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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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R2106017

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

Rulemaking 21-06-017

**ASSIGNED COMMISSIONER'S AND ADMINISTRATIVE LAW JUDGE'S
RULING REQUESTING COMMENT ON ASSIGNED COMMISSIONER'S
PROPOSAL ON FLEXIBLE SERVICE CONNECTIONS**

This ruling seeks comment from interested parties on the attached Assigned Commissioner's Proposal on Flexible Service Connections (Assigned Commissioner's Proposal) and directs responses from the Investor-Owned Utilities (IOUs) on Section 3. The IOUs are directed to file and serve their responses to the questions in Section 3 by July 14, 2026. All other Parties, including the IOUs, shall file and serve initial comments on the Assigned Commissioner's Proposal and questions in Section 2 of this ruling no later than July 21, 2026. Reply comments for all parties shall be filed and served no later than July 28, 2026. The Assigned Commissioner's Proposal focuses on enabling and scaling flexible service connections to the distribution grid while ensuring reliability, operational flexibility, efficient use of existing capacity, and affordability for customers. The priority is to achieve greater utilization of the electric distribution system by allowing distributed energy resources (DERs) to unlock existing capacity and provide more options for near-term energization while keeping affordability concerns top of mind. This ruling also takes official notice of several relevant resources.

1. Background

The California Public Utilities Commission (Commission) issued an Order Instituting Rulemaking (OIR) to Modernize the Electric Grid for a High Distributed Energy Resources (High DER) Future on July 2, 2021.

The Assigned Commissioner's Amended Scoping Memo and Ruling (Amended Scoping Memo) issued on August 11, 2023, articulated three scoped issues in Track 3, Phase 1 of this proceeding. The scoped issues for Track 3 focus on identifying priority uses for new technologies¹ based on the value they may provide to operators and ratepayers, specifying the roadmaps for adopting these technologies, and evaluating cybersecurity standards to ensure secure communications.

The February 7, 2025 Assigned Commissioner's and Administrative Law Judge's (ALJ) Ruling clarified that Track 3 of the proceeding will focus on Flexible Grid Connections and directed parties to provide responses with this focus in mind.

The November 3, 2025 Assigned Commissioner's Ruling Seeking Additional Information on DER Enabled Near Term Flexible Connections directed the three large Investor-Owned Utilities (IOUs) to provide information on the readiness of technologies needed to support Flexible Grid Connections, invited party comment on appropriate use cases, and provided definitions.

The February 6, 2026 Assigned Commissioner and ALJ ruling (Workshop Ruling) provided workshop information and schedule modification. The Workshop ruling further focused this proceeding on flexible connections,

¹ The proceeding has considered generation technologies operationalized by smart inverters and updated standards for power control systems that are capable of addressing both load and generation.

modified the schedule to incorporate Workshop activities, set forth eight discrete topics for discussion, and took official notice of relevant documents.

The February 20, 2026 All-Party Workshop hosted presentations by the Large IOUs, as well as IREC, CalCCA and VGIC. The discussion and slides were documented in a report filed March 20, 2026 (All-Party Workshop Report), with comments on that report received on April 3, 2026.

2. Questions on Proposal

The Commission seeks party comments on Attachment 1, the Assigned Commissioner's Proposal on Flexible Service Connections , and responses to the questions below.

1. Please provide feedback on the Proposal itself, identifying any concerns with and/or support for the direction and background. Comments on the Proposal shall be provided within the same structure as the Proposal where possible (e.g., discussion of Operating Envelopes should come in Section 4 of party comments).
2. Section 9 of the Proposal includes a summary of the recommendations for Commission action. Please provide feedback on the recommendations, being as specific as possible regarding the pros and cons of the proposed recommendations, and on the feasibility of implementation.
3. Section 9 of the proposal summarizes recommendations for Commission action based on the stated goal² of the proposal. Do parties find that any additional recommendations are warranted in support of this goal?
4. For the proposed Advice Letters what, if any, additional implementation or program design elements should be addressed each Advice Letter. Do parties have

² The goal of this proposal is to reduce ratepayer spending on grid upgrades while ensuring safety and reliability that allows energization for customers in a timely manner.

- recommendations on how to consolidate advice letters or make the process more efficient?
5. Many of the Proposal's recommendations are premised on the goal of affordability and ratepayer savings from greater capacity utilization, speed to power, and deferral or avoidance of upgrade capital expenditure. To realize these goals, quantification of ratepayer costs and benefits will be necessary. For each recommendation how should the IOUs measure, track and report key costs and benefit metrics?
 6. How should IOUs ensure the existence of bridging solutions, non-bridging solutions, or the change from a bridging solution to a non-bridging solution are timely communicated with the California Energy Commission for forecasting purposes?
 7. The proposal recommends the Commission direct SDG&E to stand up a static FSC offering that is aligned with the requirements directed in D.26-02-025 for PG&E and SCE.³
 - a. For SDG&E to implement this proposal, what, if any, modifications to the requirements directed in D.26-02-025 should the Commission consider?
 8. What hardware, software, or data sharing safeguards may be needed to ensure that customers can obtain a flexible connection without being restricted by proprietary arrangements?
 9. Are there any safety concerns that should be highlighted?

3. Filing of Existing Grid Edge DERMS Materials

Grid Edge DERMS have the potential to address many scenarios for which Enterprise DERMS does not scale effectively⁴ and that there is a need to distinguish among different DERMS architectures,⁵ but the level of planning,

³ D.26-02-025 Ordering Paragraphs 1-5.

⁴ PG&E 2024 Grid Modernization Progress report at 16.

⁵ All-Party Workshop report at 8-10,14

progress, and costs for Grid-edge DERMS is not clear.⁶ PG&E's 2024 EPIC Annual Report notes that PG&E hosted a series of workshops with the technology providers that defined workstreams, identified and refined use cases, and confirmed target customer profiles.

Questions for PG&E on Technology Provider Workshops and Collaboration

1. What are the final workstreams, use cases, costs, and target customer profiles?
 - a. PG&E shall file the existing materials associated with and any work products that resulted from this series of workshops and associated technology partner collaboration(s).

Question for SCE and SDG&E on Grid-Edge DERMS Efforts

1. What efforts, if any, have been made to develop a system that utilizes local measurement and computation along with a power control system to address capacity constraints?
 - a. SCE and SDG&E shall file any existing documents (i.e., business requirements, program description) that describe efforts to date.

4. Evolution of Cybersecurity Standards

The June 3, 2024 Smart Inverter Operationalization Cybersecurity Subgroup (SIO-CS) Report recommends that the CPUC pursue several parallel paths, including path H.⁷

Question Regarding Path H Options

1. What testing and certification programs, if any, should or should not be considered if the Commission elects to

⁶ All-Party Workshop report at 21.

⁷ SIO-CS Report at v.

pursue path H as an option to address cybersecurity issues?

- a. What elements of the testing and certification programs identified lead to your conclusion that this program should or should not be pursued?

5. Taking Official Notice

There are several resources discussed by parties, served to this proceeding, or filed within other proceeding(s) that are not part of the record of this proceeding that are relevant to the issues presented in Track 3. Accordingly, this ruling proposes taking official notice of the following resources:

- PG&E EPIC 4 Application
- PG&E January 16, 2024 EPIC 4 Public Workshop Slides⁸
- PG&E 2024 EPIC Annual Report⁹
- PG&E and SCE Joint Advice Letter Implementing the Standard Offer
- Filings in R.24-01-018
 - PG&E Amended Clarified FSC Data Sheet
 - SCE FSC Participant Data
- SCE DERMS IEEE 2030.5 Aggregator Requirements
- SDG&E Distribution Design Manual
- PG&E's April 24, 2024 Grid Modernization Progress Report
- SCE's March 20, 2024 Grid Modernization Progress Report
- SDG&E's April 19, 2024 Grid Modernization Progress Report
- Electric Power Research Incorporated publication 1000419

⁸ [EPIC 4 Public Workshop - January 16, 2024](#)

⁹ Filed within PG&E Advice Letter 7579-E.

Grounds exist for taking official notice of the above pursuant to Rule 13.9 of the Commission's Rules of Practice and Procedure and California Evidence Code Section 452. If a party objects to the taking of official notice of this information, or the documents specified in Section 12 of the February 6, 2026 Assigned Commissioner and Administrative Law Judges' ruling, the party shall file and serve a motion to object within 10 days of the issuance of this ruling.

IT IS SO RULED.

Dated July 7, 2026, at San Francisco, California.

/s/ DARCIE L. HOUCK

Darcie L. Houck
Assigned Commissioner

/s/ JUSTIN REGNIER

Justin Regnier
Administrative Law Judge