



SUPPORT: Creation of a Distributed Energy Task Force to Advance Local, Affordable Energy (SB XX (VanValkenburg) / HR XX (Helmer))

Summary: This Legislation Will Advance Energy Affordability by Supporting Distributed Energy Resources (DERs)

- Increasing public awareness about the benefits of DERs as small scale resources on the distribution network, providing energy close to where it is consumed, and which include: **net-metered solar • community solar • battery storage • EVs • virtual power plants • demand response • energy efficiency**;
- Bringing stakeholders together to advance energy affordability for all ratepayers through DERs;
- Increasing investment and reducing costs for Virginia homes, businesses and schools seeking to control rate increases and support grid reliability through DERs while creating local jobs; and
- Ensuring that Virginia will increase market access and reduce barriers to interconnection for DERs pursuant to Federal Energy Regulatory Commission (FERC) Order 2222 by February 1, 2027.

Issue: Virginia's Power Demand Is Surging While Supply Lags

- Virginia now hosts over 650 data centers—the largest concentration in the world—including more than 150 hyperscale facilities operated by tech companies. These facilities already consume over one-quarter of Virginia's electricity, a figure projected to approach half of statewide demand by 2030. Utilities have warned regulators that meeting this explosive growth will require billions in new generation and transmission, costs that ultimately fall on ratepayers.
- At the same time, Virginia imports roughly 39% of its electricity—more than any other state—often at premium prices. Building large new power plants or transmission lines takes 5–15 years, while grid reliability is increasingly challenged by extreme weather and competition for limited supply.

Solution: DERs Can Relieve Grid Stress Quickly

- DERs can be deployed in under a year and provide power where it is needed most. DERs reduce peak demand, improve reliability, and lower costs for all customers by deferring expensive grid upgrades. They also strengthen resilience while hedging energy costs for schools, hospitals, local governments, and small businesses.
- This legislation creates the *Virginia Distributed Energy Resources (VA-DER) Task Force* within the Office of the Lieutenant Governor to develop a coordinated state strategy for integrating DERs, with a fiscal budget request of \$15,000.

- The Task Force supports Virginia's implementation of FERC Order 2222, which requires PJM, the regional transmission organization that covers all or parts of 13 states including Virginia, to increase market access for DERs by February 1, 2027.
- The Task Force will provide recommendations that identify and remove barriers to market-driven DER deployment; recommend updates to interconnection standards, regulations, and utility tariffs; evaluate voluntary solar renewable energy credit (SREC) procurement options by AI data centers; and propose policies for microgrids, resiliency hubs, and virtual power plants.
- Membership includes state officials, State Corporation Commission (SCC) staff, utilities, Virginia DER associations, Virginia-based developers, local governments, large and small energy customers, and consumer advocates.

Background:

FERC Order 2222 Requires Increased Market Access for DERs by 2027

- FERC Order 2222 directs PJM to increase market access for DER resources in by February 1, 2027. To ensure Virginia consumers and businesses can participate, the Commonwealth must address energy affordability by modernizing its interconnection, retail, and regulatory policies.
- While the SCC has begun evaluating needed updates, cross-agency coordination is essential, and other PJM states are already moving ahead.

A Task Force Can Align Policy and Accelerate Deployment

- The VA-DER Task Force will recommend measures to coordinate and expand DER deployment, align state policy with PJM's 2027 requirements, and remove barriers to market-driven solutions.
- Its balanced membership—state agencies, utilities, DER companies, local governments, energy customers, and consumer advocates—ensures broad input while avoiding utility veto power through majority or supermajority voting with documented minority reports.
- This structure allows Virginia to build a coherent state strategy for DER growth, enhance grid reliability and affordability, and remain competitive in the Mid-Atlantic's rapidly evolving energy landscape.

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Virginia Distributed Solar Alliance | vasolaralliance.org

Protecting the rights of all Virginians to access affordable local solar power without high costs due to unnecessary restrictions.