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

This Ruling enters the two Track 2 Distributed Energy Resources (DER) Orchestration workshop reports into the record and sets a deadline for parties to provide comments on the reports and responses to the questions set forth below. The attached DER Orchestration Workshop Reports summarize discussions held at Commission-led workshops on May 21, 2026 and June 5, 2026. Parties who wish to provide formal comments in response to this ruling must file and serve their comments no later than July 27, 2026. Reply comments must be filed and served no later than July 31, 2026.

1. Background

The Commission launched Rulemaking (R.) 21-06-017 to study the impacts of high penetrations of DERs on the grid, identify better forecasting strategies, and plan and operate a distribution system that can support a large number of distributed energy resources on the grid in the future, i.e., a "High DER Future." Track 2 of this proceeding focuses on the investor-owned utilities (IOU)-operated Distribution System Operators (DSO).

The August 11, 2023 Assigned Commissioner's Amended Scoping Memo and Ruling (Amended Scoping Memo) laid out the following two issues for

Track 2: (1) What are the operational needs necessary to efficiently operate a high DER grid and 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; and (2) What are the existing gaps and barriers in achieving the needs identified above within our current IOU-operated DSO? What are the potential solutions in overcoming these barriers?

A March 23, 2026 Assigned Commissioner's Ruling on Track 1 and Track 2 DER Orchestration (March 23 Ruling) identified five priority areas to guide the focus of the Track 2 DER Orchestration Framework.

- DER Visibility to DSO
- DER Visibility to California Independent System Operator (CAISO)
- DER dispatchability/control
- Open access to distribution system
- Reliability coordination at Transmission-Distribution interface

The March 23 Ruling also sought party comments on questions about IOU DSO-led DER orchestration initiation, enabling DER visibility to the CAISO and coordination between DSOs and CAISO, and Transmission System Operator (TSO)-DSO Coordination Workshop Scope and Objectives, in addition to other procedural issues. The March 23 ruling also set a workshop (Workshop 1) to provide a forum for stakeholders to discuss the foundational elements necessary to support a utility-led DER orchestration framework, including associated implementation challenges, operational requirements, and governance considerations. The workshop, held at the Commission's San Francisco headquarters on May 21, 2026, also sought stakeholder input on the potential application process for DER orchestration, including guiding principles,

technical requirements, and other foundational framework elements. The workshop was organized around six key topic areas:

1. Grid Services and Use Cases Enabled by DSO-led DER Orchestration
2. Open, Interoperable Communications for DER Visibility and Behind-the-Meter DER Grid Services
3. Dispatch Mechanisms and Aggregator Roles
4. Cost-Benefit Methodologies and Valuation Frameworks
5. Incentive Structures and Mechanisms
6. Evaluating IOU Readiness and Scalability of Rollouts

The March 23 Ruling set a second workshop (Workshop 2), which was held on June 5, 2026 in collaboration with the CAISO at the CAISO's Folsom headquarters, to align TSOs, DSOs, and stakeholders on shared priorities for DER integration and grid operations under a high-DER future. The workshop aimed to address how IOUs can meet CAISO's DER data needs (e.g., DER capacity, location, schedule, performance data, and location) while addressing data-sharing feasibility, existing DER management system capabilities, and any technical or privacy constraints.

2. Questions on Topics Raised in DER Orchestration Workshop Reports

Below are a set of questions about issues discussed at the May 21, 2026 and June 5, 2026 workshops as summarized in the attached workshop reports.

Responses to these questions should be as detailed and complete as possible.

1. Are there any factual inconsistencies or areas needing clarification in the summary workshop reports set out in Attachments 1 and 2. Are the party perspectives discussed in the respective reports accurate?
2. What, if any, additional information or development on a proposed orchestration framework should be considered before directing the IOUs to file DER orchestration

- framework applications? What recommendations do parties have regarding any additional work needed and timelines for completing such work, including timing for filing of IOU DER orchestration applications?
3. Given the time required to prepare and decide on potential IOU DER orchestration applications and the related IOU pilots currently underway, how can IOUs:
 - a. Ensure DER orchestration strategies and implementation stages proposed in future applications incorporate lessons learned, relevant data, and any other benefits generated from the currently ongoing pilots and the information set forth in the record of this proceeding?
 - b. Coordinate the pilots with the formal DER orchestration application proceeding?
 4. What, if any, specific pre-application steps and activities related to DER orchestration, such as convening workshops or a working group process, should be completed prior to the IOUs filing of DER orchestration applications?
 5. If convening a working group or workshops is warranted, what should be the explicit objectives and key topics to address?
 6. Parties provided recommendations on regulatory pathways. Please provide feedback on the recommended regulatory pathways or provide alternative proposals.
 7. Of the six key discussion topic areas identified during Workshop 1 for developing a DER orchestration framework, which topics or subtopics are best suited for development through stakeholder working groups or future workshops?
 8. How should the Commission and/or IOUs ensure engagement with California Tribal Nations, environmental social justice communities, and other communities that may be impacted by implementation of the DER orchestration framework that may not be tracking the current proceeding, or have capacity to engage on the highly technical aspects of the proceeding?

9. Regarding PG&E's Workshop 1 presentation, when implementing the primary use cases described under Key Topic #1 (system peak reduction, speed to power, and resource-efficient grid investments), are these the correct use cases to implement? If so, which use cases should be implemented first, and which should be implemented in parallel or sequentially?
10. How should the Commission coordinate DER orchestration implementation for IOUs in different stages of technical readiness with regards to telemetry, DER management systems, and other DER orchestration aspects?
11. How can current AMI 1.0 and next-generation AMI 2.0 Grid Edge DERMs capabilities support IOU-led DSO DER orchestration programs?
 - a. What additional communications or technical capabilities are necessary to enable reliable dispatch and settlement of DERs via Grid Edge DERMs?
 - b. What are differences in capabilities, advantages, and disadvantages of Grid Edge DERMs compared to centralized Enterprise DERMs for enabling IOU-led DSO DER orchestration?
12. What customer-owned DER technologies (e.g., EVs, smart thermostats, water heaters, batteries, other flexible loads) are currently capable of and/or best fits for participating in IOU-led DSO DER orchestration programs to provide value to ratepayers?
 - a. What technical or operational barriers remain for broader participation?
13. What requirements should be established to enable reliable integration of customer-owned DERs into IOU DER orchestration programs?
 - a. How should IOUs account for customer behavior and resource availability when determining the dependability of orchestrated DERs on the distribution grid?
14. How should circuit-level demand flexibility be modeled by IOU DSOs to better inform how distribution planning investments should be allocated in future planning cycles?
15. In PG&E's opening comments on the Assigned Commissioner's Ruling Issuing Questions on the Electrification Impact Study Part 2 Final

Reports, PG&E stated that “the EPIC 4.08 pilot is intended to improve how load flexibility is represented in scenario planning by helping translate flexible load potential into inputs that can be assessed in” distribution system investment plans.¹ What, if any, learnings from PG&E’s EPIC 4.08 pilot and its ongoing development can be used to model load flexibility into the annual Distribution Planning and Electrification Process (DPEP) and how would that be accomplished?

16. The DSO ensures that the system is operated in a safe, reliable manner and is responsible for optimizing system performance. What components are needed for a DER orchestration framework that will ensure these operations continue while also allowing for the flexibility needed to manage load that incorporates a high level of DERs?
17. The IOUs have previously made statements regarding opportunities for lowering costs. Please provide explicit examples of these opportunities including how these opportunities may shift between initial implementation and further scaling.
18. Are there any other relevant issues not discussed in the March 23 Assigned Commissioner’s Ruling, but brought up in the workshops that the Commission should consider for the DER orchestration application process?

IT IS RULED that:

1. Opening comments in response to this ruling must filed and served no later than July 27, 2026.
2. Reply comments must be filed and served no later than July 31, 2026.

Dated July 9, 2026, at San Francisco, California.

/s/ DARCIE L. HOUCK

Darcie L. Houck
Commissioner

/s/ JACK CHANG

Jack Chang
Administrative Law Judge

¹ PG&E Opening Comments on Assigned Commissioner’s Ruling on EIS Part 2, May 29, 2026: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M608/K066/608066830.PDF>