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DER ACTION PLAN UPDATE
California Public Utilities Commission

2017 IEPR Joint Agency Workshop on Integration of Distributed Energy Resources on the California Grid
California Energy Commission
June 29, 2017

Simon Baker
Deputy Director, Energy Division, CPUC
Outline

- Introduction to the DER Action Plan
  - Overview and implementation
  - Long-term vision for DERs and supporting polices

- Status Updates
  - Track 1: Rates and Tariffs (Simon Baker)
  - Track 2: Distribution Planning, Interconnection and Procurement (Gabe Petlin)
  - Track 3: Wholesale Market Integration and Interconnection (related updates covered by other non-CPUC presenters)
The DER Action Plan is a brief document that:

- Sets a long-term vision for DERs and supporting polices
- Identifies CPUC actions needed to meet that vision
- Establishes a coordinating framework across implicated CPUC proceedings

- Endorsed by CPUC Commissioners in November 2016

- Publicly available on CPUC website at http://www.cpuc.ca.gov/picker/
DER Action Plan Implementation

- Guides development and implementation of DER policy across 15 CPUC proceedings and 2 CAISO stakeholder initiatives
  - Does not determine outcomes of individual proceedings
- Provides a platform for common understanding of the direction the CPUC intends for DER policy to take
- Stimulates coordination across proceedings on priority issues (e.g. integrated DER valuation and cost-effectiveness framework)
- Living document
17 “Vision Elements” and 35 “Action Elements” grouped into 3 tracks:

- **Track 1**: Rates and Tariffs
- **Track 2**: Distribution Grid Infrastructure, Planning, Interconnection, and Procurement
- **Track 3**: Wholesale DER Market Integration and Interconnection
Track 1: Rates and Tariffs

Vision

- Customer choice
- Time varying rates
- Innovative rates and tariffs
- Aligned with cost causation
- Affordable to non-DER customers
Track 2: Distribution Planning, Infrastructure, Interconnection, and Procurement

Vision

- Transparent planning and sourcing
- Utility “2.0” / IOU business model
- Technology-neutral sourcing
- Recognize full GHG and grid services value
- Streamlined interconnection
- DER-enabling grid investments for ratepayer benefit
- Data communications and cybersecurity
Track 3: Wholesale DER Market Integration and Interconnection

Vision

- Robust DER participation in wholesale markets
- Multiple revenue streams
- Market and interconnection rules supportive of BTM DERs
- Predictable EV behavior in grid operations
- Non-discriminatory market rules for EVs
Questions?

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DER Action Plan

STATUS UPDATES
DER Action Plan Status Update

Track 1: Rates and Tariffs

- TOU Periods (Actions 1.1 / 1.7)
  - D.17-01-006 adopted policy guidelines for setting TOU periods (grandfathering rules, menu of rate options), in collaboration with CAISO

- Residential TOU (Actions 1.2 / 1.8 / 1.11)
  - Opt-in pilots (2016-17) approved and underway
  - Default pilots (2018) approved.

- General Rate Cases (Actions 1.3 / 1.9)
  - SDG&E GRC2 Proposed Decision approves late-shift of TOU peak (to 3-9PM), demand charge reforms.
  - PG&E GRC2 case pending with similar issues.
DER Action Plan Status Update
Track 1: Rates and Tariffs (cont’d)

- Rate design to absorb renewables (Action 1.4)
  - Residential opt-in TOU pilots (PG&E / SCE Rate 3)
  - SDG&E GRC2 PD - Daytime super off-peak (weekday Mar-Apr 10-2), demand charge exemption rate option during Mar-Apr super off-peak window
  - SCE and PG&E “matinee pricing” pilots rejected in lieu of broader rate changes

- Net Energy Metering (NEM) successor Disadvantaged Community alternative (Action 1.5)
  - Under consideration in R.14-07-002

- Analytical tools to support 2019 review of NEM successor (Action 1.12)
  - Locational value methods under development in the DRP proceeding
Questions?

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