

Definitions and Acronyms

- **Aggregator** is a third-party individual or entity, other than the electric utility, that enrolls customers in programs and coordinates the operation of enrolled energy resources.
- **Capacity Reduction Credit (CRC)** is a measured and verified unit of demand flexibility representing a quantifiable reduction in electricity demand that can be used to support grid reliability, reduce congestion, or satisfy demand flexibility program requirements. The specific measurement and verification methodology is established by the Virginia State Corporation Commission (SCC).
- **Cost Shifting** refers to the transfer of costs associated with a program, service, or incentive from participating customers to non-participating customers. In the context of SB 371, program incentives should be designed to encourage participation without unreasonably shifting costs to other retail electric service customers.
- **Demand-Side Management (DSM)** refers to strategies and programs designed to influence consumer electricity usage patterns to improve energy efficiency, reduce peak demand, and enhance grid reliability.
- **Dispatchable** refers to a resource that can be reliably called upon, controlled, or directed to increase production, decrease consumption, or otherwise respond when needed to support grid reliability or operational requirements.
- **Distributed Energy Resources (DERs)** means a resource of up to five megawatts that is located on the customer's premises or is interconnected with the distribution system and produces or stores and discharges electricity, or controls the timing or amount of a customer's electricity consumption.
- **Distributed Energy Resource Manage System (DERMS)** is a system that integrates with key operational, business, and customer systems to manage DERs with the goal of minimizing grid constraints and maximizing DER value.
- **Demand Response (DR)** is an energy management strategy that encourages and enables electricity consumers to adjust their usage during peak demand periods in response to price signals, incentives, or grid reliability needs.
- **Demand Flexibility** means lowering electric grid system load requirements or shifting such requirements from time periods of peak system demand to time periods of lower system demand, including through programs by which high energy demand customers temporarily reduce or interrupt their electricity usage or through programs by which high energy demand customers secure measurable and verifiable electric load reductions from other retail electric service customers during time periods of peak system demand or other events that cause strain on the electric grid.

- **Demand Flexibility Standard** is a measurable annual performance target established by the Virginia State Corporation Commission that a utility, working with participating high energy demand customers, is expected to make best, reasonable efforts to achieve through demand flexibility activities.
- **High Energy Demand Customer** is defined in SB 371 as a retail electric service customer with a contracted or measured electric demand of 25 MW or greater and an anticipated or measured annual load factor of 75% or greater, excluding certain defense facilities as specified by Virginia law.
- **Locational Value** is the value provided by demand flexibility or a DER resource due to its location on the electric grid. Resources located in areas experiencing local grid constraints may provide greater system benefits than identical resources located elsewhere.
- **Phase II Utility** is a Virginia electric utility classified as a "Phase II Utility" under §56-585.1 of the Code of Virginia. Dominion Energy Virginia is Virginia's Phase II Utility.
- **Virtual Power Plant (VPP)** means an aggregation of distributed energy resources, enrolled either directly with an electric utility or indirectly through an aggregator, that are operated in coordination to provide one or more grid services.
- **kW** kilowatt
- **kWh** kilowatt hour
- **MW** megawatt
- **Eligible technology** is defined by the Virginia SCC to mean a distributed energy resource that meets the requirements for participation in a demand flexibility program and does not emit carbon dioxide as a byproduct of combusting fuel or manufacturing fuel for combustion to generate electricity.
- **Grid event** means a grid condition for which the electric utility schedules or remotely dispatches enrolled devices to respond.
- **Grid service** means a capacity, energy, or ancillary service that supports grid operations.