

United States Senate

WASHINGTON, DC 20510

February 11, 2019

The Honorable Neil Chatterjee
Chairman
Federal Energy Regulatory Commission
888 First Street NE
Washington, DC 20426

Re: Docket No. RM18-9-000

Dear Chairman Chatterjee:

Over the past two years, the Federal Energy Regulatory Commission (FERC) has made significant progress to improve energy market competition by removing barriers for the participation of advanced renewable energy technologies. In February 2017, FERC took a significant step forward by issuing Order No. 841, which requires that Regional Transmission Organizations and Independent System Operators (RTOs/ISOs) open their markets to full participation by energy storage resources.

Simultaneously, FERC established further procedures to gather additional data to inform a similar rulemaking to require RTOs/ISOs to open their markets to participation by aggregations of distributed energy resources (DERs). We write today to urge you to continue to build on the important progress made in Order No. 841, by finalizing FERC's rulemaking on aggregated DER participation in the RTO/ISO energy markets.

As you know, the original proposal to open the RTO/ISO markets to aggregated DERs was made over two years ago in November 2016. FERC held a technical conference to gather additional information on April 10-11, 2018. After the technical conference, a group of 16 Senators sent a letter urging final action on this rule.¹ On July 17, 2018, then-Chairman McIntyre responded to indicate that FERC was "diligently reviewing the record" in order to ensure DER participation in wholesale markets. Since then, DER adoption and renewable energy aggregation have continued to grow in the United States, with renewable energy providing a record 10% of electricity generation in 2018.² This is driven not only by state and federal policies, but consumer interest in choosing cost-competitive technologies such as rooftop solar, smart thermostats, and customer-sited energy generation and storage.

FERC has the opportunity and authority to ensure that proper technology-neutral market rules are put forward to reduce barriers for DER participation in our grid. The changes proposed in the DER rulemaking will not only help improve the reliability and resilience of the bulk power

¹ <https://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=14930514>


² https://www.eia.gov/outlooks/steo/pdf/steo_full.pdf

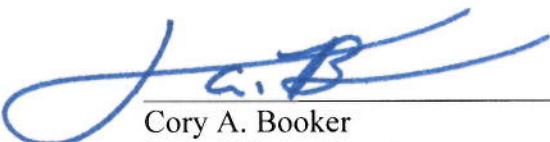
system by providing operators with new local tools to manage unanticipated events, but potentially lower costs for consumers. We are encouraged by Chairman Chatterjee's recent comments where he emphasized the role that innovation and new technologies will play in improving the function of our grid. Chairman Chatterjee specifically cited the role that DERs will play in our continued grid transition.³

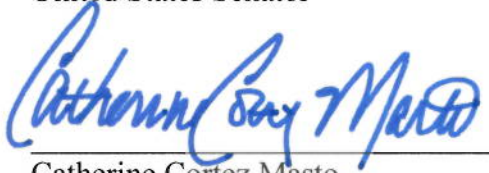
Thus, we urge FERC to adopt a final rule as soon as possible that enables all DERs the opportunity to participate in RTO/ISO wholesale markets. We would appreciate an update on your efforts no later than March 1, 2019.

Sincerely,


Sheldon Whitehouse
United States Senator

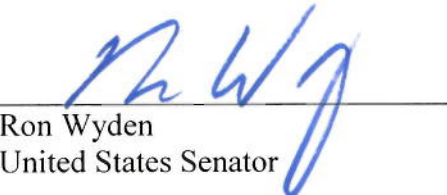

Edward J. Markey
United States Senator

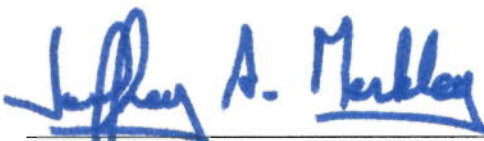

Cory A. Booker
United States Senator

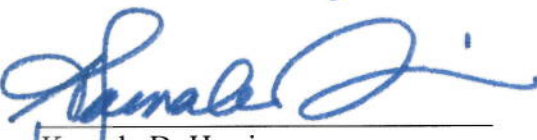

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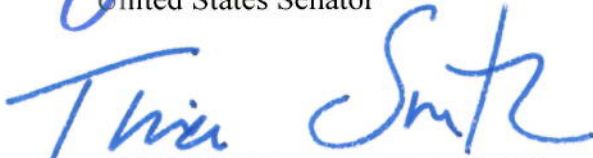
³ <https://ferc.gov/media/statements-speeches/chatterjee/2018/06-21-18-chatterjee.asp?csrt=16101351218630722206#.XDTwKeTfPZN>




Jack Reed
United States Senator



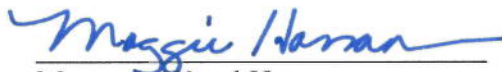
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United States Senator



Tina Smith
United States Senator



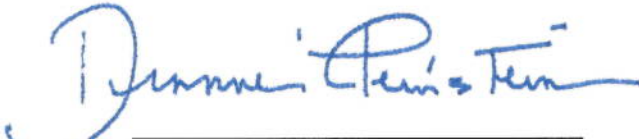
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Margaret Wood Hassan
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Jeanne Shaheen
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United States Senator



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Cc:
Commissioner LaFleur
Commissioner Glick
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