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Comments on DERs in California's Energy Future Workshop

Additional submitted attachment is included below.



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July 29, 2026

California Energy Commission
Docket No. 22-OII-01
715 P Street,
Sacramento, CA 95814

RE: Sonoma Clean Power Comments on DERs in California's Energy Future Workshop

Dear Vice Chair Gunda, Commissioner McAllister, and Commission Staff:

Sonoma Clean Power Authority (SCP) appreciates the opportunity to provide these comments to the California Energy Commission (CEC) in response to the Distributed Energy Resources in California's Energy Future Workshop held on July 15, 2026. SCP particularly appreciates the workshop's focus on front-of-the-meter (FTM) distributed energy resources (DERs), which represent an important and often underexamined opportunity to advance California's clean energy, reliability, and affordability objectives.

SCP is the public power provider for Sonoma and Mendocino Counties, serving approximately half a million residents and businesses. SCP has consistently supported clean energy policies that advance rapid decarbonization while maintaining affordability and grid reliability. Since 2014, SCP has operated its EverGreen tariff, which remains California's only 100% 24/7 renewable electricity service supplied entirely by resources located within the communities it serves. This offering reflects both the unique geothermal resources available within Sonoma and Mendocino Counties and SCP's longstanding commitment to local resource development.

In 2024, SCP formed a Capital Projects and Engineering team dedicated to developing SCP-owned clean energy resources. This capability represents an important evolution for community choice aggregation (CCA) programs, which have traditionally relied on third-party developers for resource development and project delivery. SCP anticipates that this team will play a significant role in the strategic buildout and deployment of FTM DER projects throughout its service area.

I. Expanding Local Capacity Through Front-of-the-Meter DER Development Creates Unique Opportunities for Local Resource Development

SCP views FTM DERs as important tools for expanding local clean energy capacity and reducing dependence on transmission-constrained wholesale procurement opportunities. In June 2026, SCP's Board adopted an Integrated Resource Plan target of developing 100 MW of solar paired with storage by 2045. This objective reflects the Board's interest in improving local

reliability, increasing energy independence, supporting economic development, and reducing long-term dependence on transmission-constrained procurement opportunities.

Earlier this year, SCP commissioned the Redemeyer 4-megawatt (MW) solar-plus-storage project located north of Ukiah, California, marking the Agency's first local FTM DER resource. Additionally, SCP has secured site control and initiated interconnection activities for the SCP Capital Projects and Engineering team's first self-build project, a 1.5 MW FTM solar-plus-storage facility located on a Superfund site in Ukiah. SCP expects the Ukiah Superfund project to be the first of many self-build FTM DERs and anticipates that a significant portion of its future local resource portfolio will utilize this development model.

Through its own development efforts, SCP has identified several characteristics that make FTM DERs particularly well-suited to supporting local capacity expansion, reliability objectives, and cost-effective clean energy deployment. These advantages warrant consideration as the CEC evaluates the role of FTM DERs in California's energy future:

- **Interconnection Accessibility:** FTM DERs benefit from a more accessible interconnection pathway than transmission-connected resources. The interconnection process for FTM DERs is more accessible than the CAISO process for transmission-connected resources. Interconnection timelines are generally shorter, as PG&E provides a pre-application process for obtaining data on interconnection constraints, and right-sized projects are not limited by regional transmission constraints. This accessibility allows for higher resource deployment rates while reducing dependence on costly transmission expansion, thereby reducing project risk for new developers.
- **Market Optimization:** Compared to behind-the-meter (BTM) resources, FTM DERs can participate directly in the CAISO market when they interconnect through the Wholesale Distribution Access Tariff (WDAT), allowing their dispatch and operations optimized to deliver maximum grid value. Market participation also provides opportunities to capture higher locational value for projects that are sited in areas that provide wholesale grid benefits.
- **Operational Predictability:** Whereas BTM resources are netted against load, FTM DERs provide highly predictable and measurable injections to the distribution grid, thereby providing a high degree of operational visibility and performance certainty. This predictability is important for both providing reliability planning and giving SCP confidence that its projects will deliver measurable market value.
- **Economies of Scale:** CAISO rules limit BTM resources to less than 1 MW, which makes it difficult to realize economies of scale. From SCP's perspective, FTM DERs allow sizing in a "sweet spot" where the project is large enough to realize benefits of economies of scale, but small enough to fit within land use and grid constraints.
- **Infrastructure Cost Deferral:** As discussed by PG&E and Redwood Coast Energy Authority in the workshop, strategically-sited FTM DERs can defer transmission and distribution infrastructure costs. In addition to providing local capacity, these resources

may alleviate distribution constraints and reduce long-term pressure on transmission systems associated with increasing electrification. SCP has ambitions to maximize these infrastructure cost saving benefits in its own scale-up to mitigate challenges facing regional electrification efforts.

II. Current Resource Planning Frameworks Undervalue FTM DER Reliability Contributions

Despite the benefits described above, deployment of FTM DERs is likely to remain limited unless California's resource planning and compliance frameworks more appropriately recognize their reliability contributions. Under existing California Public Utilities Commission (CPUC) and California Independent System Operator (CAISO) rules, reliability value within the Resource Adequacy (RA) and Integrated Resource Planning (IRP) programs is generally limited to only fully deliverable capacity. Because compliance value represents a significant portion of the revenue stack for new clean energy resources, the absence of deliverability can create substantial barriers to project development. As illustrated by the CAISO Points of Interconnection Heatmap, transmission plan deliverability is virtually non-existent throughout SCP's service territory and scarce across much of the state.¹

Limiting compliance recognition exclusively to fully deliverable resources does not fully capture the reliability benefits FTM DERs provide. Deliverability is derived from planning models that evaluate a specific set of grid conditions and assumptions. However, during actual system operations, both deliverable and non-deliverable resources are dispatched through the CAISO market and may be subject to operational constraints and curtailments. As a result, current planning frameworks may undervalue resources that provide meaningful operational and local reliability benefits despite lacking deliverability status.

Assigning no reliability value to FTM DERs without deliverability status overlooks several ways in which these resources contribute to system reliability, including that in critical grid hours, FTM DERs can serve local load and allow the market to optimize wholesale resources with deliverability to provide needed incremental reliability. As a result, current planning frameworks may not fully reflect the range of reliability services these resources can provide throughout the year, including supporting sufficient charging for storage resources, reducing transmission stress during winter peaks driven by electrification, and increasing the geographic diversity of local reliability resources.

FTM DERs can provide needed charging energy to deliverable wholesale storage that can then be redeployed in the evening. Importantly, FTM DERs can also alleviate the risk of overloading transmission in the winter as the state electrifies, as is projected in SCP's region in the CAISO's reliability studies.² FTM DERs are also well-suited to solve deployment challenges that

¹ See California Independent System Operator, *Points of Interconnection Heatmap*, accessed July 28, 2026, <https://www.caiso.com/poi-heatmap/>.

² See California Independent System Operator, *2025-26 Transmission Plan – Appendix C – Reliability Results – PG&E NGBA* (starting page 29 – see 2040 Witner Peak), accessed July 28, 2026, <https://stakeholdercenter.caiso.com/InitiativeDocuments/Board-Approved-2025-2026-Transmission-Plan-Appendix-C-Reliability-Results.pdf>

otherwise face wholesale resources. FTM DERs can be deployed with more locational diversity, which can expand the resource portfolio and provide local reliability support.

Collectively, these characteristics demonstrate that FTM DERs provide meaningful reliability benefits that are not fully reflected under current planning and compliance frameworks.

III. California Should Recognize FTM DER Reliability Value Through Load Modifier Eligibility

SCP supports the proposal advanced by the Coalition for Community Solar Access (CCSA) to establish load modifier eligibility for qualifying FTM DERs. This approach provides a practical mechanism to recognize the reliability value of FTM DERs within existing planning and compliance frameworks while maintaining consistency with the treatment of BTM DERs.

As discussed above, FTM DERs provide more predictable injections and are readily managed to respond to market conditions than many BTM DERs. The CEC could base the FTM DER load modifier and resource eligibility on actual historic performance in a similar manner to existing practices for BTM DERs. Such an approach would ensure compensation is tied to measurable and verifiable system value while limiting eligibility in circumstances where operational performance does not support reliability objectives. Hourly reporting requirements could further improve transparency and accountability.

IV. Performance-Based Recognition of FTM DERs Can Reduce Total System Costs

SCP respectfully disagrees with arguments made during the workshop that FTM DERs create the risk of driving-up ratepayer costs. SCP believes these questions are best evaluated from a total-system cost perspective that accounts for the full range of benefits FTM DERs can provide.

Cost-effectiveness assessments should evaluate total system impacts rather than focusing narrowly on project-level costs. FTM DERs need to be evaluated on a total-system-cost basis rather than narrow project-cost basis. FTM DERs can provide reduced transmission and distribution investment needs, shorter development timelines, lower environmental and land-use impacts, and more effective utilization of previously developed or dual-use sites. Consideration of installed project costs alone may therefore understate their broader value proposition and their potential to reduce total system costs. Many existing concerns regarding the value of FTM DERs are often tied to their limited ability to monetize reliability benefits under existing planning frameworks. The CCSA proposal directly addresses this issue by linking reliability compensation to demonstrated performance rather than resource classification alone. Rather than excluding FTM DERs categorically, a performance-based framework would ensure value is recognized only when measurable, verifiable, and dispatchable contributions are provided.

Recognizing reliability value for qualifying FTM DERs may also expand procurement optionality at a time when deliverable resources remain scarce and clean energy deployment requirements continue to accelerate. Providing load-serving entities with additional pathways to meet reliability objectives can encourage competition, reduce development bottlenecks, and support

more cost-effective procurement outcomes while expanding the range of development pathways, including self-build opportunities, available to load-serving entities.

Conclusion

SCP appreciates the CEC's continued attention to the role of FTM DERs in California's energy future and encourages further evaluation of the CCSA proposal. Early action to address reliability valuation and compliance treatment would expand opportunities to deploy FTM DERs, support infrastructure cost savings, and better align California's planning frameworks with the reliability services these resources provide. Such action would also help ensure that projects can take advantage of the federal Investment Tax Credit for energy storage before its scheduled phase-down, improving affordability for ratepayers and supporting the accelerated deployment of local clean energy resources.

FTM DERs represent an important opportunity to expand local capacity, improve system flexibility, and complement California's broader clean energy development objectives. SCP appreciates the opportunity to provide these comments and looks forward to continued engagement with the CEC and other state agencies as this work advances. SCP remains available to support further evaluation of policies that can accelerate deployment of distributed clean energy resources while maintaining reliability and affordability.

Sincerely,

A handwritten signature in black ink, appearing to read 'Adam Jorge', with a long horizontal flourish extending to the right.

Adam Jorge

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