Order Instituting Investigation on Distributed Energy Resources in California's Energy Future (22-DER-01)

Joint CPUC/CEC DER Workshop

August 23, 2022

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CEC

CEC proceeding is focused on maximizing the potential of DER

- Recognizes that community engagement is foundational
- Explores policy options to grow DER
- Develops DER growth scenarios to use in planning studies
- Supports investments in reliability (Strategic Reliability Reserve per Assembly Bill 205)
- Integrates ongoing supply-side demand response working group

Community engagement is foundational

To achieve a more equitable energy system, feedback via the IEPR process this year has emphasized that:

- **Words matter**: Need to shift the framing of how we talk about our economy, our energy system, our environment.
- **Timing matters and People matter**: Need to create opportunities early and often for community stakeholders to engage meaningfully in the process.
- **Building trust is important:** Need to build true relationships with partners and community stakeholders to carry out our work equitably.
- **Consistency and communication matters:** Equity relies critically on consistent commitment of resources and communication to build trust in relationships and break down silos

Explores policy options to grow DER

- Describe and quantify the full range of DER benefits
  - Decarbonization
  - Reliability
  - Cost savings
  - Local, societal and non-energy benefits (e.g., resilience, jobs, pollution reduction)
- Quantify DER technical potential
  - Estimate the magnitude of DER adoption/deployment needed to fully realize the full range of benefits
  - Evaluate policies, programs, and funding to maximize DER potential

Develops DER growth scenarios to use in planning studies

- Formulate DER growth scenarios
  - Use analysis of DER potential to scope different potential growth scenarios
  - Vet scenarios in public workshops
  - Finalize DER growth scenarios for planning
- Apply scenarios in planning studies (e.g., SB100) to estimate DER contribution toward goals; for example,
  - Grid: optimization between bulk and distribution level; reduced land use impacts; flatten duck curve
  - Societal and non-energy benefits: decarbonization; resilience; local air quality impacts

Supports investments in reliability

	Demand Side Grid Support (DSGS)	Distributed Electricity Backup Assets (DEBA)
Funding	$200 Million	$550 Million
Incentivized Activities	Dispatchable customer load reduction and backup generation operation as on-call emergency supply and load during extreme events	(1) Efficiency upgrades, maintenance, and capacity additions to existing power generators. (2) Deployment of new zero- or low-emission technologies (e.g., fuel cells, energy storage) at existing or new facilities.
Eligibility	POU territory	Statewide
Program Status	Guidelines approved Aug 10th Now accepting applications	Staff to begin initial stakeholder outreach and development in September 2022

Integrates ongoing supply-side DR working group

- Focuses on improving method for estimating load reduction impacts of supply-side demand response
- CEC-led effort is in response to CPUC request in Decision 21-06-029
- CEC provided its interim findings and recommendations to the CPUC in February 2022
- Final findings and recommendations on a qualifying capacity method for resource adequacy year 2025 will be provided to the CPUC in early 2023

For more information

Please use this link:

Order Instituting Informational Proceeding on Distributed Energy Resources in California's Energy Future

Questions?

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