



RERRAs, EDCs, and the Realization of Order 2222

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Why RERRAs and EDCs Are Central to O2222 Success

- Order 2222 changed who can bid DER aggregations into wholesale markets, but it did not change **who controls interconnection, local tariffs, and customer protections**. Those responsibilities remain with RERRAs and distribution utilities.
- Order 2222 also created a **“coordination stack”** that depends on distribution and retail governance (i.e., Aggregation review processes, data protocols, override mechanisms, metering requirements, dispute resolution, cost recovery).
- Order 2222 filings recognize RERRA and EDC roles, but operational and governance specificity remains limited for valid reasons.
- In practice, the success of Order 2222 (and DER aggregation) requires **coordinated governance** across jurisdictions.

Considerations for RERRAs (Explicit & Implicit)

	DER Registrations and Dual Participation Monitoring	EDC 60-Day Review Oversight	DER Aggregator Code of Conduct
Purpose	<p>Monitoring and tracking DER participation in both retail programs and wholesale markets to prevent double compensation for the same service.</p>	<p>Mandatory EDC review window (≤ 60 calendar days) to identify safety, reliability, and compatibility concerns regarding DER aggregation participation in wholesale markets before ISO/RTO approval.</p>	<p>Regulatory guidelines ensuring DER aggregators operate transparently, fairly, and protect consumer interests when enrolling customers in wholesale market programs.</p>
RERRA Actions	<ul style="list-style-type: none"> • Establish uniform framework to monitor dual participation across jurisdictions • Condition DER participation in retail programs to mitigate double compensation concerns • Define incompatible service combinations and permissible dual participation scenarios 	<ul style="list-style-type: none"> • Establish governance processes defining how 60-day review integrates with state interconnection procedures • Ensure EDCs adhere to timeline and provide clear evaluation criteria for safety/reliability assessments • Open state dockets to align Order 2222 processes with existing regulatory frameworks 	<ul style="list-style-type: none"> • Establish consumer-oriented code of conduct for aggregator registration and operations • Ensure equitable market access and prevent discriminatory aggregator practices • Require transparency in customer contracts, compensation structures, and program obligations

Considerations for RERRAs (Explicit & Implicit)

	EDC Operational Decision Oversight	Dispute Resolution Mechanisms
Purpose	<i>EDC operational coordination responsibilities including curtailment authority, derate decisions, and dispatch override mechanisms that can limit or restrict DER aggregation participation in wholesale markets.</i>	<i>Formal mechanisms to resolve conflicts arising from DER aggregation participation across customers, DERAs, EDCs, and ISO/RTOs.</i>
RERRA Actions	<ul style="list-style-type: none"> • Oversee EDC decision-making processes to ensure non-discriminatory curtailment and derate actions • Implement Distribution Standard of Conduct ensuring equitable DERA access to distribution grid • Ensure communication protocols between EDCs, ISO/RTOs, and DERAs document override decisions 	<ul style="list-style-type: none"> • Establish dispute resolution processes addressing specific Order 2222-related conflicts • Provide clear, equitable pathways for resolving EDC-DERA-ISO operational disputes • Define escalation procedures and timelines for dispute adjudication

Considerations for EDCs (Explicit & Implicit)

Purpose

60-Day Aggregation Review Process

Two-part review completed within 60 calendar days to validate DER aggregation eligibility for wholesale market participation.

EDC Actions

- Establish streamlined, consistent aggregation review process meeting 60-day deadline
- Articulate clear criteria and methodology for safety/reliability incremental impact assessments of DERA

Aggregation Interconnection Standards

Interconnection rules and processes specifically designed for aggregated DERs to ensure wholesale market participation does not adversely impact distribution grid reliability.

- Standardize performance requirements for various wholesale services provided by aggregations
- Model impacts of multiple DER aggregations dispatched simultaneously across feeders
- Consider flexible interconnection constructs with dynamic operational limits based on hosting capacity

Information and Data Sharing Framework

Comprehensive data exchange framework between DERAs, EDCs, and ISO/RTOs covering registration, market coordination, and operational phases while protecting privacy and critical infrastructure.

- Formulate robust data security and privacy protocols compliant with cybersecurity standards
- Provide detailed DER data to support DERA registration with ISO/RTO
- Establish real-time communication protocols for pre-market, day-ahead, and post-market coordination

Considerations for EDCs (Explicit & Implicit)

	DER Registration System	Operational Coordination Phases
Purpose	<i>State or regional uniform database serving as master record for DER data management and dissemination to authorized stakeholders.</i>	<i>Multi-phase coordination framework ensuring distribution reliability while enabling DER aggregation wholesale market participation.</i>
EDC Actions	<ul style="list-style-type: none">• Populate and maintain registry with accurate, current DER information• Ensure cybersecurity compliance appropriate to risk model and data privacy requirements• Conform to industry standards (IEC Common Information Model)	<ul style="list-style-type: none">• Ensure effective automated communication with DERAs and ISO/RTO at each coordination phase• Provide timely updates on unplanned outages, safety issues, and deviations from forecasted load• Manage transparent dispatch override mechanisms with documented justifications

Gaps Limiting 2022's Potential



Technology Investment Requirements

EDCs require significant capital investments in advanced telemetry systems and market coordination platforms - many current tools inadequate for Order 2222 data and coordination requirements



Data Access & Privacy

Many states lack clear DER-specific rules for data access, consent, and cybersecurity, forcing bilateral NDAs instead of standardized frameworks



Double-Counting Rules

FERC left stacking details to RTOs/ISOs & states—many commissions haven't defined concrete dual-participation frameworks (NEM + wholesale, DR + capacity)



Fragmented Proceedings

States tackle 2222 issues across separate dockets (interconnection, data access, retail programs) without knitting them together—slows decisions, confuses market participants



EDC Incentive Misalignment

State-level regulatory adjustments and rulemaking processes are inherently lengthy; lack of clear cost allocation and recovery frameworks for DERA integration investments creates financial uncertainty

Opportunities to Move the Needle



Technology and Human Capacity Development

Invest in market/operational coordination platforms enabling real-time data exchange across pre-market, day-ahead, and post-market phases; develop phased multi-year training and staffing expansion plans for RERRAs and EDCs



Dual-Participation Frameworks

Allow storage+NEM or certain VPP/DR to stack with wholesale under clear rules



DER Registries & Data Standards

Develop state or regional uniform DER registry conforming to industry standards (IEC Common Information Model); enables dual participation monitoring, secure stakeholder information access, and consistent data representation across jurisdictions



Standardized Performance Requirements

Develop uniform performance requirements for various wholesale services (energy, capacity, ancillary services) provided by DER aggregations; translate into technical study criteria for safety and reliability impact assessments; differentiate demand response from generation-capable DERs.



Cost Allocation Frameworks and State Dockets

Establish transparent cost allocation and recovery mechanisms for EDC interconnection upgrades and DER integration investments; open state-level dockets to formally align Order 2222 implementation with existing interconnection procedures, 60-day review processes, and retail tariff structures.

State Examples

- In response to FERC Order 2222, multiple retail regulators began proceedings on the implementation of FERC Order 2222 within their jurisdictions and states. Most states are still in early or mid-stage regulatory development.
- Regulatory proceedings at the retail level can be divided into three groups:

Maturity Level	States	Key Insight
Mature	California, New York	<ul style="list-style-type: none">• DER aggregation already allowed in wholesale markets (Pre-O2222)• Established data exchange and telemetry rules• Retail programs aligned with wholesale participation
Structured Implementation Proceedings	Maryland, Pennsylvania, New Jersey, Virginia	<ul style="list-style-type: none">• Formal rulemaking processes underway• Addressing utility review and market participation• Early frameworks for aggregator licensing or registration
Exploratory or Limited Proceedings	Indiana, Michigan, Missouri, Minnesota, Wisconsin	<ul style="list-style-type: none">• Early-stage policy exploration• Focus on aggregator eligibility• Limited progress on operational coordination

References

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