

Summary and Key Take-aways:

CPUC Kick-off Workshop re: Evaluating Alternative DSO Models (R.21-06-017), May 3, 2022

Introduction

On May 3, 2022, the CPUC conducted a workshop to review and kick off a CPUC-proposed process in Track 2 of the High DER Future proceeding (R.21-06-017) for evaluating alternative Distribution System Operator (DSO) models to meet an assumed High DER Future.

This document captures the following organizations' key take-aways from the workshop: California Alliance for Community Energy, Center for Biological Diversity, Center for Community Energy, Grid Alternatives, Local Clean Energy Alliance, Reimagine Power, Synergistic Solutions, The Climate Center, Vote Solar, and Wild Tree Foundation

May 3 Workshop Outcomes

The May 3 kick-off workshop was characterized by strong recommendations for modifications to the Track 2 process and workshops as presented in the *White Paper*. The thrust of these recommendations consisted of alternatives, such as those [proposed by Wild Tree Foundation and the California Alliance for Community Energy](#) (and signatories), further elaborated and reinforced by the presentations of Lorenzo Kristov (Climate Center), Roger Lin (Center for Biological Diversity), and Robert Perry (Synergistic Solutions).

Support for an alternative process was also reflected in workshop discussions, in the Zoom chat, and in workshop presentations regarding the United Kingdom and Australia DSO processes. For example, these presentations emphasized diverse stakeholder engagement, clarity on objectives and desired outcomes, and open and transparent processes.

The main thrust of alternative proposals and commentary at the May 3 workshop focused on the following issues regarding the CPUC-proposed Track 2 process:

- **Inclusiveness**

The *White Paper* and the process it proposes would engage the IOUs and traditional energy-technology interests as stakeholders while leaving out California's communities, especially those most historically disenfranchised—even though these communities have the most at stake both in a high DER future and in whether the distribution grid is being operated to their benefit. In response to the *White Paper* proposal, many workshop participants emphasized the need for inclusive engagement across a wide spectrum of stakeholders, proposing that concepts and terminology be made accessible to community-based organizations and the people they represent.

- **Community Stakeholder Engagement**

The proposed Track 2 process and *White Paper* creates major obstacles to community stakeholder engagement. In response, workshop participants argued for encouraging and enabling meaningful community stakeholder participation; a number of presenters and participants recommended a preliminary workshop, prior to the start of the four-workshop series proposed in the *White Paper*, to engage stakeholders and parties in developing a Community Stakeholder Engagement Plan, including guiding principles and funding for community stakeholder participation.

- **DER Impacts**

The proposed Track 2 process is built around a view held by the utilities of high DER penetration as a distribution grid problem to be contained and managed. In response, many workshop participants indicated that high DER penetration is crucial to achieving California’s energy justice, resilience, and sustainability goals. There is broad support for a DSO model that removes current barriers to DER deployment and facilitates high penetration of DERs on the distribution grid. Participants proposed a reframing of the Track 2 process to emphasize DERs as a solution to be facilitated and accelerated, not a problem to be managed.

- **DSO Model Objectives**

The proposed Track 2 workshop process omits the foundational step of setting of DSO model objectives, relying instead on broad aims mentioned in the Track 2 scoping ruling. In response, workshop participants proposed that the CPUC engage community stakeholders in establishing DSO model objectives that reflect the importance of high DER penetration in meeting community and public needs (see [Wild Tree proposal](#), page 5: Track 2 Workshops). For starters, such objectives should include objectives in the CPUC’s own Environmental and Social Justice Action Plan.

- **Transparency**

The proposed Track 2 process would be informal and consultant-driven, with very limited on-the-record stakeholder participation and no opportunity for stakeholders to make DSO model proposals directly to the CPUC. For example, proposals and presentations for this workshop are available on a [Gridwork website](#), but none of this work has been made a part of the record of this proceeding. In response, workshop participants expressed the need for a transparent, on-the-record, stakeholder-driven workshop process for exploring issues, to be followed by on-the-record DSO model proposals (see [Wild Tree proposal](#), page 6: Track 2 Proceeding Record).

- **CPUC Resources**

The workshop revealed that the Track 2 process is severely under-resourced, despite its crucial long-term importance to the future operation of the distribution grid. Energy Division Staff stated in the workshop that there is only one staff person currently assigned to the entire R.21-06-017 proceeding, which consists of two other concurrent tracks in addition to this Track 2 process. In response, workshop participants stressed the need for this track to be staffed at a level commensurate with its scope and importance, and for the CPUC to fully support and engage community stakeholders—providing timely resources—in serious consideration of DSO objectives and models.

Track 2 Next Steps

In view of the feedback from participants in the May 3 kick-off workshop, the proposed Track 2 process should be substantively modified to address the issues identified above, incorporating both participant proposals and discussion at the workshop.