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 AND ADMINISTRATIVE LAW JUDGE'S RULING ISSUING QUESTIONS ON THE DISTRIBUTED ENERGY RESOURCES ORCHESTRATION WORKSHOP REPORTS

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I. INTRODUCTION

Pursuant to 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 and Administrative Law Judge's Ruling Issuing Questions on the Distributed Energy Resources Orchestration Workshop Reports*, issued by the Commission on July 9, 2026.

The IOU comments confirm that DER orchestration can create substantial ratepayer and grid value. The remaining question is whether the Commission will adopt binding statewide requirements and a defined implementation pathway, or allow utility-specific rules, optional timelines, and prolonged pilot processes to delay or fragment that value. These reply comments address the minimum requirements needed to move DER orchestration from concept to deployment.

- A durable framework cannot be paired with optional implementation.
- Technical flexibility does not justify utility-specific market access, data, and interoperability rules; the Commission need not prescribe identical technical systems, but it must establish common functional and interoperability requirements.
- Pilots should test implementation and support scaling, not gate applications or market deployment.
- The Commission should adopt common use-case categories without prescribing a rigid utility sequence.
- Advice-letter funding must be incremental, nonduplicative, and subordinate to the statewide framework.
- Cost-effectiveness must compare DER and infrastructure on symmetrical terms.

II. COMMENTS

A. A durable framework cannot be paired with optional implementation

Clean Coalition agrees with SDG&E that the Commission should adopt the framework before utility applications.[1] However, a framework cannot achieve statewide policy objectives if implementation is optional. As UCAN correctly notes, "an optional, unscheduled pathway leaves the completed framework without a mechanism or date for delivering value."[2] Given California's affordability challenges and the scale of action needed to achieve its climate and energy goals, DER orchestration should be pursued through a coordinated statewide process, rather than utility by utility or according to vague timelines. Differing readiness may justify phased obligations or different initial use cases; it does not justify allowing each IOU to decide whether to implement the Commission's framework at all. AEU provides a more workable alternative: adopt binding common requirements through a time-limited process and then establish a defined application-filing window.[3]

B. Technical flexibility does not justify utility-specific market access, data, and interoperability rules; the Commission need not prescribe identical technical systems, but it must establish common functional and interoperability requirements

AEU correctly distinguishes common functional standards from a mandate for identical technical systems, noting that common standards do not require one protocol for every device or use case, but acceptable protocols and interoperability standards must be common across utilities.[4] Utilities may select technologies suited to their existing systems and operational needs, but those choices should satisfy common statewide requirements governing the functions that market participants must be able to perform.

Without those requirements, each utility could establish different conditions for registration, communications, dispatch, performance verification, and settlement. DER providers would then be required to build separate participation models for each service territory, increasing costs, reducing competition, and preventing successful business models from being replicated statewide. A Commission-adopted framework would provide the certainty needed for DER

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[1] SDG&E Opening Comments on the Assigned Commissioner's and ALJ Ruling Issuing Questions on the DER Orchestration Workshop Reports, at p. 8.
[2] UCAN Opening Comments on the Assigned Commissioner's and ALJ Ruling Issuing Questions on the DER Orchestration Workshop Reports, at p. 28.
[3] Advanced Energy United Opening Comments on the Assigned Commissioner's and ALJ Ruling Issuing Questions on the DER Orchestration Workshop Reports, at p. 5.
[4] *Ibid*., at p. 2.

providers, aggregators, CCAs, and technology vendors to invest in interoperable systems while also preventing ratepayer funding from being directed toward duplicative or incompatible utility platforms. Common functional requirements therefore promote both market development and financially prudent utility investment.

Consistent technical interfaces alone, however, are not sufficient. AEU proposes an open-access test requiring nondiscrimination, comparability, standardized terms, transparent and timely processes, and equal treatment in registration, dispatch, compensation, data access, and settlement.[5] CalCCA similarly recommends nondiscriminatory access and dispatch, competitive neutrality, independent oversight, fair compensation, and timely access to customer and grid data.[6] CESA supports protocol neutrality and warns that inconsistent utility requirements could produce a staggered market in which third-party resources gain meaningful access in one service territory but not another.[7] These protections are particularly important because, as CBD explains, an IOU administering a market whose success may reduce utility capital investment faces an inherent structural conflict.[8] The Commission should therefore establish common functional standards and enforceable market-access protections before utility-specific architecture choices create incompatible systems or preferential participation pathways.

C. Pilots should test implementation and support scaling, not gate applications or market deployment

PG&E and SCE propose extended demonstration and development processes before broader applications or permanent market rules are adopted, while SDG&E would make pilots a prerequisite to scaled implementation.[9] UCAN correctly cautions that pilots should not become a precondition for market deployment,[10] and AEU recommends that ongoing pilots conform to subsequently adopted open-access and interoperability requirements rather than create closed or

[5] *Ibid.,* at pp. 2-3.
[6] CalCCA Opening Comments on the Assigned Commissioner's and ALJ Ruling Issuing Questions on the DER Orchestration Workshop Reports, at p. 4.
[7] CESA Opening Comments on the Assigned Commissioner's and ALJ Ruling Issuing Questions on the DER Orchestration Workshop Reports, at pp. 4-5.
[8] CBD Opening Comments on the Assigned Commissioner's and ALJ Ruling Issuing Questions on the DER Orchestration Workshop Reports, at p. 10.
[9] SDG&E Opening Comments at p. 2, SCE Opening Comments at p. 13, and PG&E Opening Comments at p. 1.
[10] UCAN Opening Comments on the Assigned Commissioner's and ALJ Ruling Issuing Questions on the DER Orchestration Workshop Reports, at p. 25. ("Third, no pilot should be treated as a precondition for market deployment of the Flexibility Market Platform…")

incompatible systems.[11] Pilots should refine performance, communications, and implementation details, but should not delay binding framework decisions, required utility applications, or near-term procurement. UCAN further demonstrates that deployment need not await a prolonged pilot sequence: Connecticut moved from platform award to launch in approximately seven months, while the United Kingdom's flexibility markets expanded from 1.6 GW to 9 GW in four years.[12]

D. The Commission should adopt common use-case categories without prescribing a rigid utility sequence

SDG&E is correct that use-case sequencing should reflect actual grid needs rather than a rigid statewide order.[13] However, location-specific sequencing does not justify leaving each IOU free to define—or omit—the services that DER orchestration should evaluate. The Commission should adopt a common statewide taxonomy and require every IOU to assess the principal use cases, while allowing implementation order to vary by location and demonstrated need.

That taxonomy should include, at a minimum:

- speed-to-power and flexible energization,
- local capacity, constraint, and overload mitigation,
- voltage, reactive-power, and power-quality support,
- system and coincident peak reduction,
- resource-efficient grid investment and infrastructure deferral,
- local reliability, outage mitigation, and resilience, and
- transmission—distribution coordination services.

E. Advice-letter funding must be incremental, nonduplicative, and subordinate to the statewide framework

Clean Coalition does not oppose recovery of demonstrably incremental and reasonable implementation costs, or the use of Tier 2 advice letters for bounded pilots and near-term procurements under Commission-adopted rules. However, expedited funding should be tied to a defined grid need, nonduplication of existing GRC-funded capabilities, performance metrics, public reporting, and a clear pathway from demonstration to procurement. AEU appropriately recommends reconciling existing grid-modernization cost recovery before authorizing new

[11] AEU Opening Comments on the Assigned Commissioner's and ALJ Ruling Issuing Questions on the DER Orchestration Workshop Reports, at pp. 7-8.

[12] UCAN Opening Comments on the Assigned Commissioner's and ALJ Ruling Issuing Questions on the DER Orchestration Workshop Reports, at p. 23.

[13] SDG&E Opening Comments on the Assigned Commissioner's and ALJ Ruling Issuing Questions on the DER Orchestration Workshop Reports, at p. 9.

orchestration-specific funding,[14] while UCAN cautions against allowing advice letters and memorandum accounts to substitute for meaningful cost review and statewide implementation requirements.[15] Advice letters should implement the framework—not establish utility-specific rules for architecture, market access, data, valuation, or oversight.

F. Cost-effectiveness must compare DER and infrastructure on symmetrical terms

Forecast uncertainty cannot be used to deny DER value when conventional infrastructure is routinely planned and financed based on forecast needs. The appropriate safeguard is an equivalent comparison using the same need probability, timing, risk, reliability, and service-life assumptions—not requiring DER needs to be fully realized before they may receive forward compensation. EDF supports circuit-specific marginal valuation and direct comparison of DER with traditional upgrades,[16] while AEU explains that portfolio-level analysis is necessary to capture timing, interactions, and shared value streams that one-off evaluations miss.[17] The Commission should require DER and conventional infrastructure alternatives to be evaluated against the same identified functions and the full costs and benefits each creates.

III. CONCLUSION

Clean Coalition appreciates the opportunity to submit these reply comments. The record supports prompt adoption of a binding statewide framework that requires implementation, preserves open and interoperable market access, and evaluates DER alternatives on equal terms with conventional infrastructure. The Commission should reject optional implementation and prolonged utility-specific development pathways in favor of a time-limited framework process, a date certain for standardized applications, and near-term deployment consistent with statewide requirements.

Respectfully signed,

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[14] AEU Opening Comments on the Assigned Commissioner's and ALJ Ruling Issuing Questions on the DER Orchestration Workshop Reports, at p. 13.

[15] UCAN Opening Comments on the Assigned Commissioner's and ALJ Ruling Issuing Questions on the DER Orchestration Workshop Reports, at p. 2.

[16] EDF Opening Comments on the Assigned Commissioner's and ALJ Ruling Issuing Questions on the DER Orchestration Workshop Reports, at p. 3 & 6.

[17] AEU Opening Comments on the Assigned Commissioner's and ALJ Ruling Issuing Questions on the DER Orchestration Workshop Reports, at p. 13.

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