



California Public Utilities Commission
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PRESS RELEASE

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CPUC Advances Integration of Customer Energy Resources Into California's Electric Grid

SAN FRANCISCO, Oct. 29, 2026 – The California Public Utilities Commission (CPUC) today directed Pacific Gas and Electric Company, Southern California Edison, and San Diego Gas & Electric to propose a coordinated framework for managing distributed energy resources (DERs), including customer-sited batteries, electric vehicles, and other technologies that can adjust when and how electricity is used. This will result in a common DER orchestration framework that will allow the coordinated management of DERs using visibility, forecasting, and scheduling tools to identify location- and time-specific distribution needs and signal eligible DERs to deliver verifiable services that align with those needs.

Today's decision aims to help California make better use of these resources to meet local electricity needs, advance electrification and decarbonization, support a reliable grid, and potentially reduce or defer the need for costly infrastructure upgrades.

In addition to DER orchestration, today's decision also requires utilities to strengthen their distribution planning by evaluating how flexible electricity demand can help address grid constraints and support California's continued electrification. This also has the potential to create savings for utility ratepayers by leveraging and better planning for California's demand flexibility policies.

"California's grid is evolving, with investments in resources like batteries, electric vehicles, and distributed solar," said Commissioner Darcie L. Houck, who is assigned to the proceeding. "When coordinated effectively, these resources can help support the electric system's needs, support grid reliability, advance our climate goals, and reduce electric system costs for ratepayers. Our decision moves the state toward a common framework for the utilities to manage and forecast DERs on our

system, and create visibility for the California Independent System Operator. This integrated approach prioritizes interoperability, and will enable the grid of the 21st century.”

Coordinating Resources to Meet Grid Needs

DERs are small-scale, local power generation, storage, and demand management devices connected directly to utility distribution wires or located behind customer meters. DERs can generate, store, or adjust electricity use closer to where energy is consumed. Examples include rooftop solar paired with batteries, electric vehicle charging that can be shifted to different times, and flexible building energy systems.

DER orchestration is the coordinated management of DERs by a distribution system operator (DSO), in this case the utilities acting as the DSO. When coordinated, these resources may help utilities manage periods of high electricity demand, address local grid constraints, support service restoration and outage mitigation, and reduce the need for certain traditional infrastructure investments.

Today’s decision directs the three utilities to work with stakeholders to develop a common framework proposal. The resulting framework must address open and interoperable communications, data sharing, cybersecurity, customer protections, and clear participation pathways, among other orchestration requirements. The utilities must consider input from stakeholders through a working group process, and must address how customers, energy service providers, community choice aggregators, and other resource providers can participate without unnecessary barriers or duplicative compensation.

The utilities’ proposals to implement the framework will be assessed subsequently, allowing a common set of rules and policies across California to first be established. The utility implementation proposals will be representative of their individual technology readiness, allowing incremental progress to occur in the near-term.

“I’m pleased to be laying the groundwork for DER orchestration today,” said CPUC President John Reynolds. “There’s more work ahead as we build a future grid that works for everyone, and I will be particularly interested in proposals regarding affordability and competitive neutrality when it comes time to review utility applications.”

Adding Demand Flexibility to Distribution System Planning

Today's decision also directs the utilities to develop new load flexibility scenarios for their annual distribution planning process, beginning with the 2028–2029 planning cycle.

The new scenarios will help utilities evaluate how changes in electricity demand, including shifting electric vehicle charging or using batteries and other flexible resources, could affect the need, timing, and size of grid upgrades. It will complement the existing low-, base-, and high-demand planning scenarios, with the potential for significant ratepayer savings.

“Making better use of the grid we already have can help us connect customers sooner and keep costs down,” said Commissioner Christine Harada. “Our decision gives families and businesses more options to charge a car, electrify a home, or expand operations while reducing the need for costly upgrades. Those options need to be easy to understand and easy to use, people shouldn't need an engineering degree to benefit. Our responsibility is to make sure they deliver real savings for ratepayers.”

By accounting for flexible demand more explicitly, utilities will be better positioned to assess where traditional infrastructure investments may be needed and where customer resources could help address local grid needs. The analysis must account for the timing and location of flexibility and avoid counting the same benefits more than once.

Through these requirements, the CPUC will evaluate how coordinated customer energy resources can contribute to a reliable, flexible, and cost-effective electric grid while maintaining appropriate safeguards for customers and ensuring that proposed investments deliver demonstrable value.

More Information

- [Proposal Approved](#)
- [High DER Webpage](#)

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