What Changes at Commercial Operation: Distributed Energy Resource Aggregations (DERAs) under FERC Order No. 2222

This quick reference guide explains what changes – and what does not change – when a Distributed Energy Resource Aggregation (DERA) transitions from registration to commercial operation (activation) in ISO New England's wholesale markets.

- *Commercial operation represents a state change from setup to operations.*
- *It does not make real-time behavior predictable.*

Registration vs. Commercial Operation

Before Activation

- Aggregation exists as a proposal
- Registration and coordination activities are underway
- No bids or offers can be submitted
- No dispatched instructions can be received
- Operational data may still be incomplete

After Activation (Commercial Operation)

- Aggregation is recognized as an operational market resource
- Bids or offers may be submitted (per participation model)
- Aggregation becomes eligible to receive dispatch
- Metering and telemetry requirements apply
- Operations phase begins

What Commercial Operation Means

When a DERA goes into commercial operation:

- ISO New England treats the aggregation as actively participating in the market
- The assets associated with an aggregation participate in wholesale markets
- If the aggregation is dispatchable, dispatch may occur depending on:
  - Real-time system conditions
  - Market outcomes
  - Submitted and availability parameters



What Commercial Operation Does *Not* Mean

Commercial operation does not mean:

- The aggregation will be dispatched immediately
- Dispatch timing or magnitude will be known in advance
- Operations are fully automated
- Existing DER operating restrictions change

Real-time market behavior is inherently dynamic.

Roles at Commercial Operation

ISO New England

- Dispatches (if the participation model is dispatchable) and settles at the aggregation level
- Does not dispatch individual DERs

Aggregator

- Submits bids and offers
- Receives dispatch instructions or self-dispatches if utilizing the Settlement Only Distributed Energy Resource Aggregation (SODERA) participation model
- Coordinates how individual DERs respond
- Complies with any required operational limits requested by the distribution company

Distributed Energy Resources (DERs)

- Physically responds to aggregator instructions
- Continues operating under interconnection agreements and any other restrictions imposed by the distribution company

Host Utility and Distribution Company

- Maintains distribution system reliability
- Coordinates with aggregators as needed
- Does not receive wholesale dispatch signals
- Coordinates meter reading functions if not also the assigned meter reader

Local Control Centers (LCCs)

- Continues existing reliability coordination roles

What Does Not Change at Commercial Operation

- DER operating limits defined in interconnection agreements or otherwise imposed by the distribution company
- Utility responsibility for distribution reliability
- ISO-LCC reliability coordination processes
- The dynamic nature of real-time market operations

Aggregation changes scale, not control.

Common Misconceptions

Myth	Reality
Commercial operation means ISO can explain exactly what the aggregation will do	Dispatch depends on real-time systems and market conditions
FERC Order No. 2222 creates new utility obligations	Utilities retain existing responsibilities
Training deliverables can confirm whether a specific setup will be settled	Case-specific questions require Participant Support and Solutions (PSS) review

When to Contact Participant Support and Solutions (PSS)

Use Ask ISO for questions involving:

- Specific configurations
- Settlement treatment
- Metering or telemetry exceptions
- Unique or non-standard operational scenarios

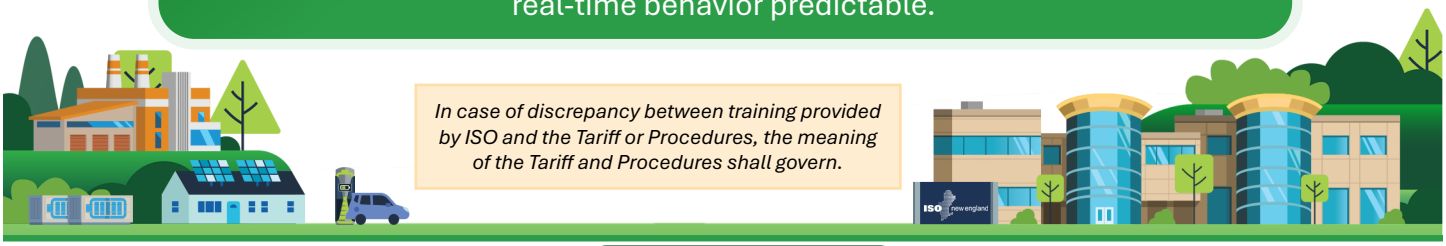
Training deliverables provide shared understanding.

PSS handles case-specific determinations.

Questions can also be sent to AskISO@iso-ne.com

Key Takeaway

Commercial operation marks the transition from registration to activation. It enables market participation and clarifies roles – but it does not make real-time behavior predictable.



In case of discrepancy between training provided by ISO and the Tariff or Procedures, the meaning of the Tariff and Procedures shall govern.