



Distributed Energy Resource Services and Pricing

Caltech Resnick Institute Grid 2020 Seminar

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February 21, 2013

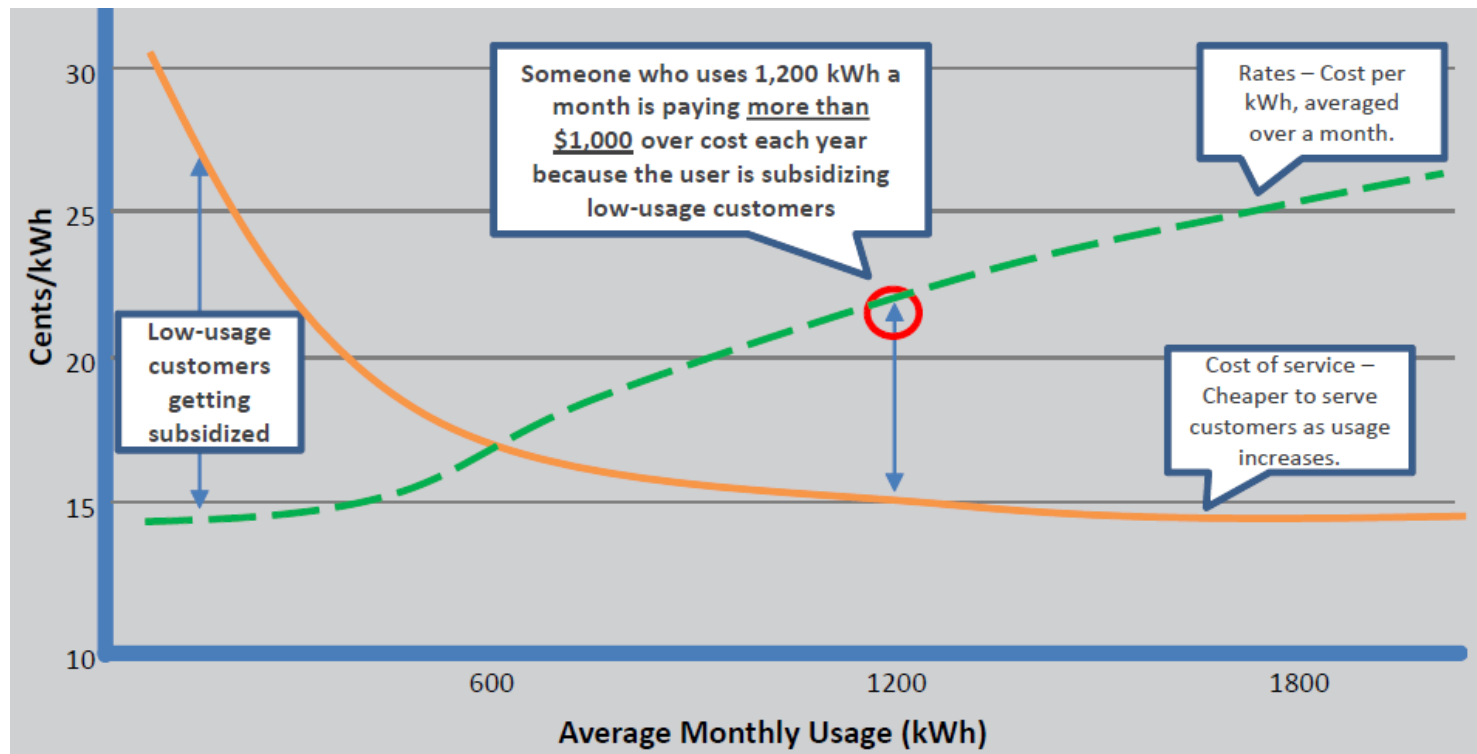
Keys to Distributed Resource Integration

Get the Pricing Right

Resolve the Institutional Barriers

Get the Pricing Right – Retail Rate Example

- Rate increases and rate designs incent customer behavior and investment in distributed resources
- Rate subsidies thwart economically efficient solutions



Current Residential Rate Subsidies stand at ~ \$1B per year and growing.
 (\$600M+ due to tiers, \$340M+ from CARE, \$35M from NEM)

Distributed Resource Market Framework

Retail Transaction Only

- Rate or customer incentives
- Resource planning

Wholesale Market

- Customer incentives
- Resource forecasts
- Resource availability
- Resource control
- Enhanced metering
- Scheduling/bidding
- Settlements/payments
- Contracts/agreements
- CAISO/WECC rules

