

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Modernize
the Electric Grid for a High Distributed
Energy Resources Future.

Rulemaking 21-06-017
(Filed June 24, 2021)

**COMMENTS OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

Roger E. Collanton
General Counsel
William H. Weaver
Assistant General Counsel
Heather Curlee
Senior Counsel
California Independent System
Operator Corporation
250 Outcropping Way
Folsom, CA 95630
Tel: 916-351-4400
Fax: 916-608-7222
Email: hcurlee@caiso.com

Dated: July 27, 2026

Table of Contents

I. Introduction..... 1

II. Responses to Questions for Parties 1

 A. Responses to Questions regarding DER Orchestration Workshop Reports 1

III. Conclusion 4

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Modernize
the Electric Grid for a High Distributed
Energy Resources Future.

Rulemaking 21-06-017
(Filed June 24, 2021)

**COMMENTS OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

I. Introduction

The California Independent System Operator Corporation (CAISO) submits comments on the July 9, 2026 *Assigned Commissioner's and Administrative Law Judge's Ruling Issuing Questions on the Distributed Energy Resources Orchestration Workshop Reports* (Ruling).

The CAISO appreciates the opportunity to submit comments on the Ruling, which raises important questions regarding the reliable and efficient integration of distributed energy resources (DERs). In these comments, the CAISO responds to two questions posed in the Ruling. First, CAISO recommends that any DER orchestration framework account for both distribution system and bulk electric system grid services by establishing clear prioritization rules governing DER participation at both levels, and include expectations for operational visibility and information sharing. Second, the CAISO recommends the California Public Utilities Commission (Commission) further support transmission-distribution operational coordination through the establishment of recurring stakeholder workshops.

II. Responses to Questions for Parties

A. Responses to Questions regarding DER Orchestration Workshop Reports

Question 2: What, if any, additional information or development on a proposed orchestration framework should be considered before directing the IOUs to file DER orchestration framework applications? What recommendations do parties have regarding any additional work needed and timelines for completing such work, including timing for filing of IOU DER orchestration applications?

The CAISO supports the development of DER orchestration frameworks to facilitate the provision of grid services by DERs. While many DERs will primarily be utilized to support

distribution system needs, the CAISO's earlier comments in this proceeding have emphasized that certain DERs also participate in the CAISO markets and provide services to the bulk electric system.¹ In directing the investor-owned utilities (IOUs) to file DER orchestration framework applications, the Commission should provide additional guidance regarding service prioritization and coordination requirements. Establishing these foundational principles will help promote a consistent approach across utility territories and ensure that DER orchestration frameworks appropriately account for both distribution-system and bulk electric system needs.

First, to support the reliable and efficient integration of DERs, the Commission should require the DER orchestration frameworks establish clear prioritization rules governing how DERs provide grid services at both the distribution and bulk electric system levels. Such rules help avoid circumstances in which the same DER capacity is committed to provide both distribution-system and bulk electric system services simultaneously. Clear prioritization rules would provide greater operational certainty to distribution operators, market participants, and the CAISO by establishing upfront expectations regarding the services for which DER capacity may be committed.

The CAISO is not aware of a comprehensive set of Commission-adopted prioritization rules applicable to all DER technologies and use cases. Existing guidance, including the prioritization framework for distribution-connected storage resources established in Decision (D.) 18-01-003, addresses only a subset of DER participation scenarios.² Accordingly, the CAISO recommends that the Commission establish a broader framework for service prioritization and direct that DER orchestration frameworks explicitly address such prioritization.

Second, the Commission should consider requiring DER orchestration frameworks to include expectations for operational visibility and information sharing, including consideration of the need for technology solutions to facilitate that visibility and sharing. As the CAISO stated in earlier comments, effective DER orchestration will likely require multi-directional data exchange among distribution utilities, the CAISO, and other responsible entities.³ Although the specific requirements for such data exchange continue to evolve, the Commission should

¹ CAISO Opening Comments on March 23, 2026 Assigned Commissioner's Ruling on Track 1 and Track 2 Distributed Energy Resources Orchestration (CAISO Opening Comments), p. 9.

² D. 18-01-003, p. 33.

³ CAISO Opening Comments, p. 8.

establish the expectation that DER orchestration will require coordination among multiple entities and that technology solutions, such as a centralized data platform, may be an effective approach to facilitating this coordination. As operational visibility and information sharing requirements become more clearly defined, DER orchestration frameworks should include these requirements to support reliable and efficient system operations.

Question 5: If convening a working group or workshops is warranted, what should be the explicit objectives and key topics to address?

The June 5, 2026 workshop demonstrated the value of bringing together stakeholders to discuss operational coordination challenges and opportunities at the transmission-distribution interface. The workshop also highlighted the Commission's important role as a convenor of entities with responsibilities that span multiple operational and regulatory jurisdictions.

As DER penetration continues to increase, effective coordination among distribution operators, transmission operators, the CAISO, and other responsible entities will become increasingly important to maintaining reliability and achieving operational efficiencies. As explained in the CAISO's opening comments and in the Track 2 Workshop Report: TSO-DSO Coordination, the CAISO is developing an operational coordination framework in partnership with distribution utilities and other entities to enhance coordination among those entities.⁴ While these direct coordination activities are an ongoing and productive effort, the CAISO believes there would be value in the Commission convening the responsible entities to discuss this progress and related issues on an ongoing basis.

The CAISO therefore recommends that the Commission establish an expectation for recurring workshops focused on operational coordination at the transmission-distribution interface.

The workshops should build upon, rather than duplicate, the ongoing coordination framework efforts currently being developed among the CAISO, distribution utilities, and other responsible entities. These workshops could provide a forum for stakeholders to discuss implementation progress, identify operational challenges, share lessons learned, and evaluate opportunities to improve coordination processes. Successful implementation of enhanced transmission-distribution operational coordination will depend on sustained engagement from the IOUs, which are uniquely positioned to develop and implement many operational capabilities

⁴ CAISO Opening Comments, p. 5; Track 2 Workshop Report: TSO-DSO Coordination, p. 6.

necessary to support coordination with the CAISO and other entities. Accordingly, the Commission should consider whether additional guidance is needed regarding the IOUs' role in ongoing coordination efforts and expectations for participation in Commission-convened forums.

The CAISO suggests a semi-annual workshop cadence would be appropriate. A recurring schedule would promote accountability and provide stakeholders with sufficient time to make meaningful progress between meetings while maintaining momentum on transmission-distribution coordination efforts. The CAISO believes that a semi-annual cadence appropriately balances these objectives and would support continued stakeholder engagement on issues of operational coordination.

III. Conclusion

The CAISO appreciates the opportunity to provide comments on the Ruling.

Respectfully submitted

By: /s/ Heather Curlee

Roger E. Collanton

General Counsel

William H. Weaver

Assistant General Counsel

Heather Curlee

Senior Counsel

California Independent System

Operator Corporation

250 Outcropping Way

Folsom, CA 95630

Tel: 916-351-4400

Fax: 916-608-7222

Email: hcurlee@caiso.com

Dated: July 27, 2026