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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

ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING

This scoping memo and ruling sets forth the issues and schedule, and other matters necessary to scope this proceeding pursuant to Public Utilities Code Section 1701.1 and Article 7 of the Commission's Rules of Practice and Procedure.

1. Procedural Background

The Commission initiated this Rulemaking in July 2021 to prepare the electric grid for a high number of distributed energy resources (DERs), including those specific to transportation electrification and as defined in Assembly Bill (AB) 327 (Perea, 2013) and Public Utilities Code Section 769.¹

AB 327 affected a number of provisions of regulated utility service and the energy market, including Net Energy Metering, the Renewables Portfolio Standard, natural gas and electricity rates, and electricity resources. Pursuant to AB 327, Section 769 required the Commission to open the Distributed Resources Plan proceeding. Section 769 set forth directives regarding the integration of DERs into investor-owned utility (Utility) electric distribution planning and a

¹ All further references to "section" and "code" in this Assigned Commissioner's Scoping Memo and Ruling are references to sections of the Public Utilities Code unless otherwise noted.

mandate for the Commission to review, modify, and approve Utility distribution resources plans.

Rulemaking (R.) 21-06-017 will address unresolved and ongoing issues from two proceedings launched in 2014. The Distribution Resources Plans proceeding (R.14-08-013) and Integrated Distributed Energy Resources proceeding (R.14-10-003) were intended to implement AB 327 and fulfill the requirements of Sections 454.5(b)(9)(c), 701.1(a), 769, and 8360(c)-(i). The Commission recently closed R.14-08-013 and expects to close R.14-10-003 following the consideration of updates to the Avoided Cost Calculator.

The Commission launched R.21-06-017 not only to address the continuing actions from R.14-08-013 and R.14-10-003,² but also to study the impacts of high penetrations of DERs on the grid and identify strategies for planning and forecasting distribution system investments necessary to support a large number of DERs on the grid in the future, which we now refer to as a High DER Grid future. Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E) and Southern California Edison Company (SCE) (jointly, the Utilities) were named Respondents to this proceeding.

A prehearing conference was held on August 17, 2021, to develop the list of parties in this proceeding. The Commission's Energy Division hosted a workshop on September 22, 2021, to discuss the scope of this proceeding and the schedule for resolving the issues. After considering the opening and reply comments on the order instituting R.21-06-017, I have determined the issues and

² The unresolved issues from R.14-08-013 include whether the Integration Capacity Analysis (ICA) data are sufficient to support distributed energy resource provider siting needs. Recent stakeholder comments about the ICA data will be carried forward into the new proceeding. For details, refer to the *January 27, 2021, Administrative Law Judge's Ruling on Joint Parties' Motion for an Order Requiring Refinements to the Integration Capacity Analysis*.

initial schedule of the proceeding to be set forth in this Assigned Commissioner's Scoping Memo and Ruling (scoping memo).

2. Issues

The issues to be determined in this rulemaking are arranged in three tracks that will be addressed simultaneously. The three tracks are: (1) Distribution Planning Process (DPP) and Data Improvements; (2) Distribution System Operator (DSO) Roles and Responsibilities; and (3) Smart Inverter Operationalization and Grid Modernization Planning. The issues in Tracks 1 and 3 will be conducted in two phases as indicated in the list of scoping issues presented below. In addition to the issues listed below, included in scope will be the consideration of any federal and state jurisdictional ratemaking issues that may be relevant to the implementation of the High DER future, including Federal Energy Regulatory Commission (FERC) Order 2222.

On February 21, 2019, the Commission adopted an Environmental and Social Justice (ESJ) Action Plan to serve as a roadmap for expanding public inclusion in Commission decision making and improving services to ESJ communities.³ Among the nine ESJ Action Plan goals are to, "consistently integrate equity and access considerations throughout Commission proceedings and other efforts." In addition to the issues listed below, this proceeding will consider how to advance achievement of the nine ESJ Action Plan goals adopted by the Commission.

On September 16, 2021, the Commission held a dedicated consultation seeking input from California tribes on the scope and schedule of this proceeding. We have incorporated the feedback received at the consultation into

³ *ESJ Action Plan*, Version 1.0, February 21, 2019, at <https://www.cpuc.ca.gov/esjactionplan>.

this scoping memo and will continue to provide opportunities for government-to-government consultation with California tribes throughout the proceeding.

Track 1: Distribution Planning Process and Data Improvements

Phase 1: Near-Term Actions

1. Should the Utilities' DPPs be modified to address policy-based issues such as forecasting scenarios for increased electrification, improved data sharing, electric vehicle adoption,⁴ adoption of real-time rates and related flexible load management technologies, and equity? Should policy-forecasting scenarios for higher electrification be used for determining potential grid investments needed to address electrification?
2. How should Utilities' Grid Needs Assessment/Distribution Deferral Opportunity Reports be coordinated with the draft Transportation Electrification Framework and/or any existing or future Utility transportation electrification planning efforts stemming from the transportation electrification proceeding (R.18-12-006) and any successor proceeding?⁵
3. How can the Grid Needs Assessment/Distribution Deferral Opportunity Reports better reflect the types of Transportation Electrification investments identified in the draft Transportation Electrification Framework and the legislative directives from AB 841 (Ting, 2020)?⁶
4. How should Integration Capacity Analysis data and calculations be improved to enhance accuracy and usefulness for DER planning, siting, and

⁴ Including electrification of transportation, buildings, ports, rail, and industry.

⁵ See Section 3.1 and Appendix C in the draft *Transportation Electrification Framework, Energy Division Staff Proposal*, February 2020, regarding the proposal for Utility strategic, long-term Transportation Electrification Plans. Available at <https://www.cpuc.ca.gov/zev> and <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M326/K281/326281940.PDF>.

⁶ Statutes of 2020, Chapter 372 (Ting) requires the Commission to adopt a policy that allows certain customer-side costs associated with installing electric vehicle infrastructure to be treated as common-facility costs for each Utility, to be recovered from all ratepayers. Resolutions E-5167 and E-5168, as adopted on October 7, 2021, approves the six Utilities' requests to establish new electric vehicle infrastructure rules and associated memorandum accounts to track costs associated with implementing AB 841.

interconnection, especially with respect to electrification load?⁷ Should the Data Portal design be improved to provide access to data for multiple stakeholders in the DPP?⁸

5. What initial analysis is needed for the Commission to determine in Track 1, Phase 2, of this proceeding how best to improve local engagement in utility distribution planning?

Phase 2: Distribution Planning Process Improvement

1. Should Utilities better integrate DERs into their standard annual DPP? If so, in what ways should the Utility DPPs improve with respect to planning for DERs (e.g., capturing additional value from these resources and optimizing resource siting)? How should Utility ownership of DERs be considered in these changes to DPP?
2. Should the Distribution Investment Deferral Framework (DIDF) be modified to better capture DER value and optimize DER siting? Improvements may include better aligning the DIDF with Utility DPPs, implementing key insights from the Standard Offer Contract pilot and Participation Pilots adopted in Decision (D.) 21-02-006, and considering additional pilots,⁹ as well as evaluating how can DERs provide resource adequacy services when not being used for deferral.
3. Leveraging the analysis identified in Track 1, Phase 1, are there ways in which utility distribution planning representatives could better engage with local and tribal governments, ESJ communities, and local developers to ensure new

⁷ The *January 27, 2021, Administrative Law Judge's Ruling on Joint Parties' Motion for an Order Requiring Refinements to the Integration Capacity Analysis*, directs the Utilities to retain an independent technical expert to review their data validation plans and efforts.

⁸ Data Portals hosted by the three utilities provide ICA, Locational Net Benefit Analysis, Grid Needs Assessment/Distribution Deferral Opportunity Reports, and other data to the public. Confidentiality issues were resolved pursuant to the December 17, 2018 Ruling and July 24, 2018 Ruling for R.14-08-013. (A) The PG&E portal is available at https://www.pge.com/en_US/for-our-business-partners/distribution-resource-planning/distribution-resource-planning-data-portal.page; (B) the SDG&E portal is available at <https://www.sdge.com/more-information/customer-generation/enhanced-integration-capacity-analysis-ica>; and (C) the SCE portal is available at <https://ltmdrpep.sce.com/drpep>.

⁹ See, for example, the two "planning area" pilots in the Staff Proposal, *Distributed Energy Resources Deferral Tariff and Request for Offer Streamlining*, October 5, 2020, proceeding R.14-03-003. D.21-02-006 at Attachment A.

planned loads and developments are factored into Utility DPPs and local concerns regarding distribution planning are adequately addressed?

4. How should Pre-Application and Post-Application projects be considered for deferral in the DIDF and/or Utility DPPs?¹⁰ Should avoided permitting and regulatory costs be included in the deferral value calculation?

Track 2: Distribution System Operator Roles and Responsibilities

1. How do alternative DSO models compare in their ability to plan and operate a high DER grid, unlock economic opportunities for DERs to provide grid services, limit market power, reduce ratepayer costs, increase equity, support grid resiliency, and meet State policy objectives?
2. Should the Utilities be incentivized to cost-effectively prepare for widespread DER deployments? If so, how?¹¹

Track 3: Smart Inverter Operationalization and Grid Modernization Planning

Phase 1: Smart Inverter Operationalization

1. Which smart inverter operationalization use cases should be prioritized and implemented to leverage the capabilities of smart inverters to provide value to grid operators and ratepayers? Parties should consider, but are not limited to, the smart inverter operationalization use cases identified in the Rule 21 Working Group Four Report.¹²

¹⁰ Pre-Application Projects “are transmission and sub-transmission projects with associated grid needs under Commission jurisdiction that are expected to require review pursuant to General Order (GO) 131-D. Applications for projects filed under GO 131-D typically require Commission review pursuant to the California Environmental Quality Act. Projects included in Utility DIDF filings that are already undergoing review pursuant to a GO 131-D application process are considered “Post-Application Projects.”

¹¹ For example, the Hawaii Public Utilities Commission adopted a performance-based ratemaking framework that is designed to incentivize the utility to prepare for DER deployment on December 23, 2020, see https://puc.hawaii.gov/wp-content/uploads/2020/12/PBR-Phase-2-DO.Page-Press-Release.Final_.12-22-2020.pdf.

¹² Rule 21 Working Group Four Final Report, August 12, 2020, California Public Utilities Commission Interconnection Rulemaking (R.17-07-007), at 79. Available at <https://gridworks.org/wp-content/uploads/2020/08/R21-WG4-Final-Report.pdf>. See also [D.21-06-002](#) at 68. Preliminary list of use cases are listed in Annex F and Annex G to the Rule 21 Working Group Three Final Report, June 14, 2019, California Public Utilities Commission

Footnote continued on next page.

- a. What technical, regulatory, functional, and operational guidelines or requirements for high priority smart inverter operationalization use cases should the Smart Inverter Operationalization Working Group develop for Commission consideration?¹³
 - b. For each priority use case, what are the specific communications and Distributed Energy Resources Management System (DERMS) requirements (*e.g.*, real-time or near-real-time communications, DERMS power flow assessment capabilities)?
 - c. For priority use cases what are the policies, rules, and guidance on how Utilities should schedule or dispatch aggregators and/or DERs and how aggregators/DERs must respond to utility signals?
2. What technology roadmaps or other relevant Commission directives related to DERMS and smart inverter operationalization should be adopted to ensure the utilities are able to implement the Working Group's recommendations?¹⁴
 3. What existing cybersecurity standards should be applied for smart inverter operationalization and DERMS to ensure communications between the equipment and management systems are secure (*e.g.*, Institute of Electrical and Electronics Engineers (IEEE) 1547.3)?

Phase 2: Grid Modernization Planning and Cost Recovery

1. Should the Commission's review of Utility Grid Modernization Plans be moved out of general rate cases and into dedicated procedural forums? If so, should review of cost recovery for Utility Grid Modernization Plans also be moved to the same forums?
2. What updates are needed to the Grid Modernization Framework adopted in D.18-03-023 to better prepare the electric grid for a high DER future?

Interconnection Rulemaking (R.17-07-007). Available at: <https://gridworks.org/wp-content/uploads/2021/02/R1707007-Working-Group-Three-Final-Report.pdf>.

¹³ Template Aggregator Agreements and pilots for mitigating operational flexibility constraints are being developed as part of the Rule 21 proceeding (R.17-07-007) pursuant to [D.21-06-002](#), Ordering Paragraphs 18 and 19.

¹⁴ PG&E provided their second Grid Modernization Plan with their general rate case (GRC) filing in 2021. SDG&E will provide their first Grid Modernization Plan in May 2022 with their GRC filing. SCE will provide their second Grid Modernization Plan with their GRC filing in May 2023.

3. The Grid Modernization Framework provides guidance for how grid modernization requests should be presented in general rate cases (*i.e.*, Grid Modernization Plans) but stops short of recommending which technologies to adopt. Should the framework develop specific investment priorities and functional needs for grid modernization?
4. How should Utility Grid Modernization Plans be coordinated with the draft Transportation Electrification Framework and/or any existing or future Utility transportation electrification planning efforts stemming from the transportation electrification proceeding (R.18-12-006)?¹⁵
5. How should the planned investments identified in the annual Distribution Investment Deferral Framework (DDOR) and/or Utility DPPs be further aligned with investments proposed and approved in the quadrennial general rate cases to reduce ratepayer costs and provide maximum value to ratepayers?

3. Need for Evidentiary Hearing

Based on comments filed on the Order Instituting Rulemaking (Order) and discussion at the September 22, 2021 workshop, it appears that the issues of this proceeding can be resolved through comments and workshops without the need for evidentiary hearings. Protect Our Communities Foundation suggests the schedule allow an opportunity for evidentiary hearing to be requested if contested facts arise during this proceeding. The scope of issues in this proceeding is policy centric. However, we recognize there are technical aspects that could result in contested facts. Accordingly, we establish the schedule below by which parties shall file a motion to request an evidentiary hearing. The motion shall include a list of disputed facts and the associated scoped issue.

¹⁵ See Section 3.1 in the draft *Transportation Electrification Framework, Energy Division Staff Proposal*, February 2020, regarding the proposal for Utility strategic, long-term Transportation Electrification Plans. Available at <https://www.cpuc.ca.gov/zev> and <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M326/K281/326281940.PDF>.

Decision	Expected Issuance	Motion Requesting Hearing Deadline
Proposed Decision on Track 1, Phase 1	First Quarter 2023	November 30, 2022
Proposed Decision on Track 2	Fourth Quarter 2023	April 30, 2023
Proposed Decision on Track 3, Phase 1	Third Quarter, 2023	January 31, 2023
Proposed Decision on Track 3, Phase 2	Second Quarter 2024	October 31, 2023
Proposed Decision on Track 1 Phase 2	Fourth Quarter 2024	April 30, 2024

4. Workplan and Schedule

While Public Utilities Code Section 1701.5(a) requires a quasi-legislative proceeding to resolve issues raised in the scoping memo within 18 months of the date the proceeding is initiated; Section 1701.5(b) allows the Commission to specify a later date. The Commission's Energy Division has developed a workplan that lays out the three tracks and associated phases of this proceeding, envisioning a 36-month schedule from the issuance of this scoping memo. The workplan is attached to this scoping memo as Attachment A. Given the different tracks and complexity of issues to be addressed, the Commission expects to complete this proceeding by March 31, 2025. The assigned Commissioner or assigned Administrative Law Judges (ALJs) may modify the schedule as necessary to promote the efficient management and fair resolution of this proceeding.

Track 1

Track 1 will address the near-term evolution and improvement of the adopted DRP frameworks, analytic tools, and planning processes into a more

holistic DPP. Track 2 includes carryover work from the previous DRP and Integrated Distributed Energy Resources proceedings as well as a reformed focus on optimizing grid investments to accommodate DER growth while supporting resiliency and electrification goals and facilitating community engagement. Track 2 activities will be staff led, including a staff proposal and public workshops regarding DIDF and DPP improvement, and will be highly coordinated with the transport electrification proceeding (R.18-12-006) as it relates to identifying grid locations with available capacity to support electric vehicle charging and incorporating cost-effective strategies into the DPP to mitigate charging loads and enable EVs to provide grid services.

Track 2

The issues in Track 2 will answer high-level policy issues involving distribution system operator roles and responsibilities as well as Utility and aggregator business models. This track is expected to address long-term policy issues and could result in findings that implicate potential action beyond the timeframe of this OIR. A central Track 2 activity will be the completion of a consultant technical report that provides an in-depth review of DSO models, distribution operator roles and responsibilities, and implementation feasibility.¹⁶ Depending on the scope of the study and stakeholder comments, some findings might be rolled into a successor proceeding.

Track 3

¹⁶ Stakeholder engagement will provide input on the study's scope and objectives, draft deliverables, public engagement, and findings. Activities in Track 1 are expected to include an *En Banc* to present study findings and gather feedback from national and international experts on electric grid models and architectures (both existing and conceptual) and innovative approaches to DER integration.

The third track will address grid modernization investments in the near- and medium-term, operationalizing smart inverters to leverage advanced functionality to provide grid services, and furthering the alignment of GRC filings with the planned infrastructure investments identified during Utility distribution planning. The Track 3 grid modernization and smart inverter topics will be considered by a working group facilitated by a third-party consultant that will provide findings and recommendations, followed by a staff proposal that will receive party input.

Initial Tasks

The 36-month timeframe of this proceeding could suggest that our work will start following a longer-term study process. However, we intend to undertake several initial tasks for this proceeding over the course of the next few months.

First, Energy Division will conduct a workshop on the Electrification Impacts Study. The workshop will be held remotely on December 7, 2021, using the WebEx platform. Energy Division will provide additional details at a later date, to include Webex information and a proposed agenda.¹⁷ A separate ruling in the first quarter of 2022 is expected to provide additional guiding questions and information related to the tracks and Electrification Impacts Study being conducted in this proceeding, as well as the applicability of the California Energy Commission's Study discussed during the September 22, 2021, workshop.

Second, this scoping memo establishes the Smart Inverter Operationalization Working Group (Working Group). The Working Group should consider, but not be limited to, the smart inverter operationalization use

¹⁷ In addition to the workshop, Energy Division staff anticipate soliciting informal comments on the scope of the Electrification Impacts Study.

cases identified in the Rule 21 Working Group Four Report. Other smart inverter operationalization use cases the Working Group should consider include but are not limited to:

- Operational flexibility¹⁸ for Phase 1¹⁹ functions (*e.g.*, activation/deactivation and alternative settings for Anti-Islanding, Voltage Ride-Through, Frequency Ride-Through, Volt-Var, Fixed Power Factor, Frequency-Watt, Volt-Watt, Ramp Rates, and Soft-Start);
- Operational flexibility for Phase 3 functions (*e.g.*, activation/deactivation and alternative settings for Limit Active Power, Set Active Power, Schedule Limit Active Power);
- Operational flexibility by adding IEEE 1547 functions (*e.g.*, activation/deactivation and settings for Constant Reactive Power and Watt-Var);
- Operational safety and reliability (*e.g.*, activation/deactivation and settings for Monitor Key Data,

¹⁸ Operational flexibility refers to the ability of a power system to respond to changes in electricity demand and generation. For example, the ability to: transfer loads between distribution circuits, disconnect/reconnect distributed generation to the grid depending on available grid capacity, and respond to and mitigate voltage or frequency anomalies. Flexibility is particularly important for the integration of high levels of solar and wind, which have variable and uncertain power output. For this reason, batteries or other energy storage are important with respect to integrating solar and wind generation. Any distributed energy resources, including electric vehicles, can support this need for power system flexibility if the required functions and standards are in place and enabled.

¹⁹ Smart inverter capabilities have been addressed by the Commission in three phases pursuant to smart inverter working group recommendations and proceedings R.11-09-011 and R.17-07-007 determinations, as follows: Phase 1 Default Capabilities/Autonomous Functions, Phase 2 Communication Protocols, and Phase 3 Advance Functions. Phase 1 considered autonomous functions that all inverter-connected distributed energy resources in California should be required to perform. Phase 2 considered the default protocols for communications between Utilities, distributed energy resources, and aggregators. Phase 3 activities are currently underway to consider additional advanced inverter functionality that may or may not require communications. For further details, see <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/infrastructure/rule-21-interconnection/smart-inverter-working-group>.

- Fast Frequency Response, Operational Reserve, Peak Power Limiting, Unintentional Islanding, and Black Start);
- Ancillary Services provided to Utility by distributed energy resources owner (*e.g.*, activation/deactivation and settings for automatic generation control, Artificial Inertia, Active Power Smoothing, Load Following, Generation Following, Power Factor Limiting, and Scheduling of Functions); and
 - Other grid benefits provided by distributed energy resource (*e.g.*, activation/deactivation and settings for Coordinated Charge/Discharge, Intentional Islanding, Microgrid Management, Backup Power, and Energy Arbitrage).

Energy Division will host a workshop on January 25, 2022, at which time proposals for a Working Group organizational plan, as well as Working Group topics, will be discussed. This workshop will be held remotely through the WebEx platform. Energy Division will provide additional details at a later date.

Third, we will begin the initial work to complete the analysis needed for the Commission to determine how best to improve local engagement in utility distribution planning. Energy Division will conduct a workshop on the scope and funding of a potential community engagement needs assessment during the third quarter of 2022 to inform Track 1, Phase 2 of this proceeding. A ruling noticing the date and other details will be provided at a later date. The Commission will conduct community and tribal specific outreach in addressing the community engagement issues set out in this scoping memo.

The following schedule is adopted here and may be modified by the assigned Commissioner and Administrative Law Judges as required to promote the efficient and fair resolution of the rulemaking:

Activity	Date
Track 1: Distribution Planning Process and Data Improvements	
<i>Phase 1: Near-Term Actions</i>	
Electrification Impacts Study Scope and Objectives Workshop	12/7/2021
Integration Capacity Analysis and Grid Needs Assessment Alignment and Utility Workplan Reports	February 2022
Data Portals Improvement (Workshop, Focus Groups)	First Quarter 2022
Additional Guiding Questions and California Energy Commission Report Comments	First Quarter 2022
Distribution Investment Deferral Framework (DIDF) Guidelines (to document existing DIDF requirements)	Second Quarter 2022
Distribution Forecasting Working Group Workshop	Second Quarter 2022
Electrification Impacts Study and Workshop	Second Quarter 2022
Community Engagement Needs Assessment Scope and Objectives Workshop	Third Quarter 2022
Electrification Impacts Staff Proposal	Fourth Quarter 2022
Utility Integration Capacity Analysis Refinements 1st Annual Reports and Workshop	Fourth Quarter 2022
Deadline to request Evidentiary Hearing for Track 1, Phase 1 issues	November 30, 2022
Proposed Decision (Phase 1)	First Quarter 2023
<i>Phase 2: Distribution Planning Process Improvement</i>	
Community Engagement Needs Assessment Report and Workshop	First Quarter 2024
Data Portals Improvement Technical Report	Second Quarter 2024
Distribution Planning Process (DPP) Improvement Workshop	Second Quarter 2024
Deadline to request Evidentiary Hearing for Track 1, Phase 2 issues	July 31, 2024

Activity	Date
DPP Guidelines Staff Proposal and Workshop (DPP Guidelines supersedes DIDF Guidelines)	Third Quarter 2024
Proposed Decision (Phase 2)	First Quarter 2025
Track 2: Distribution System Operator Roles and Responsibilities	
White Paper and Workshop	First Quarter 2022 Q1
Future Grid/Distribution System Operator Workshop Series	Second and Third Quarters 2022
Deadline to request Evidentiary Hearing for Track 2 issues	April 30, 2023
Future Grid/Distribution System Operator Roles and Responsibilities Technical Report and En Banc	Third Quarter 2023
Proposed Decision	Fourth Quarter 2023
Track 3: Smart Inverter Operationalization and Grid Modernization Planning	
<i>Phase 1: Smart Inverter Operationalization</i>	
Smart Inverter Operationalization Working Group Workshop	1/25/2022
Smart Inverter Operationalization Working Group	First Quarter 2022 to First Quarter 2023
Deadline to request Evidentiary Hearing for Track 3, Phase 1 issues	January 31, 2023
Smart Inverter Operationalization Working Group Report	First Quarter 2023
Smart Inverter Operationalization Staff Proposal and Workshop	Second Quarter 2023
Proposed Decision (Phase 1)	Third Quarter 2023
<i>Phase 2: Grid Modernization Planning and Cost Recovery</i>	
Deadline to request Evidentiary Hearing in Track 3, Phase 2 issues	October 31, 2023

Activity	Date
Grid Modernization Plan Improvement and General Rate Case Alignment Staff Proposal and Workshop	First Quarter 2024
Proposed Decision (Phase 2)	Second Quarter 2024

5. Coordination with the DER Action Plan 2.0

The Commission recently launched an effort to update the DER Action Plan, which was originally endorsed by the Commission on November 10, 2016 to serve as a roadmap in coordinating DER policy development across multiple proceedings and stakeholder initiatives. The Commission issued the Draft DER Action Plan 2.0 for stakeholder input on July 23, 2021, and expects to endorse a final version of the plan in the coming months.²⁰ We encourage parties to supplement the record of this proceeding with information regarding how potential actions considered in the proceeding may address the vision and action elements identified in the DER Action Plan 2.0 once endorsed.

6. Category of Proceeding and *Ex Parte* Restrictions

This ruling confirms the Commission’s preliminary determination that this is a quasi-legislative proceeding.²¹ Accordingly, *ex parte* communications are allowed without restrictions or reporting requirements, pursuant to Rule 8.2 of the Commission’s Rules of Practice and Procedure (Rules).

7. Public Outreach

Pursuant to Public Utilities Code Section 1711(a), I hereby report that the Commission sought the participation of those likely to be affected by this matter by noticing it in the Commission’s monthly newsletter that is served on

²⁰ The Draft DER Action Plan 2.0 can be found at: <https://www.cpuc.ca.gov/about-cpuc/divisions/energy-division/der-action-plan>

²¹ Order at 26.

communities and business that subscribe to it and posted on the Commission's website.

The Order was served on the following service lists associated with other open Commission proceedings:

	Docket	Proceeding Number
1	Emergency Summer Reliability, Extreme Weather	R.20-11-003
2	Clean Energy Financing Options for Electricity and Natural Gas Customers	R.20-08-022
3	Net Energy Metering	R.20-08-020
4	Self-Generation Incentive Program	R.20-05-012
5	Integrated Resource Planning	R.20-05-003
6	Long-Term Gas System Planning	R.20-01-007
7	Electric Program Investment Charge	R.19-10-005
8	Microgrids and Resiliency	R.19-09-009
9	Direct Access	R.19-03-009
10	Building Decarbonization	R.19-01-011
11	Transportation Electrification	R.18-12-006
12	De-Energization of Power Lines in Dangerous Conditions	R.18-12-005
13	Affordability of Utility Service	R.18-07-006
14	Wildfire Mitigation Plans	R.18-10-007
15	Click-Through Authorization Process (Demand Response)	Application (A.) 18-11-015, et al.
16	Climate Adaptation	R.18-04-019
17	Streamlining Interconnection of Distributed Energy Resources and Improvements to Rule 21	R.17-07-007
18	Electricity Integrated Resource Planning Framework and Long-Term Procurement Planning Requirements Refinement	R.16-02-007

	Docket	Proceeding Number
19	Energy Savings Assistance and California Alternate Rates for Energy Programs	A.14-11-007, et al.
20	Integrated Distributed Energy Resources	R.14-10-003
21	Distribution Resources Plans	R.14-08-013
22	Energy Efficiency	R.13-11-005 and A.17-01-013, et al.
23	Demand Response Enhancement Rulemaking and Program Applications	R.13-09-011 and A.17-01-012, et al.

Further, the Order was also served to the California Air Resources Board, the California Energy Commission, the Governor’s Office of Business Development, the State Board of Forestry and Fire Protection, the California Office of Emergency Services, the California Department of Fish and Wildlife, the California Office of Planning and Research, the California Infrastructure and Economic Development Bank, the California State Association of Counties, the California Native American Heritage Commission and the Tribal contacts list managed by the Native American Heritage Commission, the California Municipal Utilities Association, the Disadvantaged Communities Advisory Group, the League of California Cities, the California Office of Energy Infrastructure Safety, and the Rural County Representatives of California.²²

²² Formation of the Disadvantaged Communities Advisory Group was called for in Senate Bill 350, the Clean Energy and Pollution Reduction Act of 2015. The 11-member group meets several times a year to review Commission and CEC clean energy programs and policies to ensure that disadvantaged communities, including tribal and rural communities, benefit from proposed clean energy and pollution reduction programs. The Commission’s Wildfire Safety Division transferred to the California Natural Resources Agency in July 2021, pursuant to AB 1054, and is now referred to as the California Office of Energy Infrastructure Safety.

8. Response to Public Comments

Parties may, but are not required to, respond to written comments received from the public. Parties can view comments on the “Public Comment” tab of the online docket card for this proceeding and may provide responses using the “Add Public Comment” button on that same tab.

9. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission’s procedures or has questions about the electronic filing procedures is encouraged to obtain more information at <http://consumers.cpuc.ca.gov/pao/> or contact the Commission’s Public Advisor at 866-849-8390 or 866-836-7825 (TTY), or send an e-mail to public.advisor@cpuc.ca.gov.

10. Filing, Service, and Service List

The official service list has been created and is on the Commission’s website. Parties should confirm that their information on the service list is correct and serve notice of any errors on the Commission’s Process office, the service list, and the Administrative Law Judges. Persons may become a party pursuant to Rule 1.4.

When serving any document, each party must ensure that it is using the current official service list on the Commission’s website.

This proceeding will follow the electronic service protocol set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail whenever possible, transmitted no later than 5:00 p.m. on the date scheduled for service to occur. Although Rule 1.10 requires service on the Administrative Law Judges of both an electronic and a paper copy of filed or served documents, parties to this proceeding should only provide electronic

copies of their documents to Administrative Law Judges Hymes and Sisto until further notice.

When serving documents on Commissioners or their personal advisors, whether or not they are on the official service list, parties must only provide electronic service. Parties must not send hard copies of documents to Commissioners or their personal advisors unless specifically instructed to do so.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at process_office@cpuc.ca.gov to request addition to the “Information Only” category of the official service list pursuant to Rule 1.9(f).

The Commission encourages those who seek information-only status on the service list to consider the Commission’s subscription service as an alternative. The subscription service sends individual notifications to each subscriber of formal e-filings tendered and accepted by the Commission. Notices sent through subscription service are less likely to be flagged by spam or other filters. Notifications can be for a specific proceeding, a range of documents and daily or weekly digests.

11. Receiving Electronic Service from the Commission

Parties and other persons on the service list are advised that it is the responsibility of each person or entity on the service list for Commission proceedings to ensure their ability to receive e-mails from the Commission. Please add “@cpuc.ca.gov” to your e-mail safe sender list and update your e-mail screening practices, settings and filters to ensure receipt of e-mails from the Commission.

12. Assignment of Proceeding

Darcie L. Houck is the assigned Commissioner and Kelly A. Hymes and Carolyn Sisto are the assigned Administrative Law Judges for the proceeding.

IT IS RULED that:

1. The scope of this proceeding is described above and is adopted.
2. Attachment A of this Assigned Commissioner's Scoping Memo and Ruling provides the workplan for this proceeding.
3. The schedule of this proceeding as set forth in Section 4 above is adopted.
4. The assigned Administrative Law Judges and Commissioner are authorized to modify the workplan and schedule as required to promote the efficient and fair resolution of the rulemaking.
5. Evidentiary hearing may not be needed. Section 4, above, is adopted and includes a series of dates by which parties may file a motion for evidentiary hearing related to disputed material facts relevant to each set of scoped issues for which a decision anticipated in this proceeding.
6. The category of the proceeding is quasi-legislative.
7. A Smart Inverter Operationalization Working Group is established to address the overarching question of which smart inverter operationalization use cases should be prioritized and implemented to leverage the capabilities of smart inverters to provide value to grid operators and ratepayers.

This order is effective today.

Dated November 15, 2021, at San Francisco, California.

/s/ DARCIE L. HOUCK

Darcie L. Houck
Assigned Commissioner

ATTACHMENT A
R.21-06-017 Workplan

ATTACHMENT B
List of Acronyms