DER Task Force Meeting 4

October 13, 2026

Objectives for Today

***Meeting 1**: Set Task Force context, discussed DER & VPP Policy framework*

***Meeting 2**: Aligned on long-term vision and initial priorities for DERs & VPPs in Virginia, learned from other state experiences, assessed current state of Virginia's regulatory environment, surfaced recommendations for interim draft report*

***Meeting 3:** Reviewed and discussed adjustments to key findings with Task Force, voted on the **Interim** DER Task Force Report, and identified major outstanding questions to resolve before final report submission (due **November 1**).*

Meeting 4:

- Understand how DERs were included in the 2026 Virginia Energy Plan, and what Virginia's DER outlook may include based on separate supplemental DER modeling analyses
- Review and vote on final Task Force Recommendations report
- Discuss and confirm path forward and Task Force priorities for advancing DERs

Agenda

Time	Topic	Speakers/Presenters
2:00 PM	**Welcome**	Chair
2:05 PM	**Virginia Energy Plan Update**	Chair
2:20 PM	**DER Modeling Results Review**	Deloitte
2:40 PM	**Review Updated Report Recommendations and Discuss Next Steps**	Staff
4:00 PM	**Final Vote and Wrap up**	Chair / Staff
4:05 PM	**Public Comment**	Chair
4:15 PM	**Meeting Closes**	Chair

Virginia Energy Plan – brief update

2026 Virginia Energy Plan Overview

- Includes a strong focus on DERs directly and demand flexibility (which can be achieved through DERs and VPPs) as key strategies to reduce costs while advancing clean energy
- In addition to advancing energy efficiency to reduce overall load growth, several core power sector modeling scenarios included:
  - 10 GW DERs deployment by 2045
  - 10% demand flexibility from data centers
- Analysis reinforces the DER Task Force report's emphasis on DERs playing a key part of Virginia's energy future to advance our affordable, clean energy goals and help meet growing demand

Our Vision for Virginia's Energy Future

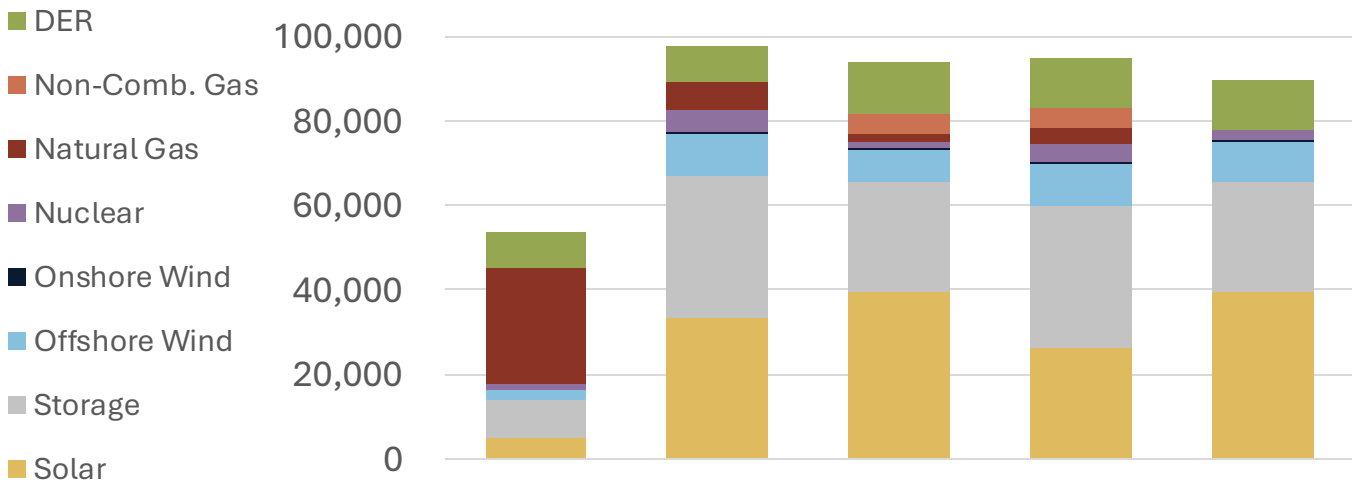
Delivering affordable, reliable, and local clean energy
that works for every community in Virginia and powers a thriving economy
—today and for generations to come.

Strategic Pillars:

- Pillar 1: Affordable Energy for Every Virginian
- Pillar 2: Clean Firm Resources to Enable Virginia's Growth
- Pillar 3: Local and Sustainable Energy that Benefits Every Community

Key modeling findings

Capacity Additions in Moderate Load Growth Forecast 2026-2050, Nameplate Installed (MW)



	No Policy	Current Policies	Distributed Flexibility	Moderate Solar In-State Priority	No New Gas
Total System Cost ($B)	$295	$422	$385	$405	$398
Social Cost of Carbon ($B)	$285	$53	$71	$75	$64
Cost of Health Impacts ($B)	$145	$35	$19	$20	$22
Total Societal Cost ($B)	**$725**	**$510**	**$475**	**$500**	**$484**

Note: Chart only represents capacity additions (MW) through the planning period. It does not include Virginia's existing installed capacity and does not represent energy generation (MWh) from existing or new resources.

- Multiple pathways to meet Virginia's rising demand while staying on track for a net zero power system by 2050
- **Distributed Flexibility solutions – including DERs and data center demand flexibility—can help reduce system costs**
- DERs modeled as solar + storage; additional upside when considering broader set of DERs
- Data center-driven demand flexibility—including in offsite and onsite DER solutions—could be a key lever to support overall system cost reductions

Multiple strategies included in the VEP can advance DER goals—building on DER Task Force efforts

Seven strategies to guide Virginia's energy future:

1) **Accelerate the deployment of the lowest cost, fastest, and cleanest energy solutions**
    a) Deploy utility-scale storage and solar
    b) Accelerate adoption of energy efficiency and consumer affordability programs
    c) Unlock cost-effective, strategic DER adoption and market integration
    d) Improve utilization of the existing grid
2) **Ensure data center growth advances Virginia's energy goals**
3) **Align utility incentives with affordable energy outcomes**
4) **Advance development of clean firm resources in Virginia**
5) **Reduce emissions from and better leverage gas infrastructure**
6) **Drive affordable, clean transportation across the Commonwealth**
7) **Build a homegrown workforce and supply chain to power Virginia's energy economy**

Modeling outlook scenarios for DERs and VPPs in Virginia

Analysis by Deloitte DER modeling team

Understanding Virginia's DER adoption outlook

Objectives

1. **Model DER and VPP** adoption scenarios **to 2045**
2. Analyze scenarios to highlight **areas of opportunity** to increase strategic DER adoption

Scope

DER types and customer groups	Three types of customer-owned DERs deployed on the customer's side of the meter: rooftop solar panels and batteries across both residential and commercial customers.
Geographical disaggregation	Virginia's three main utility service areas, covering the whole state: Dominion Energy, Appalachian Power, and the smaller cooperatives and municipal utilities grouped together.
Temporal horizon and granularity	Annual analyses from 2025 to 2045. All costs are stated in 2024 dollars, to facilitate comparison, independent of inflationary impacts. Modeling granularity is hourly (i.e., 8,760 hours per year for every analysis year).
Future scenario design	Six scenarios (a matrix of three DER adoption levels and two VPP enrollment levels) that vary how much equipment gets installed and how much of it is signed up to support the grid as dispatchable capacity.

Approach

1 Establish baseline DER conditions

Rebuild Virginia's observed DER fleet from Virginia-specific data

Outcome: Ensures the models are calibrated with actual data

2 Model technology adoption across three DER adoption scenarios

Payback economics gate a diffusion curve, per technology and sector

Outcome: Forecasts total adoption of DERs

3 Layer two levels of VPP enrollment on top of the 3 technology adoption scenarios

Share of installed capacity enrolled in VPPs, acting as dispatchable resources

Outcome: Forecasts capacity with VPP participation

4 Analyze results for policy alignment

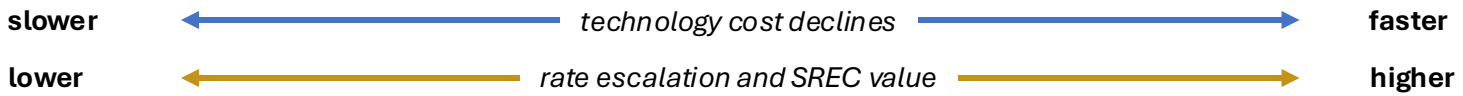
Review results for alignment with existing policy, and test the impact of proposed policy

Outcome: Informs future DER policy direction

A wide range of futures were studied to identify adoption trends

DER Adoption Levers (Scenarios 1*X* to 3*X*)

Sector	Technology	BAU (Scenario 1X)	Medium (Scenario 2X)	High (Scenario 3X)
Residential	Solar PV	No incentive	15% tax credit (up to $5,000)	15% tax credit (up to $5,000) + $750/kW LMI rebate
	Energy storage (BESS)	No incentive (48E only via third-party lease)	30% 48E ITC to 2033 + $300/kWh LMI rebate	30% 48E ITC to 2033 + $850/kWh LMI rebate
Commercial	Solar PV	30% 48E ITC (current rules)	$300/kW DC capacity rebate	30% 48E ITC extended to 2033
	Energy storage (BESS)	30% 48E ITC to 2033	30% 48E ITC + $125/kWh installed	30% 48E ITC + $250/kWh installed



VPP Adoption Levers (Scenarios *X*A and *X*B)



Six DER and VPP Scenarios Studied

1A — BAU DER Growth With Low VPP Participation

2A — Medium DER Growth With Low VPP Participation

3A — High DER Growth With Low VPP Participation

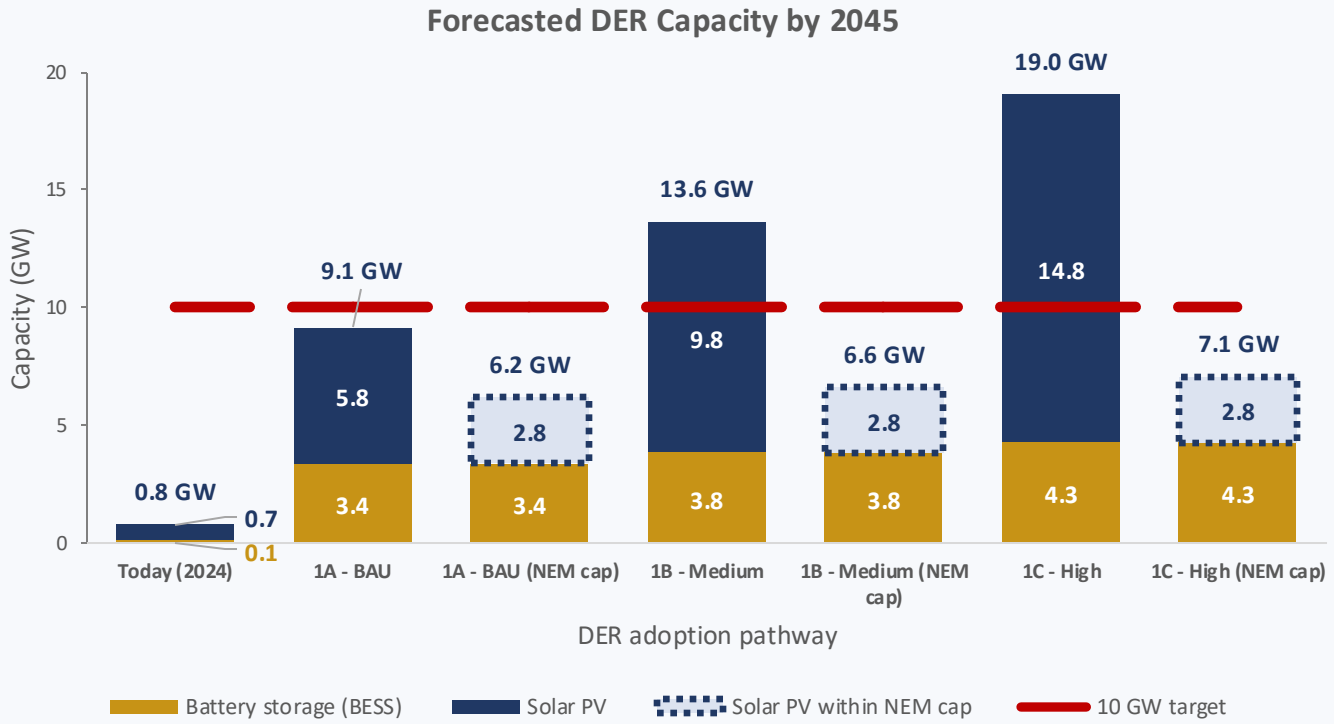
1B — BAU DER Growth With High VPP Participation

2B — Medium DER Growth With High VPP Participation

3B — High DER Growth With High VPP Participation

10 GW of DER is within reach but dispatchable capacity needs support

Virginia can reach 10 GW of DERs by 2045, but achieving meaningful grid value will require a greater focus on dispatchable capacity and VPP participation.



NEM cap scenarios: *2045 standalone solar PV is limited to the net energy metering cap, set at cap rate × 2044 Virginia peak (6% for Dominion and APCo, per Va. Code § 56-594; 5% for co-ops and municipals). Solar above the cap is excluded from the total.*

Within reach, but storage lags solar

The BAU scenario reaches 9.1 GW, nearly a GW short of the target. While the medium and high scenarios clear the target, growth largely occurs in solar, which does not provide dispatchability, nor does it support managing winter system peaks.

Incentives remain critical to adoption

Beyond the incentives needed to hit the 10 GW target, non-financial forms of support will still be important. These forecasts reflect adoption that makes economic sense to rational decision-maker; customers will likely need support (education, navigation, financing) to act on it.

Customer types need tailored supports

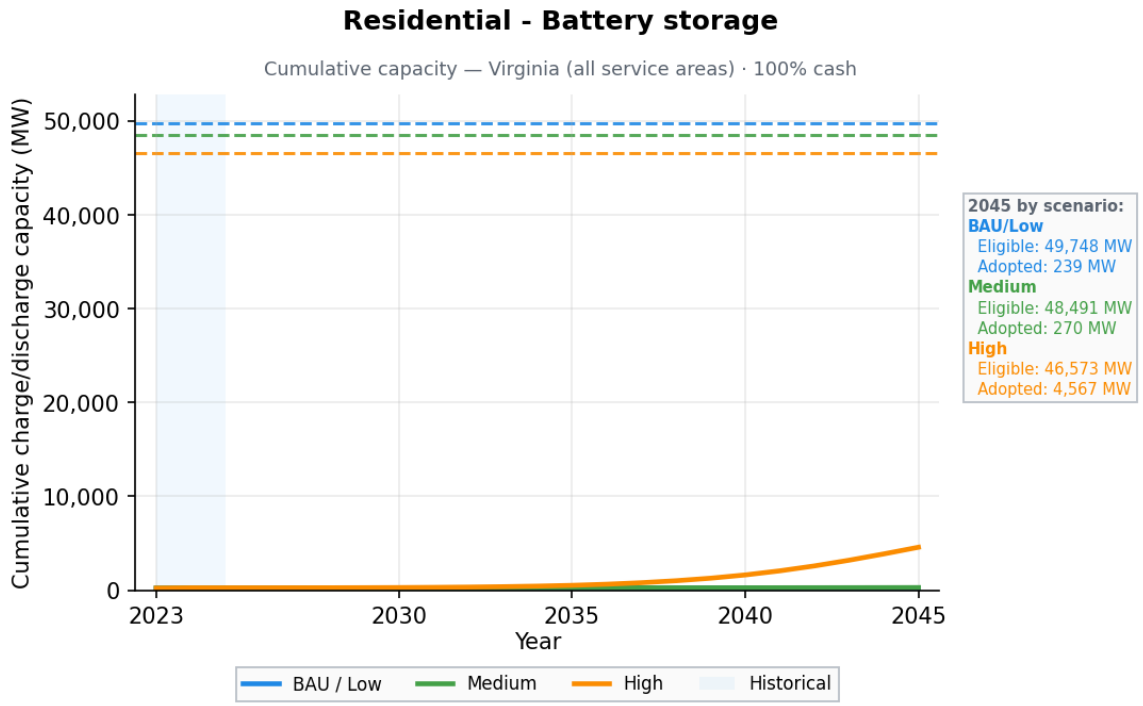
While solar PV and BESS adoption is more favorable in the commercial sector due to economies of scale, ITCs, and rate structures, most of the potential for further adoption is in the residential sector. Targeted approaches will be needed to efficiently and effectively incentivize adoption.

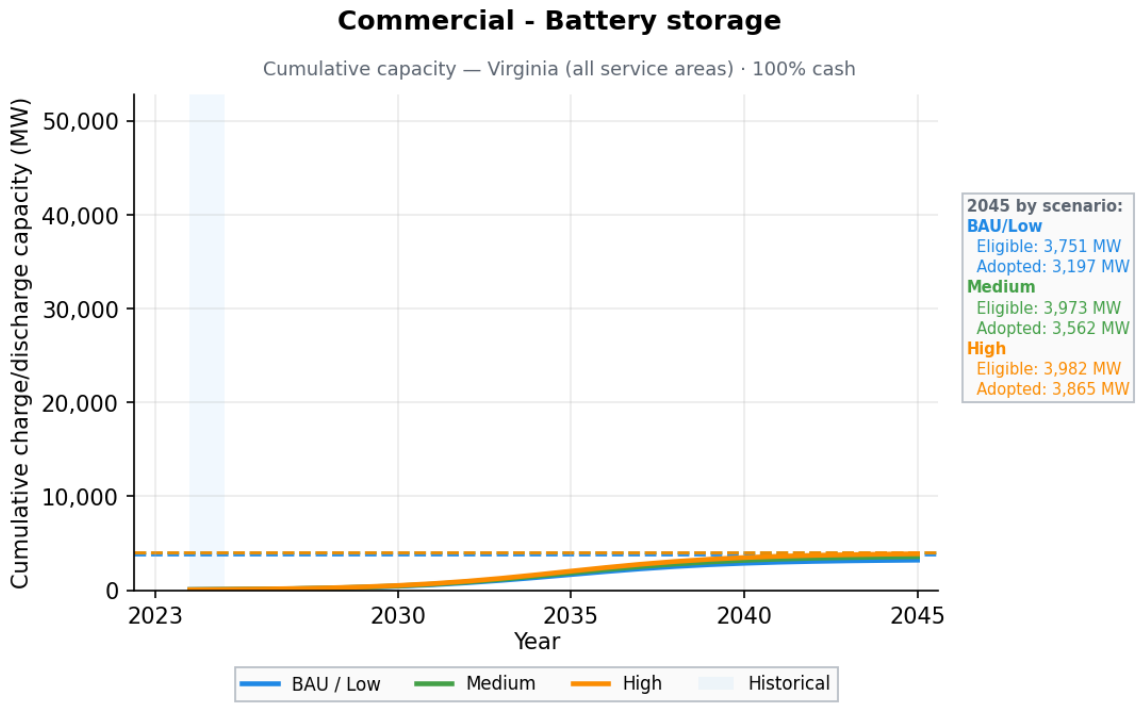
Note: In line with the methodology used in the Virginia Energy Plan, only solar and storage are counted toward the 10GW target.

KEY TAKEAWAY The economic case for 10 GW appears to be there, but it won't happen on its own: customers will need support to adopt, and because most of this capacity is non-dispatchable solar, dispatchable capacity will require additional incentives.

The residential sector's untapped dispatchable capacity potential

Batteries show strong existing commercial adoption, with opportunities to expand residential adoption through new revenue streams for customers. The exact mix of support mechanisms must further be studied.





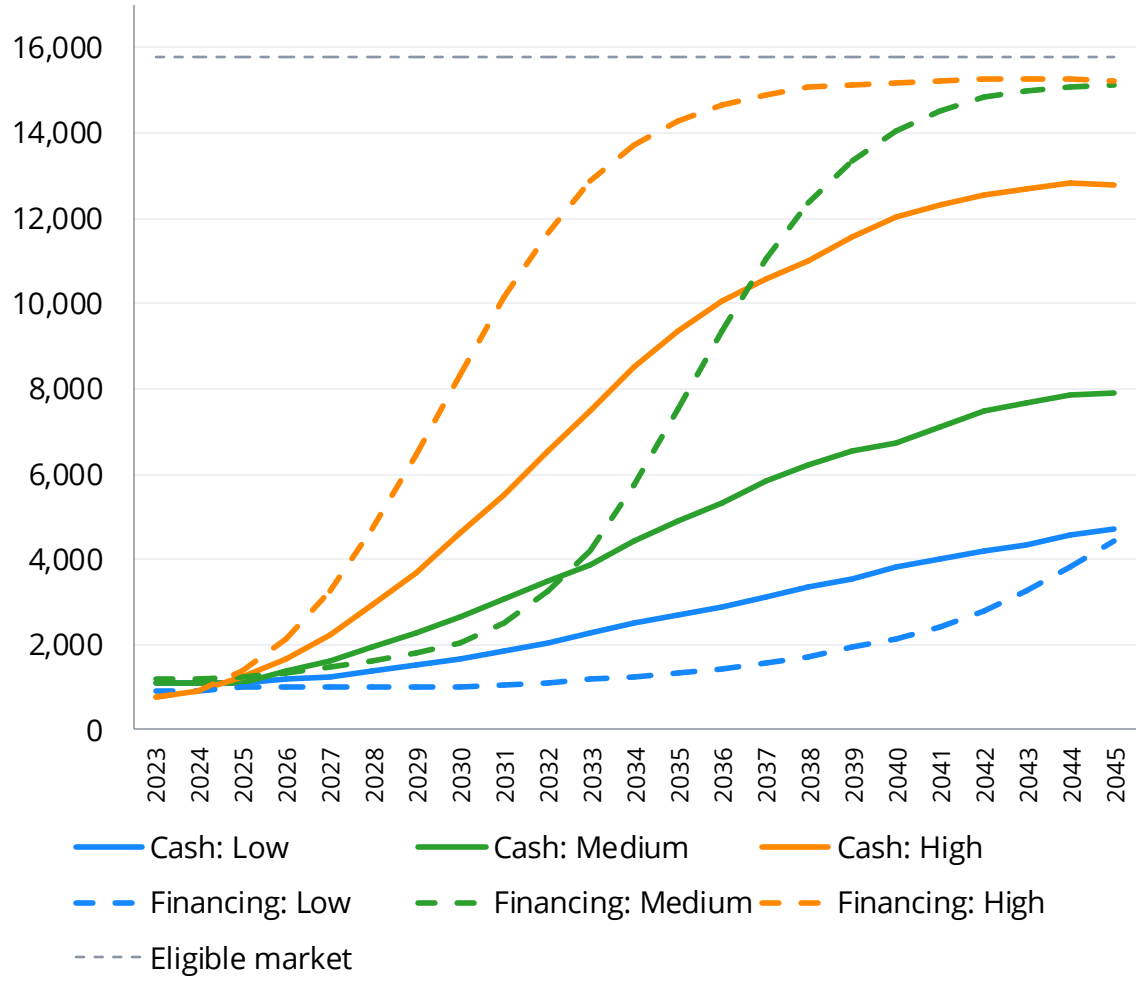


For residential paired storage, the high-adoption scenario demonstrates the potential for 0% down, low-interest financing to significantly expand uptake beyond upfront cash purchases. In the low- and medium-adoption scenarios, additional improvements in project economics would be needed to support broader adoption.

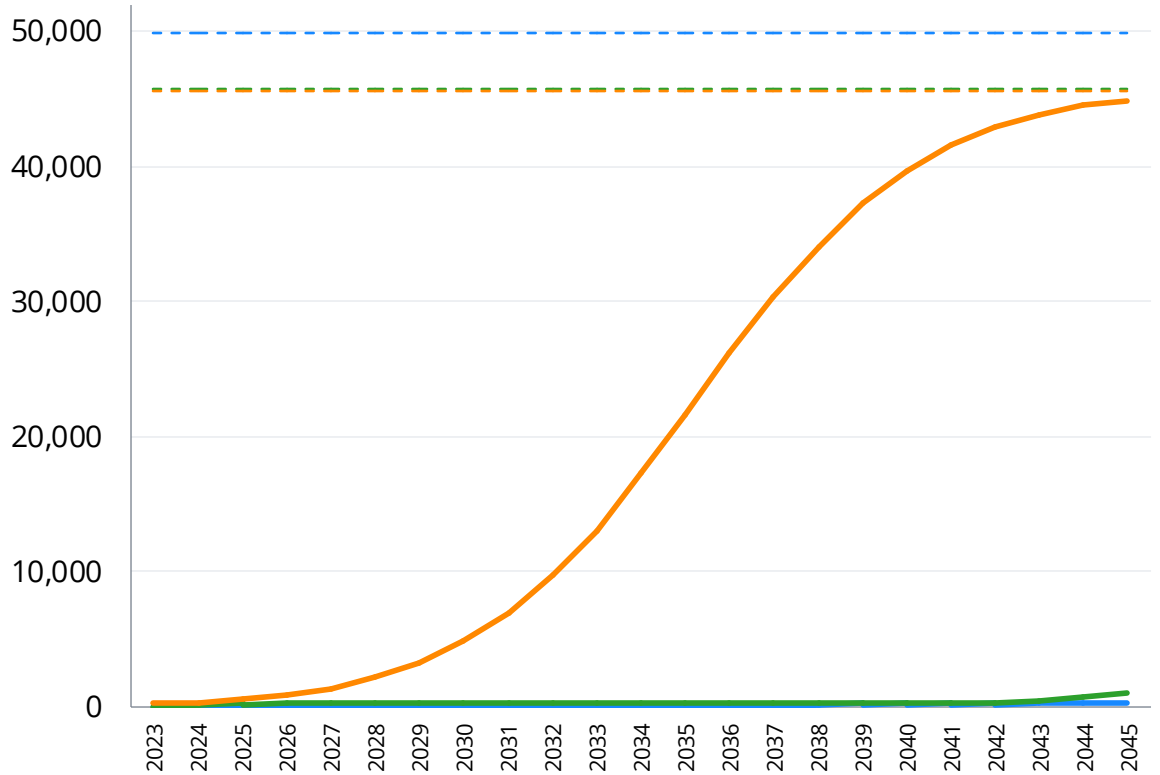
Adoption rates are sensitive to the financial instruments used to incent adoption

The BESS adoption rate under the High scenario indicates that a combination of 0% down long-term financing, incentives, and technology cost declines will be needed to encourage further BESS adoption, but the right support mix requires further analysis.

Solar PV cumulative capacity (MW-DC)



BESS cumulative capacity (MW)



Eligible market
2045 adopted: Low 239 / Medium 1,020 / High 44,894 MW
Eligible: Low 49,852 / Medium 45,663 / High 45,623 MW (dashed)

Financing mechanism
0% down, 15 years at 5% real



Sources: [1]R. W. Beck, Inc.

Targeted policy support can accelerate DER adoption

KEY TAKEAWAY

Virginia can accelerate progress toward its DER goals by focusing policy support where it has the greatest impact: supporting dispatchable battery capacity, reducing upfront barriers, strengthening customer economics, and unlocking new value streams.

01 | 10 GW of DERs by 2045 is achievable, but increasing dispatchable capacity will be key

The medium- and high-adoption pathways exceed Virginia's 10 GW target, but most incremental capacity comes from solar PV and commercial sectors.

02 | Residential BESS presents a source of untapped capacity potential, unlocking will require stronger customer economics

Battery storage provides the dispatchable capacity needed to complement solar, but adoption is currently concentrated in the commercial sector, where demand-charge savings, economics of scale, and the remaining Federal ITC create a stronger value proposition.

03 | Removing upfront costs can accelerate technologies with strong economics, and further research is needed for residential BESS

Leasing and 0% down financing materially increase adoption of technologies with strong project economics by reducing upfront barriers (residential solar, commercial BESS).

Discussion on Final Recommendations Report and Next Steps

Key updates since last meeting

- **Added an Executive Summary, including a summary table of recommendations, and an integrated roadmap** (Chapter 5.4) with summary of key actions and owners *(see slides X-Y for summary)*
- **Clarified DERs and VPPs language** (intentionally used throughout, so not using interchangeably or confusing concepts)
- **Simplified and consolidated several recommendations**, including:
  - Recommendation 6 consolidates the utility planning and incentives related recommendations
  - Recommendation 7 added on addressing upfront costs *(additional detail follows)*
  - Recommendation 10 includes consolidated energy efficiency and flexible load interconnection concepts
  - Permitting, workforce, and other related areas that were noted but not deeply evaluated were removed as standalone recommendations and noted at the end
- **Clarified PJM market implications in Recommendation 2 (Data Centers) and Recommendation 5 (FERC Order 2222 policies)** *(additional detail follows)*
- **Recommendation 9 DER Interconnection – additional context and solutions more clearly noted** *(additional detail follows)*
- **Added appendices** on Interconnection implementation examples (Appendix E) and a Summary of DER Modeling Outputs (Appendix F)

Key updates: Recommendation 6 – Utility Planning and Incentives

Context: Task Force feedback in Meeting 3 emphasized the need to acknowledge ongoing efforts and avoid duplicating them while working within existing proceedings.

Updates in the report:

- Chapter 5 - Recommendation 6: Align Utility Incentives and Planning Structures with DER Deployment
  - Report provides additional background on ongoing efforts to address this recommendation and **suggests a monitoring/reporting role** to identify gaps and intervene in proceedings as necessary. Core near-term action is to:
    - **Monitor implementation of HB 903/SB 251, HB 434/SB 621, and HB 429/SB 249** to ensure resulting proceedings and reporting frameworks remain consistent with, and do not narrow, their intended DER and VPP planning purposes

Key updates: Recommendation 7 - Upfront costs and financing

Context: Task Force feedback in Meeting 3 highlighted gap in cost and financing considerations for DER adoption.

Updates in the report:

- Chapter 5 - Recommendation 7: Reduce Upfront Cost Barriers through NEM-Stackable Incentives and Reward Locational Attributes
  - Recognizing that reducing upfront cost barriers for DER technologies is **a critical and distinct lever** from value stacking compensation envisioned in Recommendation 4, we have added the following near-term actions based on task force feedback:
    1. Develop targeted meaningful incentives and grants
    2. Pursue lower-cost financing options
    3. Facilitate bulk and cooperative procurement
    4. Consider other state supports, such as DER tax credits
    5. Virginia Energy could clarify rules around solar-plus-storage models participating in NEM—with input from utilities and other stakeholders
    6. Expand agricultural net metering threshold

Key updates: Recommendation 9 – Modernize DER Interconnection Policies

Context: Task Force feedback in Meeting 3 suggested interconnection recommendations be fleshed out further and reorganized to support clarity.

Updates in the report:

- Chapter 5 - Recommendation 9: Modernize DER Interconnection Policies
  - This recommendation was broken into four sub-recommendations for clarity, and a new recommendation/actions on meter socket adapters were added :
    - **Sub-Recommendation A**: Implement targeted, near-term reforms to modernize Virginia's interconnection procedures through alignment with the IREC Model Interconnection Procedures
    - **Sub-Recommendation B**: Establish a Unified Interconnection Framework for All State-Jurisdictional DERs, consolidating and streamlining rules currently spread across Chapters 314 and 315.
    - **Sub-Recommendation C**: Implement Flexible Interconnection Pathways for Energy Storage Resources
    - **Sub-Recommendation D**: Establish clear pathways for Meter Socket Adapters to support energy storage interconnection.

Key updates: Recommendation 10 – Remove Barriers to Electrification

Context: Task Force feedback in Meeting 3 emphasized the need to separate load and generation interconnection recommendations and emphasize the importance of addressing up-front cost barriers to electrification.

Updates in the report:

- Chapter 5 - Recommendation 10: Remove Barriers to Electrification
  - Created a new recommendation centered on load interconnection barriers (distinct from Recommendation 9: Modernize DER Interconnection Policies)
    1. Explore options to establish flexible service connection pathways for new loads
    2. Explore cost-effective alternatives to traditional service upgrades

Key updates: Permitting, Workforce, and Energy Efficiency

Context: Task Force members identified improved permitting processes, investment in Virginia's DER workforce, and continued improvements in energy efficiency as key underlying factors in successful development of DERs in Virginia.

Updates in the report:

- Chapter 5 – Additional Considerations
  - Consolidated references to improved permitting, workforce development, and energy efficiency in an "additional considerations" section at the end of Section 5 to streamline recommendations while emphasizing the importance of these topics in DER deployment.

Key updates: Clarified and added context on PJM markets (Recommendations 2 and 5)

Context: Based on TF and industry input, added additional context to clarify how DERs can participate in and impact PJM wholesale markets. Three overall categories:

- **Category A: DERs as Demand Response** -- Participating as non-injecting demand response (DR) resources in PJM standard markets and DR programs
- **Category B: DER Aggregation as a Supply Resource (Order 2222)** -- Injecting DERs participating as an aggregation in PJM standard markets (energy, capacity, ancillary) per Order 2222
- **Category C: Peak Shaving Adjustment (PSA)** – DERs used to reduce a load serving entity's peak load responsibility in capacity market auctions (including upcoming Reliability Backstop Procurement capacity auction as well as standard pathways)
    - Benefit of a PSA is lower costs due to lower overall capacity that needs to be acquired
    - This is a quickly moving pathway in PJM, with strong interest among data center and DER industry
    - Further assessment and support for how Virginia can best engage here can be a high priority opportunity for data center large loads

Updates made in the report:

- Chapter 4.1 – Overview of these various PJM pathways more clearly defined
- Recommendation 5 (Order 2222): Refocused specifically on actions needed for FERC Order 2222
- Recommendation 2 (Data Centers): Added specific action—led by CEO/VE—to focus data-center related pathways in PJM, including near-term PSA options

Key Task Force feedback items for further discussion

- Tie incentives for data center investment in VPPs more clearly into the recommendations
- Clarify next steps on establishing an SCC “Umbrella Docket” to support VPP enabling policies and VPP compensation models
- Concerns about the timeliness and ability to get additional support to Virginia Energy to implement this Plan
- Provide more specifics on how the Commonwealth can support localities to implement this Plan

Summary of near-term action items over the next ~3-6 months [FOR DISCUSSION]

Lead	Specific near-term actions for the next ~3-6 months
Chief Energy Officer	• Engage on data center-DER funding models, including PJM mechanisms, SB 371, DCAF implementation (Rec 2, 3) • Continue engagement on ongoing SB 371, PBR, grid utilization, IRP reforms, and other proceedings for alignment with DER goals (Rec 2, 6) and maintain "map" of connections • *Additional ongoing collaboration with Virginia Energy on implementation, particularly until long-term resources established*
Virginia Energy	• Coordinate working group—with defined specific deliverables—to advance common statewide framework for select VPP-enabling policies, including near-term data center models and long-term VPP programs (Rec 2, 3) • Initiate development of DER and VPP value-stacking compensation framework (Rec 4) • *Scope / timeline pending identifying resources / bandwidth*
SCC	• Open a DER docket (or FERC Order 2222 specific proceeding) to define VPP enabling policies by Feb 1, 2027 (Rec 3, 5) • Initiate targeted near-term DER interconnection reforms; begin consolidating and clarifying Chap 314 and 315 (Rec 9)
General Assembly	• Allocate resources for DER team at Virginia Energy to drive implementation long-term, e.g., VPP tariff framework, customer education and outreach (Rec 1; enables Rec 2, 3, 4 and others) • Direct the SCC to open DER / FERC 2222 docket (if needed) • Direct the SCC to begin targeted DER interconnection policy changes and consolidation in line with Rec 9 (if needed) • Draft legislation to create a dedicated school and public-facility DER program (Rec 8)
DER Task Force	• During spring Task Force touch points, review progress towards goals, identify and address ongoing barriers, oversee implementation progress and path forward

Discussion

- **Are there any other key areas of input or feedback on the final recommendations report content before it is locked?**
- **Are these the right specific near-term actions that should be taken over the next few months to support continued momentum?**
    - Is there anything else to prioritize or deprioritize?
    - Are there other actions a Task Force member wants to lead on in the coming months to drive DER action forward?
    - For any of these topics, are there specific questions or deliverables that should be ensured to be included?
- **Are there specific topics or agenda items the Task Force should consider discussing during the spring meetings?**

Final Vote and Wrap up

Final Vote

Public Comment

Wrap up

- **Upcoming items for Task Force:**
  - Additional spring 2027 Task Force meetings dates & times to be determined
  - DER Task Force Implementation Report due July 1, 2027
- **Please reach out to the Task Force Chair or support staff (Callie Houghland, Louise White) with anything in meantime**

Executive Summary: Context & Overview

Task Force mandate

HB 285 / SB 223 (2026 Acts of Assembly, Chapters 1042 / 997) created the Virginia DER Task Force to:

- Develop a comprehensive strategy to advance energy affordability and the transition toward integrated DER markets
- Support Virginia's compliance with FERC Order 2222

Work to date: current-state research, four public meetings, and 1:1 stakeholder interviews

Why act now

- **Demand growth:** Dominion's zone is projected to see the largest PJM summer-peak increase through 2030 (5.4%/yr avg.)
- **Rising costs:** under status quo planning, residential prices could rise ~60% (Dominion) and ~17% (APCo) over the next decade, per the 2026 Virginia Energy Plan
- **Clean energy:** VCEA requires 100% carbon-free power by 2045 (Dominion) and 2050 (APCo)

How DERs can help

- **Faster capacity:** aggregated DERs can serve new load faster and at lower cost than new generation and wires alone
- **Lower costs:** paying DERs for grid services defers or avoids costlier new investment
- **Clean energy goals:** rewards customer-funded solar, storage, and EV resources and draws private capital

Consistent with the 2026 Virginia Energy Plan: ≥10 GW of DERs by 2045 in several scenarios

TASK FORCE VISION

A Virginia energy system where all types of DERs are valued as integral, scalable grid resources—enabled to deliver and be fairly compensated 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 for DER deployment and evolve with technology, markets, and system innovations.

REPORT FRAMEWORK: 11 RECOMMENDATIONS IN THREE CATEGORIES

Cross-Cutting Recs 1–2
Systems-based strategy; data-center leverage

DER Market Participation Recs 3–6
VPP policies, compensation, PJM / FERC 2222, utility incentives

DER Adoption Recs 7–11
Cost barriers, schools, interconnection, electrification, education

Cross-Cutting

Recommendations & Actions Summary (1/5)

Recommendation	Associated Actions	Primary Owner	Timing
1. Pursue an Integrated, Systems-Based DER Strategy with Necessary State Implementation Capacity	**a.** After TF sunsets, **Executive Branch through the VE DER team (if expanded) alongside the CEO to spearhead and coordinate efforts** to advance progress towards the state's DER vision; continue to support DER Task Force until sunset.	Executive Branch / Virginia Energy	Ongoing
	b. Allocate resources to support an expanded Virginia Energy (VE) DER team to spearhead implementation of associated recommendations—such as running cross-stakeholder working groups on specific topics; overseeing program development; monitoring, reporting, and administration of this report's recommended actions. This could be done within existing authorities, but supportive legislation could further clarify focus and scope.	General Assembly	Near-term (2027 GA and budget)
2. Leverage Data Centers to Drive DER & VPP Deployment	**a. Review Dominion and APCo's January 2027 submission on large load demand flexibility models** per SB 371 to evaluate alignment with goals of establishing pathways for data-center funded DER deployments with meaningful community benefits (both system-wide capacity and localized models). Monitor 2027 and 2028 cooperative submissions.	DER Task Force / VA Energy*	Near-term (2027 Q1); ongoing as needed
	b. Monitor and engage in near-term PJM activities to support data center contract and market models that advance statewide DER goals – specifically looking at **near-term pathways to support Peak Shaving Adjustment mechanisms** in the Reliability Backstop Procurement to reduce market costs for Virginia and advance DER deployment.	CEO / Virginia Energy	Immediate (2026 Q4-mid-2027); ongoing as needed
	c. Under the Data Center Accountability Framework and EO22 directives, continue to identify and support pathways for data center-funded DER and demand flexibility initiatives.	CEO	Immediate (2026 Q4 and ongoing)

**denotes if Virginia Energy would require additional resources to implement the action*

Recommendations & Actions Summary (2/5)

Recommendation	Associated Actions	Primary Owner	Timing
3. Establish VPP-Enabling Policies	**a. Begin establishing common statewide frameworks for key VPP enabling policies,** with focus on policies related to data-center pathways given near-term, time-sensitive activities. This could specifically include customer data access policies, customer enrollment protection, dual participation (including NEM + storage pathways discussed under Rec 7), dispatch override, grid services mechanisms (as part of SB 371), or other topics relevant to SB 371 or ongoing PJM DER opportunities. Include additional recommendations in DER TF final July 2027 Implementation Report or to request SCC to scope into proceedings as relevant (e.g., SB 371 proceeding, "DER Umbrella Docket").	VA Energy* / CEO / DER TF sub-working groups as needed *May depend on staff / contract resourcing*	Immediate (2026 Q4 – 2027 Q2); ongoing as needed
	b. Scope priority VPP enabling policies into existing dockets where applicable (e.g., DSM, Demand Flexibility). **Open a DER Umbrella Docket for regulatory changes that do not clearly belong to an existing docket** to clarify policies and support ongoing programs. See detail in 5.1.	SCC (under GA direction if needed)	Near-term (Could open docket by Feb 1, 2027 per SB 223 to align with FERC timelines); ongoing
4. Develop Expanded DER and VPP Compensation Models	**a. Coordinate with the SCC, legislature, and utilities to develop a value-stacking compensation framework** (energy, capacity, demand-reduction, and locational-relief components), allowing storage paired with solar and storage-only DERs to qualify.	Virginia Energy*	Near / medium term (Initiate in 2027)

**denotes if Virginia Energy would require additional resources to implement the action*

DER Market Participation

Recommendations & Actions Summary (3/5)

Recommendation	Associated Actions	Primary Owner	Timing
5. Implement Minimum Changes to Enable VPP Participation in PJM Markets via FERC Order 2222	**a.** Establish the minimum statewide procedures necessary for aggregators to understand distribution-system participation rules ahead of PJM's 2027 market processes in line with SB 223 direction—either by **opening a DER Umbrella Docket or FERC Order 2222 specific docket to address relevant issues.**	SCC	Near-term (Could open docket by Feb 1, 2027 per SB 223)
	b. Continue engaging with PJM to advocate for solutions that ensure market reforms under development are consistent with state DER and VPP goals.	CEO / Virginia Energy	Ongoing
6. Align Utility Incentives and Planning Structures with DER Deployment	**a. Monitor and engage as needed in the implementation of ongoing DER-related programs—**including PBR working group (HB 903/SB 251), grid utilization metrics (HB 434/SB 621), income and age qualified solar, storage, EE (HB 1062/SB 327), Pay as You Save (PAYS) developments (HB 1062/SB 327), and IRP reforms (HB 429/SB 249)—to ensure resulting proceedings and frameworks support DER adoption and market integration goals.	Virginia Energy* / CEO / DER Task Force	Near-term (2026-2027)

*denotes if Virginia Energy would require additional resources to implement the action

DER Adoption

Recommendations & Actions Summary (4/5)

Recommendation	Associated Actions	Primary Owner	Timing
7. Reduce Upfront Cost Barriers through NEM-Stackable Incentives and Reward Locational Attributes	**a.** Provide state funding and expand policies that encourage projects to be developed on previously disturbed lands (e.g., agrivoltaics, brownfields, former mine land).	General Assembly / Virginia Energy*	Near-term (2027 GA)
	b. Consider expanding lower-cost financing options by expanding VCEIB's budget to offer reduced-interest loans, credit enhancements, or other financing tools tailored to residential- and small-commercial-scale solar and storage.	General Assembly / Virginia Energy*	Near / Medium Term
	c. Facilitate bulk procurement models (e.g., Switch Together program) where applicable to promote lower-cost group-purchasing	CEO / Virginia Energy	Near-term / Ongoing
	d. Evaluate other state actions to support targeted cost reductions, such as income-limited state tax-credits.	General Assembly	Medium / long-term
	e. Raise net metering project size from 500 kw to 3 MW on agricultural lands to support viability of projects like agrivoltaics.	General Assembly	Near term (2027 GA)
	f. Raise the 6%-of-peak-demand net-metering cap before deployment approaches the cap.	General Assembly	Medium / long-term
8. Support Schools & Public Facility DER Adoption	**a.** Establish a dedicated school and public-facility DER adoption program, including streamlined interconnection for projects ≤1 MW, cooperative-procurement pathways, and additional grants for microgrid/resilience-hub capabilities.	General Assembly	Near Term (2027 GA)
	b. Develop materials and conduct outreach tailored to local governments and public entities, including model PPA templates, FAQs, and training sessions, and create a recognition system for DER-friendly ordinances.	Virginia Energy*	Medium / Long-term

**denotes if Virginia Energy would require additional resources to implement the action*

DER Adoption

Recommendations & Actions Summary (5/5)

Recommendation	Associated Actions	Primary Owner	Timing
9. Modernize DER Interconnection Policies	**a.** Implement targeted, near-term reforms to align specific Virginia interconnection rules with the IREC Model Interconnection Procedures (including harmonizing discrepancies across Chapters, implementing regular review cycles, etc.).	SCC (with GA as needed)	Near-term (2027 GA+)
	b. Consolidate and streamline rules currently spread across Chapters 314 and 315 to establish a unified interconnection framework for all state-jurisdictional DERs.	SCC (with GA as needed)	Medium / Long-term (2027-28)
	c. Implement Flexible Interconnection Pathways for Energy Storage Resources through existing DER Interconnection proceedings.	SCC (with GA as needed)	Near / Medium term (2027)
	d. Establish clear pathways for Meter Socket Adapters to support energy storage interconnection through existing DER interconnection proceedings.	SCC (with GA as needed)	Near / Medium term (2027)
10. Remove Barriers to Electrification	**a.** Explore options to establish flexible service-connection pathways that allow new small-scale loads and generation (e.g., EVs, home storage) to connect without a full infrastructure upgrade (e.g., via UL-listed power control systems).	Virginia Energy*	Medium / Long Term
	b. Explore cost-effective alternatives to traditional service upgrades, including need for public funding to help customers adopt technology that can make a service upgrade unnecessary.	Virginia Energy*	Medium / Long Term
11. Enhance Customer Education and Outreach	**a.** Develop clear, accessible DER/VPP communications tools and outreach campaigns building on VEConnect.	Virginia Energy	Ongoing
	b. Support consumer protection guidelines and vendor registration frameworks.	Virginia Energy	Ongoing

**denotes if Virginia Energy would require additional resources to implement the action*