**September 17, 2020News Media ContactCraig Cano | 202-502-8680**

[**MediaDL@ferc.gov**](mailto:mediadl@ferc.gov)Docket No. RM18-9-00

**FERC Opens Wholesale Markets to Distributed Resources:**

Landmark Action Breaks Down Barriers to Emerging Technologies, Boosts Market Competition

The Federal Energy Regulatory Commission (FERC) today approved a historic final rule, Order 2222, enabling distributed energy resource (DER) aggregators to compete in all regional organized wholesale electric markets. This bold action empowers new technologies to come online and participate on a level playing field, further enhancing competition, encouraging innovation and driving down costs for consumers.

DERs are located on the distribution system, a distribution subsystem or behind a customer meter. They range from electric storage and intermittent generation to distributed generation, demand response, energy efficiency, thermal storage and electric vehicles and their charging equipment.

The final rule enables these resources to participate in the regional organized wholesale capacity, energy and ancillary services markets alongside traditional resources. Multiple DERs can aggregate to satisfy minimum size and performance requirements that they might not meet individually.

“Today FERC broke new ground towards creating the grid of the future by knocking down barriers to entry for emerging technologies,” FERC Chairman Neil Chatterjee said, lauding the order. “With this final rule on DERs, we build on the significant progress already made through Order 841 and expand our ability to harness the full potential of these flexible resources. By relying on simple market principles and unleashing the power of innovation, this order will allow us to build a smarter, more dynamic grid that can help America keep pace with our ever-evolving energy demands. I am honored to be at the helm of the agency as we bring this critical rule across the finish line and continue to navigate our nation’s energy transition.”

Under the new rule, regional grid operators must revise their tariffs to establish DER aggregators as a type of market participant, which would allow them to register their resources under one or more participation models that accommodate the physical and operational characteristics of those resources.

The new rule builds off the DC Circuit Court’s recent ruling on Order 841, in which the court affirmed FERC’s exclusive jurisdiction over wholesale markets and the criteria for participation in them. Order 2222 prohibits retail regulatory authorities from broadly excluding DERs from participating in regional markets. However, the new rule prohibits regional grid operators from accepting bids from the aggregation of customers of a small utility unless the relevant retail regulatory authority for that utility allows such participation. The final rule also respects retail regulators’ current ability to prohibit retail customers’ demand response from being bid into regional markets by aggregators.

The final rule will be enacted 90 days after publication in the *Federal Register*. Within 270 days of the effective date, grid operators must submit to FERC a compliance filing and a plan for timely implementation of the final rule.

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