan	- Finalize & update research, regulatory roadmap, and recommendations - Address any outstanding research questions	- Final report adjustments, formatting & clean-ups - Final Admin reviews
Stakeholder Engagement	- Meeting with SCC staff - Meeting utility staff - Ad hoc engagement with experts / stakeholders to inform research findings	- Public stakeholder webinar on early findings and priority VPP types - Solicit written stakeholder input 1-2 industry listening sessions (with SEIA, DSA, AEU, etc.) - Engage with other VA Working Groups (EE/Weatherization, Balcony Solar, etc.) for alignment as needed	- Public stakeholder webinar on interim report materials - Solicit written stakeholder input on interim report - Meet with SCC staff - Meet with utility staff	



Key Milestones

July 16	1st DER Task Force Meeting
July 30	Participative planning report posted to Town Hall
August 4	2nd DER Task Force Meeting - Vote on Participative planning report
Aug 4-Sept 15	Stakeholder Engagement
Sept 1	<i>Participative Planning Report Due to General Assembly</i>
Sept 10	Interim report posted on Town Hall
Sept 15	3rd DER Task Force Meeting – Vote on Interim Report
Oct 1	<i>Interim Report due to General Assembly</i>
Oct 8	Final report posted to Town Hall
Oct 13	4th DER Task Force Meeting – Vote on Final Report
Nov 1	<i>Final report due to General Assembly</i>



Key Research Questions

- **What is Virginia's current DER and VPP baseline? What market trends and lessons from other states should inform Virginia's DER deployment and aggregation strategy?**
 - Assess current deployment (e.g., installed capacity, customer adoption) vs. target state deployments
 - Evaluate emerging tech, regulations, and lessons from peer states (e.g., smart panels, IEEE/NERC standards, state best practices – e.g., MD, CA, MA, TX, etc.).
- **What barriers are limiting DER deployment and aggregations/VPP participation today?**
 - Identify market, technical, regulatory/policy, and administrative challenges (e.g., interconnection queues, permitting, costs)
 - Develop regulatory roadmap to move from current to target state to best enable DER aggregation/VPPs
- **What is the status of FERC 2222 compliance, and how should Virginia policies be updated to support compliance?**
 - Identify changes needed to align with FERC Order 2222 and PJM market participation
- **How can DERs and VPPs/aggregated DERs improve Virginia grid affordability and resilience?**
 - Understand implications on improving affordability outcomes
 - Evaluate opportunities for microgrids and community resilience hub applications.
- **What actions are needed to accelerate DER deployment and ensure long-term market success?**
 - Identify priority legislative, regulatory, and executive actions and recommendations for industry or other stakeholders
 - Recommend implementation strategies (e.g., SCC rulemakings, stakeholder coordination, permanent DER Advisory Council)



Discussion questions

- **Are there any specific national experts or other perspectives the Task Force would like to hear from during the Task Force meetings?**
- **Are there any key research questions or topics not yet addressed that we should consider?**
- **Are there other stakeholders that should be engaged?**
- **Any other feedback on the DER Task Force workplan?**



Public Comment



Public Comment

- **If you would like to speak, please raise your hand**
- **Please introduce your name and affiliation**
- **Please limit your comments or questions to <2-3 minutes, pending interest**

There will be additional engagement opportunities

