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DERs in California's Energy Future: CPUC Interagency Update

July 15, 2026

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California Public Utilities Commission

Overview

- What is a FTM resource?
- Community solar tariffs
- Resource adequacy and DERs
- Questions?

Graphic: DOE

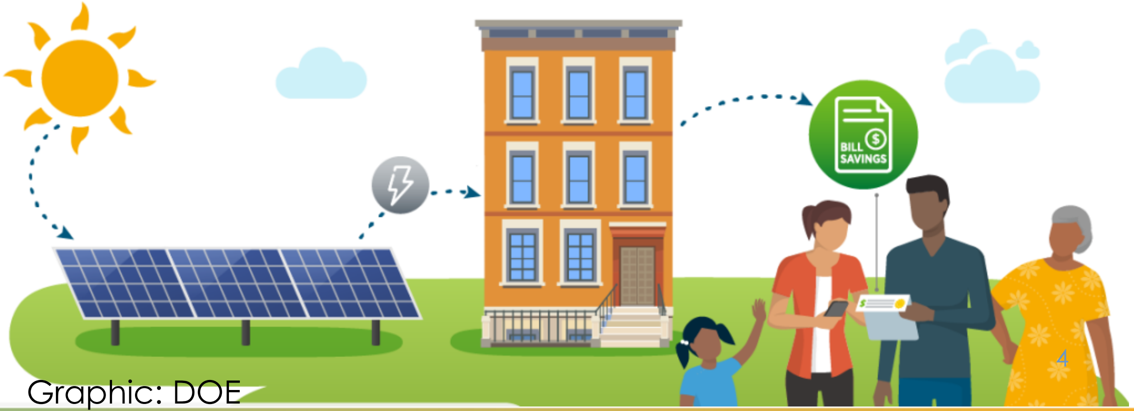
What is a Front-of-the-Meter (FTM) Resource?

In CPUC proceedings, FTM resources are typically governed by distinct characteristics:

- **Procurement:** use of competitive solicitations, the Integrated Resource Planning (IRP) process, and the Cost Allocation Mechanism (CAM)
- **Interconnection:** routinely interconnect under wholesale access tariffs (including WDAT) that support safe, reliable resource integration; Rule 21 designed for behind-the-meter and non-exporting resources
- **Wholesale Participation:** because they are directly visible and controllable by CAISO, they participate in wholesale markets to provide capacity, energy, and ancillary services
- **Resource Adequacy (RA):** directly contracted by Load-Serving Entities (LSEs) to ensure grid reliability and capacity targets

Community Solar

- CPUC offers a suite of community solar programs that deliver cost-competitive clean energy and lower costs for customers
- Includes ratepayer-subsidized programs like DAC-GT, SOMAH and RES-BCT as well as rate-neutral programs like CRE and Green Tariff.
- Currently there are over 1,200 community solar projects totaling 570 megawatts (MW) in operation across the state with another 440 projects totaling 150 MW are under construction.



Graphic: DOE

Resource Adequacy

Types of attributes required for resources to qualify for Resource Adequacy credit:

1. Forward determination of capacity associated with renewable production, consumption, charging, and export
2. RA requirements associated with customers providing capacity
3. Wholesale market participation including metering, dispatch control, and communication with CAISO
4. Cost for energy associated with consumption, charging, and export
5. Changes such that net energy metering (NEM) and self-generation incentive program (SGIP) resources are compensated for capacity, while discounting for their NEM and SGIP compensation as necessary to ensure that the resources do not receive compensation beyond their value,
6. Load forecasting and adjustment for BTM resources
7. Interaction of such resources with existing BTM resources such as proxy DR, and
8. Deliverability determination

From D.20-06-031 (June 2020)

Questions?

More information:
https://www.cpuc.ca.gov/communitysolar
https://www.cpuc.ca.gov/solarindacs
https://www.cpuc.ca.gov/somah
https://www.cpuc.ca.gov/customergeneration
https://www.cpuc.ca.gov/RA

California Public
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OIR on Customer-Generated Renewables for Priority Communities (R.25-01-005)

Four main purposes:

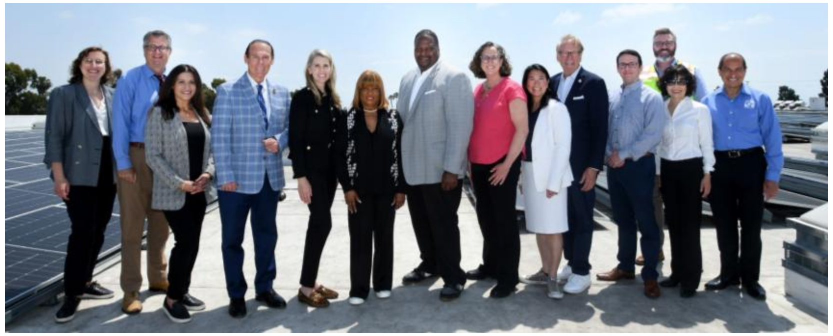
1. Address Senate Bill 355 (Stats. 2023, Ch. 393) and consider other modifications to the Solar on Multifamily Affordable Housing (SOMAH) program;
2. Consider modifications to the Disadvantaged Communities Single-Family Affordable Solar Homes (DAC-SASH) program;
3. Consider modifications to and establish programmatic procedural oversight of Renewable Energy Self-Generation Bill Credit Transfer (RES-BCT) tariff; and
4. Consider modifications to and establish programmatic procedural oversight of several small multi-jurisdictional utility (SMJUs) solar programs and tariffs.

Community Solar Decision (D.26-06-006)

- **Launches New Community Renewable Energy (CRE) Program:** Investor-owned utilities must submit implementation and marketing plans for CPUC approval; community choice aggregators (CCAs) may opt into the program
- **Protects Ratepayers:** The CRE Program is designed to deliver bill relief for underserved communities while remaining cost-competitive and consistent with California law.
- **Updates DAC-GT Funding:** In response to recent legislative changes under Assembly Bill 1207, DAC-GT subsidies will be funded through Public Purpose Program surcharges beginning July 1, 2026.
- **Streamlines Oversight of Green Tariff:** The decision simplifies reporting requirements and addresses cost recovery for general market community solar programs.
- **Modernizes Reporting for DAC-GT and Green Tariff programs:** All program data will be accessible on the CPUC's public reporting platform – DGStats.

Disadvantaged Communities Green Tariff (DAC-GT)

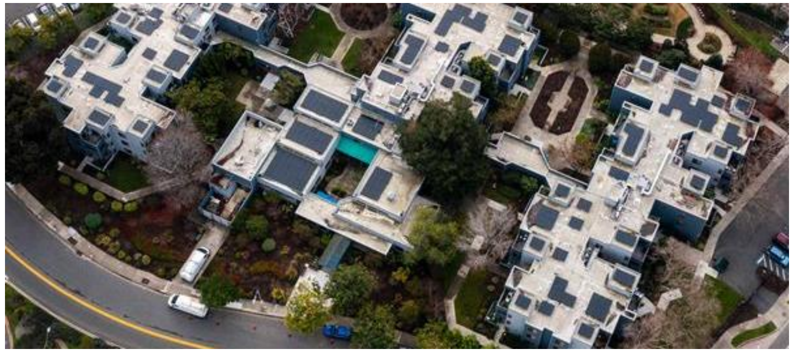
- Provides renewable energy and 20% bill discount to income-qualified customers in DACs and SJV pilot communities
- Supports renters and other residential customers unable to install solar on their roof.
- Builds new projects sized 0.5 - 20MW, located in DACs in participating utility or CCA service areas.
- Launched in 2019 and expanded in 2024; currently serves 40,000 customers.



Ava and Clean Power Alliance partnered with Prologis to develop 15 projects on warehouses in Los Angeles, Alameda, and San Joaquin counties; Photos: Carson and Oakland ribbon-cuttings

Solar on Multifamily Affordable Housing (SOMAH)

- Provides incentives for solar systems on multifamily affordable housing, lowering tenant energy bills; Launched in 2019.
- Incentive levels for customers go up to $3.50/watt for tenants and $1.19/watt for common areas
- Planned development of at least 300 MWs installed solar generating capacity by December 2032
- Decision issued July 2, 2026 reaffirms SOMAH's commitment to families already living in DACs, ensuring cap-and-invest dollars flow to existing affordable housing residents who need bill relief today.



Ribbon-cutting and solar installation at St. Mary's Elderly Housing in Oakland; Photos: Sunrun

Renewable Energy Self-Generation Bill Credit Transfer (RES-BCT)

- Enables local governments, tribal governments, and universities to share generation credits from a system located on one government-owned property with billing accounts at other government-owned properties.
- Allows system size of up to 5 MWs, and bill credits are applied at the generation-only portion of a customer's retail rate.
- R.25-01-005 is evaluating modifications to RES-BCT, including allocation of remaining program capacity, standardized program administration, and governance improvements.

Photo: BEI Construction

Green Tariff

Photo: Sempra Energy

- Allows any PG&E and SCE customer to receive up to100% of their energy usage from a pool of resources in their utility territory.
- Customers remain on their standard rate plan, but pay a small premium on their monthly bill.
- Provides customers with immediate access to solar power and requires no contract or cancellation fee; the subscription moves with the customer.
- Meets customers sustainability certification needs; RECs retire on behalf of customers.

Community Renewable Energy (CRE) Program

- Available to customers of all customer classes and income levels with no geographic restrictions; 51% of each project's capacity is dedicated to low-income subscribers.
- Allows customers to subscribe to an existing wholesale solar tariff, receive 100% renewable energy and a flat monthly credit on their bill.
- Creates a mechanism to capture external funding opportunities. In 2025, the U.S. EPA rescinded Solar for All grant funding, which is currently being challenged in court.
- Requires developers to demonstrate compliance with the Community Shared Solar Option of the California Building Code and prevailing wage requirements.

Webinar: Research Study on CRE Funding Monday July 20th, 10-11:30AM

- **Purpose:**
  - To inform stakeholders of ongoing research from Evergreen Economics and explore an avenue of potential external funding mechanisms for the new Community Renewable Energy (CRE) Program.
  - Provide an overview of ongoing research and facilitate a discussion to solicit perspectives from stakeholders representing community solar developers, new home construction builders, utilities, consumer advocates, environmental organizations, and other interested parties.
- **Microsoft Teams meeting Link:**
  - https://teams.microsoft.com/meet/237324572181802?p=wFd4SD54dzZ995oP2r
- **Meeting ID:** 237 324 572 181 802
- **Passcode:** bh9gP9vU
- **Join by Phone: +**1 503-854-7755
- **Phone conference ID:** 635 220 187#