

# DER Procurement Plan [DPP] and Distribution Planning Review Group [DPRG] Concepts

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## DER Procurement Plan [DPP]

**Goal:** Streamline the Commission’s process to approve DER procurement for near-term distribution deferral opportunities, while providing certainty to the IOUs of cost recovery for DER transactions in compliance with Commission-approved framework

### High-level Summary of the Concept:

- IOUs would seek the Commission’s pre-approved DER Procurement Plan (DPP) authorization to procure DERs for near-term distribution deferral opportunities (e.g., attributes needed in less than 5 years)
  - Each IOU would file a DPP every 2 years
  - DPP establishes the procurement rules, aka, “up-front standards”; Actual need to be identified via subsequent Tier 1 advice letters submitted pursuant to the DPP
- Pre-approval will allow IOUs to conduct RFOs to solicit bids for needed attributes from a pre-qualified list of vendors for various DER technologies
  - Procurement Review Group (PRG) and Independent Evaluator (IE) will provide oversight
- Transactions will be filed for Commission’s compliance review via a semi-annual advice letter

### Key elements in the DER Procurement Plan (DPP):

- **Frequency**
  - DPP submitted every 2 years for Commission approval
- **Need Determination**
  - DPP to describe how IOU will identify near-term distribution deferral opportunities and corresponding DER attributes
    - DER attributes needed in 5 years or less
    - Deferral opportunities and needed attributes will be notified via a Tier 1 Advice Letter
- **List of DER attributes**
  - DPP to include a list of DER attributes that might be needed
  - This list represents the DER attributes that IOUs are allowed to procure
- **List of DER technologies**
  - Mapping of DER technologies qualified to provide needed attributes
- **List of DER products**
  - Pre-approved list of DER products that IOUs are authorized to procure to meet the identified attributes
    - This list would include products like aggregated EE (similar to LCR), traditional DR, DR backed by energy storage, renewables, and IFOM ES
    - Products not on the pre-approved list (complex solar/ES hybrids or EVs) could be procured but would need to go through approval via advice letter
- **List of DER Vendors**
  - List of pre-qualified DER vendors (developers/aggregators) for various DER technologies
    - Listing by region
    - Vendors can apply to be added to the pre-qualified list, but would need to meet certain criteria (TBD)
      - Minimum eligibility requirements to apply, such as credit and collateral
    - Vendors stay on the pre-qualified list based on performance
- **Transaction methods**
  - Preferred process is RFOs



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## Distribution Planning Review Group [DPRG] Concept

**Goal:** Balance transparency and contemporaneous discovery with protection of confidential information

- **Concept and Purpose**
  - Provide opportunity for **non-market participant parties** to review IOU's **distribution planning** activities, in particular:
    - Related to distribution infrastructure deferral, including the application of the Deferral Framework (when developed)
    - To have an opportunity for "early discovery" and review of IOU's analyses prior to the IOU seeking Commission's approval of DER sourcing for distribution deferral.
- **Participants, Roles, Requirements**
  - **Participation:**
    - *Ex-officio* Commission Staff, including Energy Division and ORA
    - Eligible non-market participant parties, such as consumer, environmental, and/or community advocates
    - An independent Professional Engineer to be selected with Commission and DPRG input
    - **Excludes** DER developers/vendors/aggregators, and customers deploying DERs
  - **Roles and Requirements**
    - The DPRG is not a decision-making group and does not have approval authority. DPRG members are expected to review IOU's analyses and conclusions, and provide feedback and recommendations.
    - Each IOU will provide information about the process and outcomes of its distribution planning activities related to distribution infrastructure deferral opportunities
    - DPRG participants would review information, ask questions, and propose recommendations, which the IOU would consider as it seeks CPUC approval
      - IOU will provide answers to questions to the extent that the data is available or can be created without undue burden
    - All non-CPUC participants in the DPRG would be required to sign a non-disclosure agreement.
- **Scope**
  - The DPRG will review aspects of the distribution planning process related to identifying distribution infrastructure deferral opportunities based on non-traditional solutions
    - Understanding of the IOU distribution planning process
    - Planning inputs, such as load forecasting and DER forecasting
    - Needs identification
    - Evaluation of alternatives, including applying a Deferral Framework
    - List of projects identified for deferral
- **Data Sharing and Confidentiality**
  - Generally, all distribution planning and infrastructure deferral related information will be presented, as long as information is not prohibited to be shared (e.g., 15/15, CEII restrictions)
    - Other restrictions, if any, are to be determined
    - Confidential information will be marked appropriately by the IOU, including "market sensitive" where applicable, and will be subject to the non-disclosure agreement