

DSPP Markets and Pricing Committee

Stage 1: DER Penetration, Barriers and Utility Role

As noted in the Commission Order, the goals of REV include improvements in system efficiency, greater customer choice, greater penetration of clean generation and energy efficiency technologies, and reduction in air pollution and greenhouse gas emissions. An important component of REV is the Distribution System Platform Provider (DSPP). The role of the DSPPs will be to create markets, tariffs, and operational systems to enable Distributed Energy Resource (DER) providers to monetize products and services that will provide value to the utility system and thus to all customers. Resources provided could include energy efficiency, predictive demand management, demand response, distributed generation, energy storage, building management systems, microgrids, and more.

The end vision of REV is a fully animated market for DERs which allows the DSPPs to optimize operations and planning of the electric distribution system. However, this optimization is contingent on the availability of adequate DERs and the proper valuation of such resources. To achieve the minimum level of DER penetration to create a functional DER market, barriers to entry must be eliminated and proper regulatory incentives must be established.

While maintaining sight of the end vision and goals of REV, consider the following questions which focus on the **initial steps** in achieving the REV vision:

1. What needs to be done to increase utilization of existing DERs so as to improve distribution system efficiency and/or preserve system reliability? What are the barriers to expansion of existing or development of new DERs?
2. What role can the utilities play in the first stage to facilitate DER development? What initial market or procurement models will facilitate DER penetration?
3. What information do utilities need to provide regarding where resources are needed and are most valuable to the distribution system, and what information should DER providers offer?