



Distributed Energy Resources (DER) Action Plan Summary and Highlights:

At the request of CPUC President Michael Picker, the Commission launched the DER Action Plan (“Plan”) to align the organization’s vision and actions in shaping California’s distributed energy resources¹ future. The Plan outlines a vision of distributed energy resources (DERs) over the next several years, and serves as a roadmap in coordinating activities across multiple proceedings as California continues its commitment to greenhouse gas emission (GHG) reduction and reform of utility distribution planning, investment, and operations.

The Plan serves as a guide for decision-makers, staff, and stakeholders as they facilitate proactive and forward-thinking DER policy. In endorsing the Plan,² the Commission intends to guide development and implementation of policy related to DERs; it *not* the Commission’s intention to determine outcomes of individual proceedings.

The Plan’s explicit purpose is as follows:

1. Provide a long-term vision for DERs and supporting policies;
2. Identify continuing efforts in support of the long-term vision;
3. Assess direct further near-term action needed to support the long-term vision;
4. Establish a DER steering committee responsible for sustained coordination of activities across proceedings.

Scope and Structure

To accomplish the above purpose, a strategic scope and structure were also endorsed. The scope includes three groups or “tracks” of related proceedings or initiatives:

1. Rates and Tariffs;
2. Distribution Grid Infrastructure, Planning, Interconnection and Procurement;
3. Wholesale DER Market Integration and Interconnection.

In recognizing the above scope, the Commission understands that the critical links between the Plan and the Integrated Resources Plan (IRP)³ proceeding will be incorporated as the latter is implemented. ***The Plan’s primary focus is on maximizing the grid value of DERs and consequent strategies for DERs controllable by operators and/or targetable according to geographic areas.*** The Commission also recognizes that the scope and structure are necessarily limited due to the sheer breadth of issues touching DER policy; many worthy intermediate goals and milestones may be omitted. This reflects the practical limitations of the Plan effort and the reality that, although the Commission can reasonably identify the starting block and finish line on DERs, the rest will be determined as implementation proceeds. Many details will be deferred to the internal Steering Committee process in order to maintain implementation flexibility.

Implementation and Next Steps

Subsequent to the Commissioners’ endorsement,⁴ the Commission will establish a Steering Committee to oversee the development of intermediate steps. Among its responsibilities will be to coordinate among Commission divisions, facilitate communication across proceedings, and report to the Commission on status and prepare Plan revisions⁵ for subsequent consideration. Periodic briefings on the status of implementation will be provided to decision-makers, staff, and stakeholders at Commission meetings. Future revisions will also involve robust stakeholder participation as the Plan incorporates major developments in new legislation.

Details on the DER Action Plan, along with workshop presentations and stakeholder comments, can be found on President Picker’s website page at: <http://www.cpuc.ca.gov/picker/>.

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¹ Distributed Energy Resources (DERs) are defined as distribution-connected distributed generation resources, energy efficiency, energy storage, electric vehicles, and demand response technologies. All of these resources are currently supported by a wide-ranging suite of CPUC policies.

² The Plan was endorsed by all Commissioners at its voting meeting on Thursday, November 10, 2016.

³ R. 16-02-007.

⁴ Commissioners lent their unanimous endorsement at the Commission’s November 10, 2016 Business Meeting.

⁵ Energy Division staff may provide revisions to the plan as necessary in response to new legislation, technological developments, and other changes in circumstances.