

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Modernize the  
Electric Grid for a High Distributed Energy  
Resources Future.

Rulemaking 21-06-017  
Filed June 24, 2021

**CLEAN COALITION REPLY COMMENTS ON ASSIGNED COMMISSIONER'S  
RULING SEEKING ADDITIONAL INFORMATION ON DER ENABLED NEAR TERM  
FLEXIBLE CONNECTIONS**

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January 2, 2026

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**I. INTRODUCTION**

Pursuant to Rule 6.2 of the Rules of Practice and procedure of the California Public Utilities Commission (“the Commission”), the Clean Coalition respectfully submits these reply comments on the *Assigned Commissioner's Ruling Seeking Additional Information on Distributed Energy Resources* (“DER”) *Enabled Near Term Flexible Connections*, issued on November 3, 2025, and the November 19, 2025, *Email Ruling Modifying Party Response Date*. Clean Coalition appreciates the opportunity to submit these reply comments and notes widespread support for flexible connections as an avenue for ratepayer savings and party agreement by IREC, EDF, CalChoice, and others for flexible connections as a non-bridging solutions.

**II. DESCRIPTION OF PARTY**

The Clean Coalition is a nonprofit organization whose mission is to accelerate the transition to renewable energy and a modern grid through technical, policy, and project development expertise. The Clean Coalition drives policy innovation to remove barriers to procurement and interconnection of DER—such as local renewables, demand response, and energy storage—and we establish market mechanisms that realize the full potential of integrating these solutions for optimized economic, environmental, and resilience benefits. The Clean Coalition also collaborates with utilities, municipalities, property owners, and other stakeholders to create near-term deployment opportunities that prove the unparalleled benefits of local renewables and other DER.

**III. COMMENTS**

**A. IREC**

IREC makes the critical point that the Commission should focus on developing a roadmap for flexible connections that prioritizes low-cost solutions that can be scaled rather than waiting for complicated technical solutions that will take years to be fully rolled out throughout the investor-owned utility service territories.<sup>1</sup> While flexible connections may eventually be effectively controlled through DERMS/ADMS, the high cost for customers to participate and lack of coverage in the majority of distribution feeders make it an impractical near-term target. Existing solutions including, “including static operating envelopes, certified Power Control Systems (PCS), smart inverter functions, and customer-provided internet,” are accessible, effective, and capable of delivering value to both customers and the grid.<sup>2</sup> Promoting program and tariff designs to enable flexible connections using existing technologies and standards is the best tactic to capture value in locations where hosting capacity is low or the distribution grid needs to be upgraded, many of which are disadvantaged and vulnerable communities.

Flexible connections with real time controls and dynamic signals are attainable as long-term solutions, especially as the IOUs continue to incorporate lessons from existing pilots and gain experience with bridging and non-bridging solutions. However, the desire to achieve that level of control must not inhibit the opportunities for value creation that already exists. Even for the IOUs currently working on rolling out DERMS/ADMS, focusing on the “ideal” solution would be tantamount to making the perfect the enemy of the good. SCE describes its future strategy as “integrating real-time hosting capacity calculations into the dynamic operating envelope (DOE),” which is precluded by inaccurate ICA data and the lack of hosting capacity information on more than 30% of SCE’s distribution feeders.<sup>3</sup> Until ICA data can be trusted for use in interconnection applications on a granular basis, as intended by the Commission in the adoption of ICA use cases, the far more cost-effective approach is to rely on lower-cost and scalable technologies. However, we concur with IREC that prioritizing the deployment of simplified turn-key options does not prevent a future such as the one SCE envisions, it aligns existing technologies with grid conditions and customer demand.

Like the Clean Coalition, IREC offers Australia as an example of a successful rollout that demonstrates the potential of flexible connections as a low-cost solution in California. IREC

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<sup>1</sup> IREC Opening Comments on ALJ Ruling, at p. 2.

<sup>2</sup> *Ibid.*

<sup>3</sup> SCE Opening Comments on ALJ Ruling, at p. 6-7.

explains, “SAPN simplified modeling and technology requirements to lower costs and justify the commensurate benefits,”<sup>4</sup> proving that customer internet is a viable communications pathway. This offers two clear points that the Commission should heed in designing guidance for near-term flexible connection solutions. First, an effective framework that facilitates the deployment of relatively simple solutions is a way to create significant value solely through reliance on low-hanging fruit. A suite of options promotes customer choice and allows the market to operate in the most efficient manner, which will help to bring costs down quickly. Second, the power flow modeling required for a DERMS rollout or to enable sites with flexible connections to provide services during abnormal grid conditions may have a high overhead cost that outweighs the benefits until there is a possibility for widespread adoption. Therefore, starting with low-cost and simplified solutions is an important prerequisite for maximizing the value creation potential of flexible connections.

For a policy roadmap with the end goal of flexible connections that operate in response to dynamic signals or during grid emergencies, aligning incentives is essential. The ideal consumer uses energy in a manner that is not just beneficial for the individual, but also on the basis of what maximizes the value for the ratepayers. For example, switching from an internal combustion engine-powered car to an electric vehicle (“EV”) for financial reasons helps California meet energy goals, but the consumer with an EV that charges during the middle of the day—when solar energy is abundant and the grid is not stressed—is the most valuable from a grid perspective.<sup>5</sup> In the context of flexible connections, the primary financial incentive for a load customer is to avoid costs they bear, rather than all grid upgrades, and for a utility, there is an incentive not to avoid upgrades that can be included in the rate base.<sup>6</sup> Although the Commission’s focus is not compensation, aligning incentives so customers seek to avoid all grid upgrades, wherever possible, and utilities are willing to proactively take actions that may not increase the rate base is necessary to maximize the affordability benefits from flexible connections.

## B. SCE

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<sup>4</sup> IREC Opening Comments on ALJ Ruling, at p. 5.

<sup>5</sup> <https://clean-coalition.org/news/the-importance-of-robust-daytime-ev-charging/>  
<https://clean-coalition.org/news/flattening-californias-duck-curve-with-local-solar-and-battery-storage/>

<sup>6</sup> IREC Opening Comments on ALJ Ruling, at p. 17.

As discussed in the previous section, SCE claims that maximizing value and achieving net benefits should involve real-time hosting capacity calculations.<sup>7</sup> This outlook represents a viewpoint that is more idealistic than pragmatic and should be deemed premature at this point. SCE does not have Generation and Load ICA data for every circuit in its service territory and relies on engineering review in the interconnection process, rather than relying on ICA data. Given that it has taken a decade to get this far, it is unclear from both a cost and timeline standpoint how long it will take to achieve the level of precise and granular ICA data needed to control assets in real time. Moreover, SCE presents insufficient evidence to support the determination that this is the best way to maximize grid benefits. Clean Coalition supports prioritizing lower-cost and scalable solutions rather than putting proverbially putting all of the eggs in one basket and hoping that both DERMs and ICA data come together in a timely manner.

Clean Coalition strongly disagrees with SCE's conclusion that individual single-phase customers do not significantly contribute to grid impacts.<sup>8</sup> This claim is inaccurate for a number of reasons, the least of which is the load growth expected throughout the state as fuel switching, and the deployment of electrification measures increases over the next two decades. Most notably, the steep evening ramp of the duck curve is most attributable to residential customers as Californians come home from work and begin to consume energy. Each customer that deploys a flexible connection and is able to reduce consumption during the daily 4-9 pm peak is alleviating stress on the local distribution grid, reducing the amount of transmission infrastructure required to deliver wholesale energy, and helping avoid an overbuilt grid by lowering the total system peak. It is important that the Commission adopt a flexible connection option for single phase customers, in addition to polyphase customers, because each agreement helps avoid triggering an upgrade and/or enables the utility to truly right size a proposed upgrade when one is required. The more flexible connections in each utility service territory, the greater the cumulative impacts, which is one of the reasons that creating a framework that enables speedy deployments is so important for a state facing an energy affordability crisis.

### **C. Distribution Investment Deferral Framework**

Comments by SCE and SDG&E on the DIDF highlight that the true issues were with the way the pilots were designed, rather than a failing with the concept of DER deferral altogether. This is

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<sup>7</sup> SCE Opening Comments on ALJ Ruling, at p. 6-7.

<sup>8</sup> SCE Opening Comments on ALJ Ruling, at p. 8.

key to the discussion on flexible connections; the utilities are suggesting that there is real potential for flexible connections to create value if the process is designed correctly. SCE notes that “an overly complex system with insufficient compensation”<sup>9</sup> was a cause of the DIDF’s failure and SDG&E questions the cost of “assembling and managing enough DERs.”<sup>10</sup> Both utilities assertions support the conclusion that a streamlined process that properly compensates DER owners will result in effective DER deferral. In fact, SDG&E references a pilot with SDCP to use DERs to extend the life of transformers, which is extremely encouraging, and fits with the results of two SCE projects to defer transformer upgrades that saved the ratepayers \$7 million.

#### IV. CONCLUSION

The Clean Coalition appreciates the opportunity to submit these reply comments and urges the Commission to move forward with a policy roadmap that aligns interests and enables low-cost scalable solutions.

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Dated: January 2, 2026

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<sup>9</sup> *Ibid*, at p. 10.

<sup>10</sup> SDG&E Opening Comments on ALJ Ruling, at p. 8.