

DOCKETED

Docket Number:	22-OII-01
Project Title:	Order Instituting Informational Proceeding on Distributed Energy Resources in California's Energy Future
TN #:	271738
Document Title:	Dimension Energy Comments - Dimension Energy Comments on Distributed Energy Resources in California's Energy Future Workshop
Description:	N/A
Filer:	System
Organization:	Dimension Energy
Submitter Role:	Public
Submission Date:	7/30/2026 10:26:42 AM
Docketed Date:	7/30/2026

*Comment Received From: Dimension Energy
Submitted On: 7/30/2026
Docket Number: 22-OII-01*

Dimension Energy Comments on Distributed Energy Resources in California's Energy Future Workshop

Additional submitted attachment is included below.

July 29, 2026

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

Submitted Electronically

RE: Comments on Distributed Energy Resources in California's Energy Future Workshop

Dimension Energy appreciates the opportunity to submit written comments on the July 15, 2026 Distributed Energy Resources in California's Energy Future Workshop (Workshop) and the time the California Energy Commission (CEC) took to convene a Workshop that focuses on critical issues around the development of Distributed Energy Resources (DERs). If California is going to meet its ambitious clean energy targets and meet growing electric demand while keeping electric bills affordable, it needs to follow an "all of the above" approach that seeks to procure both utility scale generation and DERs, and it must remove barriers to the development of all these resources. Community Solar plus Storage projects can be an effective pathway to developing DERs and can create a win-win situation where both participating and non-participating customers see lower energy bills.

A recent California Public Utilities Commission (CPUC) Decision transmitting the Transmission Planning Portfolios (TPP) to the California Independent System Operator (CAISO) formally finds that, "Both the recommended base case and sensitivity TPP contain solar build rates that are several multiples of any recent year's accomplished development."¹ Additionally, the CEC's latest SB 100 interagency analysis shows a need for roughly 195 GW of new clean energy by

¹ CPUC Decision 26-02-057, Finding of Fact 25, p.136. See

<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M601/K777/601777006.PDF>

latest SB 100 interagency analysis shows a need for roughly 195 GW of new clean energy by 2045, including 5 GW per year of utility-scale solar for the next 20 years.² It strains planning credibility to believe that these huge new capacity needs can be met by utility-scale resources alone. In fact, the 2045 Scenario modeled by the CEC for the 20-Year Transmission Outlook includes approximately 42 GW of DER solar capacity in 2045,³ while the CPUC's Integrated Resource Planning (IRP) RESOLVE modeling assumes 31.3 GW of DER solar capacity in 2045.⁴

Despite these aggressive solar DER assumptions, there have been minimal efforts by the state in recent years to help remove barriers to building out DERs. On the front-of-the-meter (FTM) side, progress has been negligible. Data presented at the workshop demonstrates near-zero growth of FTM DERs in CAISO in recent years.⁵ Multiple panelists spent time trying to define the difference between FTM DERs and behind-the-meter (BTM) DERs and how these resources can provide different attributes and value streams to ratepayers. Dimension agrees with some of the claims of the CPUC and the utilities such as the assertion that FTM DERs should only be compensated for the value they provide to ratepayers. However, Dimension disagrees with the premise of some of the testimony that these resources cannot provide similar values as resources participating in wholesale markets. The problem is not that DERs cannot provide value. The problem is that the current rules create artificial barriers to providing that value.

For example, the CPUC witness testified that FTM resources could participate in the current Resource Adequacy (RA) market and while the RA market rules may be complex and act as a barrier, the complexity is necessary to ensure grid reliability. Dimension agrees that the rules around RA must ensure resources provide real reliability but meeting obligations in the CAISO's wholesale market is not the only way to ensure reliability. In the case of DERs, load modification can be a viable path. Without finding viable paths for DER valuation, the energy agencies are leaving real value on the table and likely increasing customer costs in the long term by creating a tighter RA market and driving up market costs.

² Draft 2025 SB 100 Joint Agency Report Draft Results - Reference Scenario Buildout, February 19, 2026, slide 29. See <https://efiling.energy.ca.gov/GetDocument.aspx?tn=268689&DocumentContentId=105843>

³ Final Staff Paper for the 2045 Scenario for the 20-Year Transmission Outlook, p. 10. <https://efiling.energy.ca.gov/GetDocument.aspx?tn=251049&DocumentContentId=85988>

⁴ 2026-2027 Transmission Planning Process (TPP) Proposed Decision Modeling & Analysis, January 14, 2026, slide 11. See <https://www.w.c.puc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/integrated-resource-plan-and-long-term-procurement-plan/2024-2026-irp-cycle-events-and-materials/assumptions-for-the-2026-2027-tpp/26-27-tpp-pd-resolve-and-servm-analysis.pdf>

⁵ CEC Workshop Presentation, An Overview of FTM DERs in California, July 15, 2026, slides 15-16. See <https://efiling.energy.ca.gov/GetDocument.aspx?tn=271476&DocumentContentId=109009>

The CEC can help ensure that these resources be developed in a manner that provides real value to ratepayers by developing criteria that these resources must meet to be treated as load modifying resources. If a FTM solar plus storage facility can be treated as a load modifying resource, it then reduces the capacity obligation for load serving entities resulting in real ratepayer savings.

Testimony presented by the Coalition for Community Solar Access (CCSA) showed the preliminary results of a study from Kevala Inc. examining the load modifier potential of FTM DERs discharging during summer coincident peak hours in CAISO. That study found 9-15 GW of system potential across more than 3,000 investor-owned utility (IOU) feeders. These resources are load modifiers that will dispatch at net peak times and are connected to the distribution grid in areas where they can meet local load and NOT require additional distribution or transmission.

In their testimony, CCSA proposed a set of guardrails that the CEC could use to analyze FTM DER resources and determine if they can be treated as load modifiers. This is a sensible approach that helps remove a barrier to cost effective clean energy development while guaranteeing that the resources provide true RA value. Dimension encourages the CEC to quickly develop a criteria list that can be used to determine FTM load modifying potential.

Sincerely,

/s/ Brandon Smithwood

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