

DOCKETED

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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

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Outline

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





DER Action Plan Overview

- The DER Action Plan is a brief document that:
 - Sets a long-term vision for DERs and supporting policies
 - 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





DER Action Plan Structure

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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