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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.	R.21-06-017

CALIFORNIA COMMUNITY CHOICE ASSOCIATION'S COMMENTS ON THE PROPOSED DECISION ADDRESSING TRACK 3 ISSUES DIRECTING LARGE INVESTOR-OWNED UTILITIES TO SUPPORT AFFORDABILITY THROUGH FLEXIBLE SERVICE CONNECTIONS

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SUMMARY OF RECOMMENDATIONS[1]

CalCCA recommends that the Commission modify the Proposed Decision to:

- Require that FSC use cases be included in the Track 2 working group discussions regarding foundational issues such as governance, oversight, architecture, interoperability, and valuation;
- Require that one or more workshops, to be coordinated with the working group process adopted in D.26-10-054, be held to evaluate the potential for shared systems and processes for coordinating all DER orchestration use cases, including FSCs; and
- Require the Customer Type category of FSC data reporting be expanded to provide more granular information about which customer types are offered an FSC and which are able to successfully progress through to completion.

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

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The California Community Choice Association[2] (CalCCA) submits these comments pursuant to Rule 14.3 of the California Public Utilities Commission (Commission) Rules of Practice and Procedure[3] on the proposed *Decision Addressing Track 3 Issues Directing Large Investor-Owned Utilities to Support Affordability Through Flexible Service Connections*[4] (Proposed Decision), dated October 20, 2026; and *R.21-06-017 E-mail Ruling Denying Request for Extension for Comments on Track 3 PD*, dated November 2, 2026,[5] denying Clean Coalition's request to extend the comment periods for opening and reply comments.

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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] *State of California Public Utilities Commission, Rules of Practice and Procedure, California Code of Regulations Title 20, Division 1, Chapter 1* (May 2021), https://webproda.cpuc.ca.gov/-/media/cpuc-website/divisions/administrative-law-judge-division/documents/rules-of-practice-and-procedure-may-2021.pdf.

[4] Proposed *Decision Addressing Track 3 Issues Directing Large Investor-Owned Utilities to Support Affordability Through Flexible Service Connection*, Rulemaking (R.) 21-06-017 (Oct. 20, 2026), https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M624/K559/624559279.PDF.

[5] *R.21-06-017 E-mail Ruling Denying Request for Extension for Comments on Track 3 PD*, R.21-06-017 (Nov. 2, 2026), https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M627/K940/627940097.PDF.

I. INTRODUCTION

CalCCA supports the continued development of Flexible Service Connections (FSC) as envisioned in the Proposed Decision and appreciates the Commission's efforts to create opportunities for customer-owned distributed energy resources (DER) to provide beneficial grid services. The Proposed Decision creates a pathway for the investor-owned utilities (IOU)[6] to expand the use of FSCs to enhance affordability through avoided or deferred grid upgrades and to enable customers to energize more quickly using available grid capacity, while requiring data reporting to track FSC progress. However, the Proposed Decision misses an important opportunity to coordinate with and build on the development of a DER orchestration framework outlined in the recent Track 2 Decision.[7] Both Tracks 2 and 3 aim to leverage customer-owned resources to limit capital spending on grid upgrades, and both require the same level of governance and oversight to ensure this objective is met.

While the Proposed Decision lays out a detailed plan for developing certain FSC use cases, it fails to recognize the overlap with the development of the Track 2 DER orchestration framework. FSCs, particularly non-bridging solutions, are specific use cases for DER orchestration. While the architecture required to manage these resources may differ slightly from other use cases, it should be developed in concert with the Track 2 framework ultimately adopted. Treating FSCs as separate from other DER orchestration use cases could lead to costly and duplicative investments in systems and processes designed to achieve the same goals.

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[6] 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).

[7] *See Decision (D.) 26-10-054 Adopting an Application Process for Utility DER Orchestration and Ordering Utilities to Incorporate Load Flexibility Scenarios into Their Distribution Planning and Execution Processes* (Track 2 Decision), R.21-06-017 (Oct. 29, 2026), https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M627/K147/627147339.PDF.

The Proposed Decision should therefore be modified to require that foundational issues such as governance, oversight, architecture, interoperability, and valuation be consistent with the Track 2 framework. Specifically, the Commission should require that these issues be addressed in the working group series established in the Track 2 Decision and, to the extent practicable, require IOUs to leverage the same systems, processes, and valuation frameworks for FSCs as for other DER orchestration use cases.

Additionally, the Proposed Decision requires new standardized IOU FSC data reporting as part of the annual Grid Needs Assessment (GNA)/Distribution Upgrade Project Report (DUPR). CalCCA supports this effort but recommends that more granular information on customer type be reported to provide a clearer understanding of which customer types successfully progress through to the completion stage of an FSC offering.

In summary, CalCCA recommends that the Commission modify the Proposed Decision to:

- Require that FSC use cases be included in the Track 2 working group discussions regarding foundational issues such as governance, oversight, architecture, interoperability, and valuation;
- Require that one or more workshops, to be coordinated with the working group process adopted in D.26-10-054, be held to evaluate the potential for shared systems and processes for coordinating all DER orchestration use cases, including FSCs; and
- Require the Customer Type category of FSC data reporting be expanded to provide more granular information about which customer types are offered an FSC and which are able to successfully progress through to completion.

II. THE PROPOSED DECISION SHOULD BE MODIFIED TO REQUIRE THAT FSC USE CASES BE INCLUDED IN THE TRACK 2 WORKING GROUP DISCUSSION REGARDING FOUNDATIONAL ISSUES

The Commission should modify the Proposed Decision to ensure that FSCs, particularly durable non-bridging solutions, are incorporated in the Track 2 working group discussions regarding foundational issues, including governance, oversight, architecture, interoperability, and valuation. FSCs are separate use cases under the umbrella of DER orchestration but are intended

to achieve the same objectives: addressing affordability by leveraging customer-owned DER to defer or avoid grid upgrades. Isolating FSCs from the development of an orchestration framework could lead to higher costs due to redundant or unnecessary hardware or software platforms, greater implementation costs, and delayed implementation.

The Track 2 working group series, set to begin in early 2027, provides the venue to discuss foundational issues for orchestrating DER and should include a discussion of FSC use cases. CalCCA's Comments on the ACP[8] addressed the need to develop an overarching DER orchestration framework, recommending that the Commission "consider a holistic approach to DER orchestration before implementing the [ACP] by establishing a working group to address the Competition and Market Access Considerations."[9] Several other parties, including the IOUs, highlighted the nexus between non-bridging FSCs discussed in the ACP and Track 2 DER orchestration.

PG&E's ACP Comments note that ". . . the implementation of non-bridging solutions should occur after a Track 2 Decision provides guidance of orchestration of this flexibility."[10] In discussing the need to establish a DER orchestration framework, PG&E states that:

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[8] *See Assigned Commissioner's Proposal on FSCs* (ACP), R.21-06-017 (July 7, 2026), https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M610/K354/610354105.PDF.

[9] *CalCCA's Comments on Assigned Commissioner and Administrative Law Judge's Ruling Requesting Comment on ACP on FSCs* (CalCCA's ACP Comments), R.21-06-017 (July 27, 2026), at 4, https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M612/K353/612353887.PDF.

[10] *PG&E's (U 39 E) Opening Comments on the Assigned Commissioner and Administrative Law Judge's Ruling Requesting Comment on ACP on FSCs and Questions in Sections 2 and 4* (PG&E's SCP Comments), R.21-06-017 (July 27, 2026), at 4, https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M612/K428/612428818.PDF.

> . . .implementation of any non-bridging offering, including the full list of policy and operational issues that need to be considered (e.g., remediation hierarchy, financial backstop, property transfer, third-party arrangements) should be coordinated with the development of the Track 2 framework and supporting operational capabilities.[11]

Similarly, SDG&E's ACP Comments recommend that the Commission ". . . focus its efforts on compensatory non-bridging solutions in the proceeding's Track 2 DER Orchestration Framework initiative, where participating customers are provided financial incentives to provide grid services via load control mechanisms."[12] Finally, SCE's DER WS Report Comments articulate the need to develop a common demand flexibility framework across Tracks 2 and 3, stating:

> Taken together, the Track 2 [DER] Orchestration workshops and the Track 3 Assigned Commissioner's Proposal on [FSC] reflect a common and increasingly important vision: a future distribution system that incorporates more flexible load, is more visible, more responsive, and better able to integrate customer-owned resources while making efficient use of existing infrastructure and supporting customer affordability. Track 2 and Track 3 should therefore work in concert to answer questions regarding customer participation, architecture, dependability, planning integration, and resource valuation to ensure that California develops a coherent flexibility framework that supports both near-term speed-to-power and long-term grid transformation.[13]

CalCCA appreciates and agrees with the IOUs' holistic approach to addressing foundational issues in a DER orchestration framework. Given the complexity, scope, and costs for developing and launching a DER orchestration framework, the Commission should leverage the working group process established in the Track 2 Decision to address all use cases, including

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[11] PG&E's SCP Comments at 21.

[12] *SDG&E (U 902 E) Response to Section 2 of Assigned Commissioner's and Administrative Law Judge's Ruling Requesting Comment on ACP on FSCs* (SDG&E's ACP Comments), R.21-06-017 (July 27, 2026), at 42, https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M612/K777/612777735.PDF.

[13] *Southern California Edison Company's (U 338-E) Comments on DER Orchestration Workshop Reports* (SCE's DER WS Report Comments), R.21-06-017 (July 27, 2026) at 1, https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M612/K353/612353883.PDF.

non-bridging FSCs. The Commission should modify the Proposed Decision to require that the Track 2 working group series include a discussion of non-bridging FSC use cases.

III. THE PROPOSED DECISION SHOULD BE MODIFIED TO REQUIRE ONE OR MORE WORKSHOPS TO EVALUATE SHARED SYSTEMS AND PROCESSES FOR ALL DER USE CASES, INCLUDING FSCS

The Commission should modify the Proposed Decision to require one or more workshops to evaluate shared systems and processes for all DER use cases. The workshop(s) should either be held as part of the Track 2 working group series adopted in D.26-10-054 or scheduled as an additional Track 3 workshop. The Proposed Decision discusses the advantages and drawbacks of Enterprise and Grid Edge DER Management Systems (DERMS) and directs Energy Division to lead a series of workshops to "further develop Grid Edge DERMS solutions."[14] However, there may be other architectures worth exploring that are better suited or less costly for certain use cases, including flexibility marketplace platforms. The Commission should establish additional workshops to explore system architectures used in successful flexibility markets in the United Kingdom, Australia, and other jurisdictions.

The Proposed Decision discusses the use of Grid Edge DERMS and Advanced Metering Infrastructure 2.0 devices in PG&E's successful ChargeBoost pilot program, and the challenges of using an Enterprise DERMS for large numbers of customers. While CalCCA supports expanding ChargeBoost and similar programs and believes IOU Grid Edge DERMS are necessary for certain FSC use cases, the Commission should also investigate alternative architectures to support other DER orchestration use cases, including marketplace platforms. These platforms are widely used by distribution system operators in the UK in combination with

[14] Proposed Decision at 108.

Enterprise DERMS and Advanced Distribution Management Systems.[15] These different architectures may be explored under the Track 2 working group process beginning in 2027.

It is possible that the DER orchestration framework ultimately adopted includes combinations of Enterprise and Grid Edge DERMS plus a marketplace platform. However, without a discussion of additional ways to design shared systems and processes for all DER use cases, the Proposed Decision only requires the IOUs to host Grid Edge DERMS workshops to discuss results from PG&E's ChargeBoost and PanelBoost pilots, as well as SCE and SDG&E future pilots modeled after these programs. The Commission should modify the Proposed Decision to add one or more workshops to explore other architectures or require that the Track 2 working group series address architectures that support non-bridging FSCs.

IV. THE PROPOSED DECISION SHOULD BE MODIFIED TO EXPAND THE FSC REPORTING REQUIREMENTS TO INCLUDE ADDITIONAL INFORMATION ABOUT CUSTOMER TYPE

The Proposed Decision requires that the customer type be included for each FSC in the annual GNA/DUPR data.[16] In addition to the customer class type, customer profile information should be reported to allow for a more detailed understanding of which types of customers are offered FSCs, move far enough in the process to have an FSC agreement signed, are currently on the FSC, or for whatever reason cancel.

The Commission should require reporting of two additional metrics as part of the FSC customer type category: (1) whether the customer is a full-service requirements customer; and (2) whether the customer is located in a disadvantaged community. These additions will provide

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15 *See, e.g.*, Enrique Rael, "Unlocking the Full Potential of Distributed Energy – Combining Local Flexibility Markets with Utility DERMS," Piclo, February 11, 2025, https://www.piclo.com/blog/unlocking-the-fullpotential-of-distributed-energy.

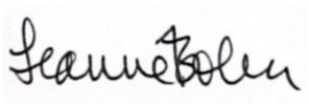
16 *See* Proposed Decision, Appendix D at 3-4.

a more complete understanding of the customer type, including whether certain customer types ultimately participate in an FSC offering.

V. CONCLUSION

CalCCA appreciates the opportunity to submit these comments and respectfully requests adoption of the recommendations proposed herein. For all the foregoing reasons, the Commission should modify the proposed decision as provided in Appendix A, attached hereto.

Respectfully submitted,



Leanne Bober,
Director of Regulatory Affairs and Deputy General Counsel

CALIFORNIA COMMUNITY CHOICE ASSOCIATION

November 9, 2026

APPENDIX A
TO
CALIFORNIA COMMUNITY CHOICE ASSOCIATION'S COMMENTS ON THE COMMENTS ON THE PROPOSED DECISION ADDRESSING TRACK 3 ISSUES DIRECTING LARGE INVESTOR-OWNED UTILITIES TO SUPPORT AFFORDABILITY THROUGH FLEXIBLE SERVICE CONNECTIONS

PROPOSED CHANGES TO FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDERING PARAGRAPHS

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Proposed text additions show as **bold and underlined**

New Findings of Fact:

X. FSCs are separate use cases of DER orchestration.

X. Various combinations of DER management architecture, including Enterprise DERMS, Grid Edge DERMS, and marketplace platforms, may be used to cost-effectively and efficiently orchestrate DER under different use cases.

New Conclusions of Law:

X. It is reasonable to direct PG&E, SCE, and SDG&E, working with Energy Division, to ensure that the working group meeting series established in the Tracks 1 and 2 Decision 26-10-054, Ordering Paragraph 2, includes discussions about flexible service connections to guide the development of foundational issues applicable to all use cases.

X. It is reasonable to require Energy Division to host one or more workshops within 10 months of the issuance of this decision to discuss various architectures for orchestrating DERs to support Flexible Service Connection (FSC) use cases. At a minimum, the working groups should consider combinations of Enterprise DERMS, Grid Edge DERMS, and marketplace platforms designed to achieve the objectives of the FSC use cases identified in this Decision. These workshops shall build on architecture discussions and recommendations from the Track 2 working group meeting series, established in Decision 26-10-054.

New Orders:

X. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company (together, the IOUs), in coordination with Energy Division, shall ensure that the working group meeting series established in the Tracks 1 and 2 Decision 26-10-054, Ordering Paragraph 2, includes discussions about flexible service connections to guide the development of foundational issues applicable to all use cases.

X. Energy Division shall host one or more workshops within 10 months of the issuance of this decision to discuss various architectures for orchestrating DERs to support Flexible Service Connection (FSC) use cases. At a minimum, the working groups should consider combinations of Enterprise DERMS, Grid Edge DERMS, and marketplace platforms designed to achieve the objectives of the FSC use cases identified in this Decision. These workshops shall build on architecture discussions and recommendations from the Track 2 working group meeting series, established in Decision 26-10-054.