



PUBLIC UTILITIES COMMISSION
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December 1, 2015

Board of Governors
California Independent System Operator
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Dear Board of Governors,

We are writing to express our support for California Independent System Operator's (ISO) proposal for the distributed energy resource provider (DERP) framework under its Expanded Metering and Telemetry Options initiative for aggregated distribution resources.

The DERP framework, approved in July 16, 2015 by ISO Board of Governors' (BOG), is compelling, because it enables aggregation of diverse distributed energy resources as a new type of resource similar to a generating facility, thus facilitating their participation in the wholesale market. Importantly, ISO's current revised proposal goes a step further in removing barriers for diverse aggregated resources by relaxing certain limitations on aggregations across multiple pricing nodes.

While the ISO continues to streamline the market design framework for aggregated DERs through the Energy Storage and Distributed Energy Resources (ESDER) stakeholder initiative, we believe the DERP proposal is a notable step towards greater DER integration in wholesale markets.

We support the DERP proposal that is before the Board on December 17- 18th and look forward to seeing revised tariff language filed at the Federal Energy Regulatory Commission (FERC). Our support at this time does not pre-determine the California Public Utilities Commission's position on the tariff filings at FERC, because that would be subject to a full Commission vote. However, we look forward to the continuous advancement and expansion of these DER market integration opportunities. The overall success of this effort is critical in order to realize untapped

potential of DER business models offering operational grid benefits, better renewable integration, and energy cost reductions for California.

Sincerely,



Michael Picker
President
California Public Utilities Commission



Mike Florio
Commissioner
California Public Utilities Commission

CC: Stephen Berberich, President and Chief Executive Officer,
California Independent Systems Operator
Tom Doughty, Director Regulatory State Strategy, California Independent Systems Operator
Commissioners, California Public Utilities Commission