

**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 COMMENTS ON ASSIGNED COMMISSIONER'S RULING ON
TRACK 1 AND TRACK 2 DISTRIBUTED ENERGY RESOURCES ORCHESTRATION**

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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 comments on the *Assigned Commissioner’s Ruling on Distributed Energy Resources (“DER”) Orchestration*, issued on March 23, 2026, and the April 3, 2026, *Email Ruling Granting Request for Extension on Comments and Workshop*.

The current phase of this track is grounded primarily in a series of workshops and a Future Grid Study report from 2024, with the last round of comments submitted in early January 2025. More than a year has elapsed since then and while the record has a strong foundation from information provided at the time, changing technology and market and policy conditions merit careful consideration.

Clean Coalition is concerned that the record in this track is not yet sufficiently developed to support a proposal of this magnitude. Distribution system operator (“DSO”) and distribution market coordination raise foundational questions regarding utility operational control, market structure, valuation, interoperability, data access, cost recovery, and coordination with third parties and CAISO. These issues are highly consequential and require greater detail and granularity than the current record appears to provide. The Commission should avoid moving prematurely toward an implementation framework that has not yet been supported by a sufficiently developed evidentiary and policy record. Those unresolved issues include at least:

- The degree of utility operational control versus open-access market coordination.
- The boundaries between DSO functions, aggregator roles, and CAISO coordination, valuation and benefit-cost methodology.
- Data access, interoperability, and communications standards.
- Ownership of enabling technologies and cost recovery.
- Protections against utility preference, double compensation, and market foreclosure.

Clean Coalition therefore urges the Commission to continue developing the record before establishing a durable framework. At a minimum, the Commission should further develop clear guardrails, threshold definitions, and evaluation criteria so that any future proposal is grounded in a complete and transparent record rather than high-level concepts alone. Options could include

- A pre-application workshop series focused only on threshold design choices
- A Commission-defined set of minimum guardrails for any utility application
- A requirement that any application compare utility-led orchestration against open-access or hybrid alternatives
- A pilot-first option to test constrained use cases rather than a broad framework filing

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

1. The Commission should further develop the record before moving toward a durable DSO or distribution market coordination framework.

As the 2024 ruling itself recognized, the record still contains “uncertainties and remaining gaps,” reflects “diverging approaches” between top-down utility orchestration and bottom-up open access, and identified continuing friction around data sharing and transparency. Those concerns remain important because they go to the core architecture of DER orchestration rather than merely to implementation details.

This is especially true where the Commission is considering issues such as the degree of utility operational control, the appropriate role of third-party aggregators, the boundaries between DSO functions and CAISO coordination, and the rules governing access to data, communications, interoperability, and compensation. These are not secondary questions. They are foundational choices that will determine whether DER orchestration evolves as an open and transparent framework or a more utility-centered model.

The Commission should also take care to distinguish between different forms of DER management infrastructure. Utility DERMS and edge or portfolio-level DERMS used by community choice aggregators (“CCAs”) or third-party entities do not necessarily serve the same functions, operate at the same level of the system, or present the same market and operational implications. A more developed record is needed to clarify how these systems are expected to interact, where utility control is necessary, and where open-access or hybrid models may be more appropriate.

Relatedly, the Commission should further develop the record regarding the current status of IOU DERMS deployment. Before establishing a durable framework for DSO or distribution market coordination, the record should reflect where each IOU is in the process of rolling out DERMS, what functions are currently operational, what capabilities remain under development, and the expected timeline for deployment on a service-territory-wide basis. Without that information, it is difficult to assess what is realistically ready for implementation, what remains conceptual, and whether proposed frameworks are aligned with actual utility capabilities. For these reasons, Clean Coalition urges the Commission to continue developing clear guardrails, threshold definitions, and evaluation criteria before moving toward a durable framework. Options could include targeted workshops on threshold design issues, Commission-defined minimum guardrails for any future application, a requirement that utility-led proposals be compared against open-access or hybrid alternatives, and a pilot-first approach focused on constrained use cases rather than a broad framework filing.

IV. CONCLUSION

The Clean Coalition appreciates the opportunity to submit these comments. We urge the Commission to improve the foundation for these essential conversations that will set the stage for distribution system operators and distribution-level markets.

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