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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 Resource Future.	R.21-06-017

CALIFORNIA COMMUNITY CHOICE ASSOCIATION'S OPENING 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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July 27, 2026

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SUMMARY OF RECOMMENDATIONS[1]

The Commission should defer adopting a DER orchestration framework until completing the following steps:

- Adopt the following additional guiding principles to mitigate potential conflicts of interest, prevent market manipulation, and ensure a level playing field for non-IOU managed DERs under an IOU-led DER orchestration framework: (1) nondiscriminatory market access, operations, and dispatch; (2) independent monitoring and oversight of the DSO and market functions; (3) optimization of existing distribution grid capacity before authorization of capital investments; (4) competitive neutrality of the DSO and marketplace operator; (5) fair compensation for DER flexibility services; and (6) timely access to accurate customer usage, DER, integration capacity analysis, and grid data;

- Consider a holistic approach to developing a DER orchestration framework by incorporating all demand-flexibility use cases, including FSCs, to capture potential operational efficiencies and cost savings;

- Evaluate the costs and benefits of a flexibility marketplace working in conjunction with the IOUs' Grid-Edge DERMS to scale participation and create additional ratepayer benefits;

- Establish the following WGs to address unresolved issues from the two WSs: (1) DER Visibility and Data Systems; (2) TSO-DSO Operational Coordination; and (3) Market Design and Governance; and

- Investigate a decentralized DER data sharing framework that relies on secure data exchanges under a trust framework to ensure DER data remains up-to-date and does not become unusable.

[1] Acronyms used herein are defined in the body of this document.

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California Community Choice Association[2] (CalCCA) submits these opening comments pursuant to the *Assigned Commissioner's and Administrative Law Judge's Ruling Issuing Questions on the Distributed Energy Resources Orchestration Workshop Reports*[3] (Ruling), dated July 9, 2026. The Ruling seeks responses to questions about the Track 2 Workshop (WS) Report: Distribution System Operator (DSO) Distributed Energy Resources (DER) Orchestration WS (DER Orchestration WS Report)[4] and the Track 2 WS Report: Transmission System Operator (TSO)-DSO Coordination WS (TSO-DSO WS Report) (collectively, WS Reports).[5]

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[2] California Community Choice Association represents the interests of 24 community choice electricity providers in California: Apple Valley Choice Energy, Ava Community Energy, Central Coast Community Energy, Clean Energy Alliance, Clean Power Alliance of Southern California, CleanPowerSF, Desert Community Energy, Energy For Palmdale's Independent Choice, Lancaster Energy, Marin Clean Energy, Orange County Power Authority, Pico Rivera Innovative Municipal Energy, Pioneer Community Energy, Pomona Choice Energy, Rancho Mirage Energy Authority, Redwood Coast Energy Authority, San Diego Community Power, San Jacinto Power, San José Clean Energy, Santa Barbara Clean Energy, Silicon Valley Clean Energy, Sonoma Clean Power, Valley Clean Energy, and WestLight Energy.

[3] *Assigned Commissioner's and Administrative Law Judge's Ruling Issuing Questions on the Distributed Energy Resources Orchestration Workshop Reports*, Rulemaking (R.) 21-06-017 (July 9, 2026), https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M610/K354/610354178.PDF.

[4] Ruling, Attachment 2, *Track 2 Workshop Report: Distribution Operator DER Orchestration*, https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M610/K353/610353944.PDF.

[5] Ruling, Attachment 3, *Track 2 Workshop Report: TSO-DSO Coordination,* https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M610/K353/610353842.PDF.

I. INTRODUCTION

CalCCA appreciates the opportunity to provide comments on the WS Reports, summarizing discussions held at the DSO DER Orchestration WS (WS 1) on May 21, 2026,[6] and the TSO-DSO Coordination WS (WS 2) on June 5, 2026.[7] WS 1 provided stakeholders with the opportunity to discuss the foundational elements of a proposed investor-owned utility (IOU)[8] - led DER orchestration framework. WS 2 further developed the record on enhancing coordination between the IOUs and the California Independent System Operator (CAISO), in its capacity as the TSO, enhancing CAISO visibility of DERs, and aligning DSO, TSO, and stakeholder priorities for DER orchestration.

The WS Recordings and Reports highlight significant differences among stakeholders on the proposed DSO functions, governance, DER visibility, data architecture, communications and interoperability protocols, TSO-DSO operational coordination, and overall market design. Before advancing a DER orchestration framework and requiring IOUs to file applications to develop their own frameworks, the California Public Utilities Commission (Commission) should resolve these outstanding issues. ***First***, the Commission should adopt a final set of guiding principles, including principles concerning governance and market access, to ensure open and fair market access and to align the IOU DER orchestration outcomes with policy goals. ***Second***, the Commission should take a holistic approach by incorporating multiple demand flexibility use cases, including flexible service connections (FSC), and developing flexible marketplace platforms to maximize DER participation and enhance ratepayer benefits. ***Third***, working groups

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[6] *See* WS 1 Recording, *DER Orchestration Framework Development* (DER Orchestration WS Recording), R.21-06-017 (May 21, 2626), https://youtu.be/iok0dMjMw9I.

[7] *See* WS 2 Recording, *TSO-DSO Coordination* (TSO-DSO WS Recording), R.21-06-017 (June 5, 2026), https://youtu.be/AHbDF0PsbZM.

[8] As used herein, "IOUs" refer collectively to Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), and Southern California Edison Company (SCE).

should be established to investigate and propose solutions to address all unresolved issues identified in the WS and WS Reports.

As discussed in response to the Ruling Questions and in comments on the WS Reports below, the Commission should defer adopting a DER orchestration framework until completing the following steps:

- Adopt the following additional guiding principles to mitigate potential conflicts of interest, prevent market manipulation, and ensure a level playing field for non-IOU managed DERs under an IOU-led DER orchestration framework: (1) nondiscriminatory market access, operations, and dispatch; (2) independent monitoring and oversight of the DSO and market functions; (3) optimization of existing distribution grid capacity before authorization of capital investments; (4) competitive neutrality of the DSO and marketplace operator; (5) fair compensation for DER flexibility services; and (6) timely access to accurate customer usage, DER, integration capacity analysis, and grid data;
- Consider a holistic approach to developing a DER orchestration framework by incorporating all demand-flexibility use cases, including FSCs, to capture potential operational efficiencies and cost savings;
- Evaluate the costs and benefits of a flexibility marketplace working in conjunction with the IOUs' Grid-Edge DER Management Systems (DERMS) to scale participation and create additional ratepayer benefits;
- Establish the following working groups (WG) to address unresolved issues from the two WS: (1) DER Visibility and Data Systems; (2) TSO-DSO Operational Coordination; and (3) Market Design and Governance; and
- Investigate a decentralized DER data sharing framework that relies on secure data exchanges under a trust framework to ensure DER data remains up-to-date and does not become unusable.

II. CALCCA'S COMMENTS IN RESPONSE TO THE QUESTIONS IN SECTION 2 OF THE RULING

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?

See CalCCA's comments in Sections III and IV below.

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?

The WS Reports highlight substantial unresolved questions and issues, including, but not limited to, DSO functions and roles, governance and oversight, DER visibility, data architecture, TSO-DSO operational coordination, and market design. Given the abundance and significance of unresolved issues, the Commission should defer applications for a DER orchestration framework until these issues can be comprehensively resolved. ***First***, the Commission should finalize the DSO guiding principles proposed in the DER Orchestration Ruling[9] to serve as a foundation for developing a consistent DER orchestration framework. CalCCA's Opening Comments on the DER Orchestration Ruling proposed a number of additional guiding principles to address governance issues and ensure a fair and competitive market, including:

- Nondiscriminatory market access, operations, and dispatch;
- Independent monitoring and oversight of the DSO and market functions;
- Optimization of existing distribution grid capacity before authorization of capital investments;
- Competitive neutrality of the DSO and marketplace operator;
- Fair compensation for flexibility services; and
- Timely access to accurate customer usage, DER, integration capacity analysis, and grid data.[10]

[9] *Assigned Commissioner's Ruling on Track 1 and Track 2 DER Orchestration* (DER Orchestration Ruling), R.21-06-017 (Mar. 3, 2026), at 7, https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M602/K997/602997407.PDF.

[10] *CalCCA's Comments in Response to the Assigned Commissioner's Ruling on Track 1 and Track 2 DER Orchestration*, R.21-06-017 (Apr. 20, 2026), at 12, https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M605/K328/605328509.PDF.

CalCCA's Comments on the FSC Ruling,[11] filed concurrently with these Comments, highlight the need to align the IOUs' financial imperatives with state policy goals, including carbon reduction and rate affordability.[12] Establishing any type of DER orchestration framework requires significant time, money, and effort, necessitating careful consideration of governance structures, nondiscriminatory market access, appropriate incentives, and compensation mechanisms to ensure the IOUs maximize DER flexibility opportunities. Only if these issues are addressed can DER orchestration fulfill the promise of reduced grid investments, optimized grid operations, and the resulting ratepayer savings.

As discussed in greater detail in CalCCA's Comments on the FSC Ruling, the Commission should evaluate governance structures, incentive mechanisms, and cost-benefit structures and mechanisms adopted by the Office of Gas and Electricity Markets (Ofgem) for the United Kingdom's (UK) DSO framework.[13] Ofgem's Revenue = Incentives + Innovation + Output (RIIO) framework establishes price controls to ensure DSOs support Great Britain's climate and other policy goals. The RIIO framework establishes revenue targets, which are determined by the DSOs' ability to safely and reliably operate the grid, provide value to ratepayers, meet customer satisfaction and reliability objectives, and earn incentives for improving service.[14] An evaluation of Ofgem's oversight of regional DSOs will provide valuable

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[11] *See Assigned Commissioner's and Administrative Law Judge's Ruling Requesting Comment on Assigned Commissioner's Proposal on Flexible Service Connections* (FSC Ruling), R.21-06-017 (July 7, 2026), https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M610/K354/610354104.PDF.

[12] *CalCCA's Comments on the Assigned Commissioner's and Administrative Law Judge's Ruling Requesting Comment on Assigned Commissioner's Proposal on Flexible Service Connections*, R.21-06-017 (filed concurrently with these comments on July 27, 2026), at 12.

[13] *Id*. at 11-13.

[14] Ofgem, "Energy Network Price Controls," https://www.ofgem.gov.uk/energy-regulation/how-we-regulate/energy-network-price-controls.

insights for refining the guiding principles and should be undertaken before the Commission adopts a DER orchestration framework.

Second, the Commission should take a holistic approach to developing a DER orchestration framework by incorporating all demand-flexibility use cases, including static and dynamic FSCs and generation interconnections. The platforms, systems, and mechanisms that control flexible resources across these use cases are interrelated, and a DER orchestration framework encompassing all related use cases could deliver operational efficiencies and cost savings.

In furtherance of this objective, the Commission should evaluate the costs and benefits of a flexibility marketplace working in conjunction with the IOUs' Grid-Edge DERMS. A marketplace platform facilitates transactions between IOUs and flexibility providers, giving them access to the broader population of non-IOU-managed DERs and reducing the complexity and costs of participation for flexibility providers. The addition of a flexibility marketplace accelerates DER participation and creates more opportunities for grid infrastructure deferral or avoidance, resulting in greater ratepayer benefits. Rather than displacing an IOU Grid-Edge DERMS, a well-designed marketplace amplifies its effectiveness and benefits.[15]

Third, once these principles and objectives have been developed, the Commission should establish WG to address unresolved issues. CalCCA recommends that the Commission establish the following three WG: (1) DER Visibility and Data Systems; (2) TSO-DSO Operational Coordination; and (3) Market Design and Governance. These WGs should include IOUs, CCAs, third-party DER providers, Energy Division staff, CAISO staff, and other stakeholders, and be tasked with investigating challenges and proposing solutions related to deploying Enterprise and

[15] CalCCA discusses the benefits of marketplaces in greater detail in response to Question 11(a) and (b), and in response to comments in Sections III and IV.

Grid-Edge DERMS and flexibility marketplace platforms to support DER orchestration. The WG should incorporate lessons from utility regulators, DSOs, TSOs, and marketplace operators in the UK, Australia, and other jurisdictions where demand-flexibility frameworks have been deployed. CalCCA provides additional details, including objectives and topics, in response to Question 5 below.

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?

CalCCA has no response at this time.

b. Coordinate the pilots with the formal DER orchestration application proceeding?

CalCCA has no response at this time.

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?

See CalCCA's response to Question 2 above.

5. If convening a working group or workshops is warranted, what should be the explicit objectives and key topics to address?

As discussed in response to Question 2 above, the Commission should create three separate stakeholder WG to address DER visibility and data systems, TSO-DSO operational coordination, and market design and governance. CalCCA provides recommendations for the objectives and topics for each WG below.

A. DER Visibility and Data Systems WG

The objective of this WG is to evaluate and identify potential measures, platforms, systems, and data-sharing opportunities to unlock the potential benefits of DER orchestration, including interoperability and communication protocols and standards. The evaluation should address IOU and third-party Grid Edge DERMS, IOU Advanced Distribution Management Systems (ADMS)/Enterprise DERMS, and flexibility marketplace platforms. Suggested topics to be addressed by the DER Visibility and Data Systems WG include:

- DSO and TSO DER visibility;
- Centralized and decentralized DER registries, including trust frameworks;[16]
- Data sharing platforms;
- ADMS/ Enterprise DERMS;
- IOU and aggregator Edge-DERMS;
- Flexibility marketplace platforms;
- Communication protocols and standards; and
- Interoperability requirements.

B. TSO-DSO Operational Coordination WG

The objective of this WG is to evaluate TSO-DSO coordination and DER visibility challenges, and to identify potential solutions for orchestrating DER/demand-flexibility resources, including the possible deployment of flexibility marketplaces. Topics to be addressed by the TSO-DSO Operational Coordination WG include:

- Forecasting and modeling;
- Bulk system visibility;

[16] See CalCCA's comment in Section IV for a discussion of trust frameworks. A trust framework is a set of standardized rules and procedures governing secure data sharing without the need for multiple bilateral agreements. They are low-cost, quick to deploy, and offer a high degree of security. Trust frameworks could be used to share DER asset and performance data among participants in a flexibility marketplace as an alternative to a centralized DER registry, helping ensure the data remains up-to-date and usable.

- Reliability;
- Operational coordination;
- Data access and sharing;
- Market interactions; and
- Value stacking and dual participation.

C. Market Design and Governance WG

The objective of the Market Design and Governance WG is to facilitate the development of a fair, open, and competitive demand flexibility market under various DER orchestration frameworks. The WG should also be charged with evaluating and recommending governance structures that align IOU financial motives with state policy goals, including climate change mitigation, customer rate affordability, reduced customer energization and DER interconnection times, and support for social justice/equity.

- DSO functions;
- Market operators;
- Roles of CCAs and third-party aggregators;
- Dispatch authority;
- Marketplace structures;
- Aligning IOU financial motivations with state policy goals; and
- Oversight and monitoring.

6. Parties provided recommendations on regulatory pathways. Please provide feedback on the recommended regulatory pathways or provide alternative proposals.

As discussed in greater detail in CalCCA's response to Question 2 above, the Commission should first adopt guiding principles, including the proposed principles for establishing effective governance and fair and competitive market opportunities. Next, the Commission should adopt a holistic approach to evaluating DER orchestration, encompassing multiple use cases and a potential marketplace, to accelerate the growth of demand flexibility.

The Commission should establish WG to address the many unresolved issues, including data architecture, operational roles, and market structures. Only after these steps have been completed should the Commission determine the appropriate regulatory pathway for implementation of a DER orchestration framework.

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?

In addition to the key topics listed in CalCCA's response to Question 5 above, the following discussion topics from WS 1 are best suited for development through the stakeholder WG recommended above:

- Open, Interoperable Communications for DER Visibility;
- Dispatch Mechanisms and Aggregator Roles;
- Cost-Benefit Methodologies and Valuation Frameworks;
- Incentive Structures and Mechanisms; and
- Grid Services and Use Cases.

Other topics, including IOU readiness and scalability, should be addressed later, since they depend on the established framework.

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?

CalCCA has no response at this time.

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?

DER orchestration can serve all of the use cases identified by PG&E (system peak reduction, speed to power, and resource-efficient grid investments). These three use cases can be

implemented in parallel. However, emphasis should be placed on developing a framework to employ DER orchestration as a planning-grade grid resource to avoid or defer grid investments, since DERs are already being used to reduce system peak and accelerate customer energization.

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?

As discussed in CalCCA's response to Question 2 above, the Commission should first adopt a robust set of guiding principles, including establishing governance structures, then evaluate DER orchestration frameworks and possible use cases using a holistic approach. Finally, the Commission should establish WG to address unresolved issues related to data access, interoperability, communications, TSO-DSO coordination, and market access before attempting to coordinate the implementation of DER orchestration across IOUs in different stages of technical readiness.

The results of these three efforts will provide guidance on the IOUs' development of their DERMS system, telemetry, and other technical aspects related to the specific framework that is adopted. If, for example, the IOU Grid-Edge DERMS will be used to publicize flexibility needs and offers through a flexibility marketplace platform, it could impact how and to what extent the IOUs develop telemetry and interoperability requirements. A marketplace, which could be deployed statewide or within each IOU's service area, would reduce the number of resources that must be directly connected to the IOU Grid-Edge DERMS, potentially affecting the design of the IOUs' systems.

Once these three steps are completed, the Commission will have a much clearer picture of the IOUs' technical readiness to support the adopted DER orchestration framework. Until this has been accomplished, it is premature for the Commission to attempt to coordinate technical readiness among the three IOUs.

11. How can current AMI 1.0 and next-generation AMI 2.0 Grid Edge DERMs capabilities support IOU-led DSO DER orchestration programs?

CalCCA has no response to the question regarding AMI 1.0 and AMI 2.0 Grid-Edge DERMS capabilities, but provides responses to Questions 11(a) and (b) below.

a. What additional communications or technical capabilities are necessary to enable reliable dispatch and settlement of DERs via Grid Edge DERMs?

As CalCCA has discussed in prior Comments, the Commission should consider adopting Open Automated Demand Response (OpenADR) as the communications protocol for the IOU Grid-Edge DERMS.[17] The IOUs already use OpenADR for many of their demand response programs, and the protocol is cloud-based and well-suited for scaling.[18] As discussed in more detail in its responses to Question 11(b) and in Section III, the Commission should evaluate the potential costs and benefits of deploying flexibility marketplaces in conjunction with the IOU Grid-Edge DERMS to scale the participation of non-IOU-managed DERs and increase ratepayer benefits. A marketplace platform would communicate with the IOUs' Grid-Edge DERMS using the IOUs' preferred protocol, but could also support other communication protocols for managing enrolled demand flexibility providers. This approach would enable the IOUs to use their preferred communications protocols and could provide aggregators, CCAs, and customer-owned DERs with a lower-cost communications option.

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?

Enterprise DERMS, also called Grid DERMS, are tightly integrated with the utility's ADMS and other grid management platforms. They are typically designed to manage IOU-

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[17] *See, e.g., CalCCA's Opening Comments on Assigned Commissioner's Ruling Seeking Additional Information on DER Enabled Near Term Flexible Connections*, R.21-06-017 (Dec. 19, 2025), https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M591/K672/591672890.PDF.

[18] *Id*. at 5-6.

owned or contracted DERs and rely on IOU power flow modeling to dispatch resources.[19] Since they are integrated with the IOUs' enterprise systems, they sit behind the IOU firewall and typically require more expensive communications options for the resources that they control.[20] These factors also make them less scalable than a Grid-Edge DERMS.

Grid-Edge DERMS are specifically designed to monitor and control customer-owned DER via price and dispatch signals to third-party and CCA-managed DERMS. They rely on lower-cost cloud-based systems to communicate with customer-owned DERs, enabling them to scale more easily. Because they are located beyond the IOU firewalls, they lack the grid visibility that Enterprise DERMS provide. Increasingly, utilities are deploying Grid-Edge and Enterprise DERMS together to leverage the advantages of both.

Achieving the full benefits of DER orchestration requires robust participation from a large pool of DER providers. Flexibility marketplace platforms complement IOU Grid-Edge DERMS by providing a centralized platform that more easily facilitates transactions between IOUs and flexibility providers. Rather than entering into contracts or participating in individual IOU tariffs or programs, flexibility providers would only need to register and be pre-qualified by the marketplace operator, which in turn matches resources with needs tendered by the IOUs via their Grid-Edge DERMS. This greatly simplifies participation and increases the number of DERs available to provide flexibility services.

The Commission should investigate the development of flexibility marketplaces as a means of significantly scaling DER participation and of unlocking greater ratepayer value. These

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[19] Astrid Atkinson, "What is Grid Orchestration and how does it differ from DERMS?," *Camus Energy*, https://www.camus.energy/gridorchestration#Air-Traffic.

[20] Amber Mullaney, "The Difference Between Grid-Edge DERMS and Grid DERMS," *Virtual Peaker*, 7 Aug. 2024, https://virtual-peaker.com/blog/the-difference-between-grid-edge-derms-grid-derms/.

marketplaces can either be centralized and independently run or provided as Software-as-a-Service (SaaS) under contract with the IOU. Regardless of the framework, the Commission should also investigate measures to align the IOUs' financial motivations with state policy goals for carbon reduction and rate affordability, ensuring that they prioritize demand flexibility over grid asset investments. The ultimate success of any DER orchestration framework depends on whether, and to what extent, the IOUs maximize opportunities to leverage demand flexibility from DERs to defer or avoid grid investments.

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?

The current dual participation rules, which are set on an ad hoc basis, pose a barrier to broader participation in a DER orchestration construct. The Commission should ensure that robust dual participation policies are developed under the Demand Response Proceeding[21] to enable broad customer participation in DER orchestration and to maximize the value it can provide through value stacking.

Additionally, there is currently no framework for IOU DSOs to provide clear, transparent signals, tied to grid value, to third-party and CCA-managed DERs to provide distribution grid constraint management. This is also a major barrier to broader participation in DER orchestration, which could be resolved by deploying a flexibility marketplace, as previously discussed. The Commission should clearly define the role of IOUs, acting as DER orchestrators, in providing demand-flexibility signals and compensating DER providers for these services.

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[21] *See generally*, *Order Instituting Rulemaking to Enhance Demand Response in California* (Demand Response Proceeding), R.25-09-004 (Sept. 18, 2025), https://apps.cpuc.ca.gov/apex/f?p=401:56::::RP,57,RIR:P5_PROCEEDING_SELECT:R2509004.

Additionally, the Commission should establish appropriate guardrails to ensure open access to markets, transparent rules for resource selection and dispatch, and fair and accurate settlements. This issue should be addressed in the Market Design and Governance WG, as discussed in CalCCA's response to Question 4 above.

13. What requirements should be established to enable reliable integration of customer-owned DERs into IOU DER orchestration programs?

As discussed in response to Question 2 above, and in comments in Sections III and IV below, CalCCA believes that flexibility marketplace platforms provide the most effective, scalable, and cost-effective means of matching non-IOU-owned or managed DERs with flexibility needs. While IOU Grid-Edge DERMS can orchestrate customer-owned DERs, either directly or through CCAs and third-party aggregators, the technical requirements of transactions may discourage participation. Under an IOU Grid-Edge DERMS, customers and aggregators may be required to participate via individual programs, tariffs, or under bilateral agreements, potentially limiting value-stacking opportunities. From the IOU's perspective, it would need to enroll enough DERs at specific locations to enable grid deferral opportunities.

A marketplace platform, on the other hand, provides the IOUs with access to a significantly larger pool of DERs managed by CCAs or third-party aggregators. The marketplace pre-qualifies DER assets and flexibility providers, supports multiple transactions and use cases, creates value-stacking opportunities, and handles settlement and verification. These functions reduce the transactional burden on both DER providers and IOUs. The Commission should direct the WGs to evaluate these potential benefits and their associated costs before establishing requirements for an IOU Grid-Edge DERMS as the primary means of orchestrating DERs.

a. How should IOUs account for customer behavior and resource availability when determining the dependability of orchestrated DERs on the distribution grid?

See CalCCA's response to Question 13 above.

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?

CalCCA has no response at this time.

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. 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?

CalCCA has no response at this time.

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?

The Commission must ensure that any adopted DER orchestration framework prioritizes the safe, reliable operation of the distribution system with increasing levels of DER participation. However, the WS Reports demonstrate that stakeholders are far from reaching consensus on many components of a DER orchestration framework, including how to maintain safe and reliable grid operations. This critical question should be thoroughly explored through the stakeholder WG processes described in CalCCA's response to Questions 2 and 5 above.

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.

As discussed in its response to Questions 11(a) and (b) above and comments in Section III below, the Commission should investigate the deployment of a flexibility marketplace in coordination with IOU Grid-Edge DERMS. Marketplaces have the potential to unlock greater

value for ratepayers and the grid by reducing barriers and costs for non-IOU-managed flexible resources, thereby expanding the pool of available resources. Limiting the framework to IOU Enterprise or Grid-Edge DERMS will discourage participation and significantly reduce potential ratepayer and grid benefits.

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?

See CalCCA's response to Question 2 above, and its comments in Sections III and IV below.

III. CALCCA'S COMMENTS ON THE TRACK 2 WS REPORT: DISTRIBUTION SYSTEM OPERATOR DER ORCHESTRATION, WS DATE MAY 21, 2026

While the DER Orchestration WS Report captures several of the points CalCCA made during its presentation at the WS, it should be revised to better reflect CalCCA's positions on the unresolved issues in Track 2, including the "build versus buy" bias inherent in the existing utility business model. The DER Orchestration WS Report should also be revised to better reflect CalCCA's positions on the need for additional record building in Track 2 of this proceeding, including the recommendation that the Commission first adopt guiding principles to inform the development of a DSO-led DER orchestration framework.

CalCCA also clarifies its position on flexibility marketplaces, which could not be fully articulated during the DER Orchestration WS due to time constraints. Flexibility markets can exist as an independent, centralized entity that matches grid needs tendered by DSOs and flexibility resources that have been pre-qualified and registered with the marketplace operator. Marketplace providers can also contract directly with a DSO under a SaaS arrangement. Under either approach, the marketplace operator is providing a transactional platform through which flexibility needs and vendors are matched. The DSO plays an active and important role

regardless of the structure, identifying the needs, setting the transactional criteria, and sending dispatch signals, typically via a Grid-Edge DERMS platform. Hence, both of these structures fit under the context of a DSO-led DER orchestration framework.

The purpose of the marketplace is to facilitate transactions and provide the DSO access to a significantly larger pool of DERs, creating more value for the DSO, ratepayers, and DER providers.[22] A flexibility marketplace leverages cloud-based communications to lower participation costs and achieve greater scale than would be possible under an IOU DERMS system alone. More precisely, the IOU Grid-Edge DERMS approach would require DER providers to enroll in programs, contracts, or tariffs, which are essentially bilateral transactions. A marketplace, on the other hand, provides a single platform for DSOs and DER providers, reducing transactional costs. It can also support long (grid deferral/avoidance), medium (bridging solutions, resource adequacy), and short-term (intraday/real-time grid support) transactions.[23]

IV. CALCCA'S COMMENTS ON THE TRACK 2 WS REPORT: TSO-DSO COORDINATION, WS DATE JUNE 5, 2026

While the TSO-DSO Coordination WS Report presented a high-level overview of the WS, it did not include Piclo's discussion of trust frameworks in the context of DER asset registries. During its presentation, Piclo highlighted the fact that, in its experience operating in markets around the world, nearly every statewide or countrywide DER registry has failed to deliver value over time.[24] In describing the potential value of DER asset registries, Piclo emphasized the need for high-resolution data, including each asset's availability for dispatch beyond existing operational commitments. However, unless this data is tied to a value (monetary or nonmonetary), asset owners have little incentive to keep this data up to date, and the DER

22 TSO-DSO Coordination WS Report, at 132.
23 *Id*. at 130.
24 TSO-DSO WS Recording, starting at 2:50.

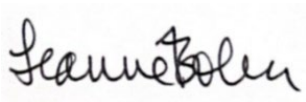
registry becomes stale and unusable. Piclo later described the UK's move towards trust frameworks that govern coordinated data sharing among various market and other platforms within a decentralized structure.[25] Trust frameworks, which are used extensively in the financial, healthcare, and other industries that require secure data sharing,[26] offer an alternative to a centralized, statewide registry and reduce the risk of data becoming stale.

Regardless of the DER orchestration framework adopted, the Commission should consider Piclo's experience with centralized DER registries and the risk of data becoming stale. Specifically, the Commission should investigate a decentralized data-sharing schema that relies on secure data exchanges within a trust framework and ensure that any DER asset database has a clear purpose and is tied to some form of value creation for the asset owner or manager. This value could be compensation for providing verified grid services or for early energization on constrained circuits under an FSC mechanism as contemplated in Track 2.

V. CONCLUSION

For all the foregoing reasons, CalCCA respectfully requests consideration of the comments herein and looks forward to an ongoing dialogue with the Commission and stakeholders.

Respectfully submitted,



Leanne Bober,
Director of Regulatory Affairs and Deputy General Counsel

CALIFORNIA COMMUNITY CHOICE ASSOCIATION

July 27, 2026

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[25] *Id*. starting at 3:13.

[26] *See, e.g.*, "*Trustwork Framework*," Icebreaker One Limited, https://ib1.org/definitions/trust-framework/.