



## News Release

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**Media Hotline | 888.516.6397**

For more information, contact:

Anne Gonzales | [agonzales@caiso.com](mailto:agonzales@caiso.com) | 916.351.2311 | 916.671.0863

Alvin Chen | [achen@caiso.com](mailto:achen@caiso.com) | 916.608.7344

### **California ISO leads historic push for distributed energy resources** FERC approves ISO's first-in-the-nation tariff changes for DER aggregation

FOLSOM, Calif. – The California Independent System Operator (ISO) received federal approval for a groundbreaking framework aimed at driving distributed energy resources into the electric grid, the first of its kind in the nation.

The Federal Energy Regulatory Commission (FERC) recently approved the ISO's innovative proposal, which will allow individual energy resources too small to participate in the wholesale market to be grouped together to meet the minimum 0.5 megawatt (MW) threshold.

"This is a step toward the re-design of the power grid," said ISO President and CEO Steve Berberich. "We are seeing a shift from a one-way centralized system to a two-way decentralized system. This will open new market opportunities for distributed energy resource products and services, which will be instrumental to grid reliability in an emerging era of renewable power."

Distributed energy resources, known as DERs, are defined as the resources on the customer, or distribution side of the electric meter. DERs include rooftop solar systems, plug-in electric vehicles, energy storage and demand response technology.

Promoting DERs is significant because they represent the ability for consumers to not only draw energy from the grid, but to inject electricity back on the system.

Benefits from integrating more distributed energy resources onto the grid include carbon emission reductions and operational advantages. Ushering in more DER participation also is critical to incorporating increasing amounts of renewable energy into California's power supply.

The ISO originally filed with FERC on March 4 for changes to its tariff to allow for aggregation of DERs. It was approved by FERC on June 2.

Supply resources must meet a minimum requirement of 0.5 MW to participate in ISO markets. While some DERs were previously able to enter the market in limited ways, the ISO is the first grid operator in the U.S. to spell out a process for providers to group various distributed energy resources to reach the threshold for market participation.



“DERs are becoming an increasingly important part of our system because of lower costs and customer preference,” Berberich said. “It’s critical that the ISO collaborate with distribution system operators, regulators and market participants to harness these valuable resources.”

The ISO is required to submit an informal report on the implementation efforts in six months, and provide annual performance reviews for the next three years.

Click [here](#) to view the ISO’s DER filing.

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<b>California ISO Media Hotline   888.516.6397</b>	
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<b><i>Thanks for re-posting!</i></b>	    
The California ISO provides open and non-discriminatory access to one of the largest power grids in the world. The vast network of high-voltage transmission power lines is supported by a competitive energy market and comprehensive grid planning. Partnering with over a hundred clients, the nonprofit public benefit corporation is dedicated to the continual development and reliable operation of a modern grid that operates for the benefit of consumers. Recognizing the importance of the global climate challenge, the ISO is at the forefront of integrating renewable power and advanced technologies that will help meet a sustainable energy future efficiently and cleanly.	