

DOCKETED

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Demand Side Grid Support Workshop

Additional submitted attachment is included below.

March 16, 2026

California Energy Commission
715 P Street
Sacramento, CA 95814

Submitted online via comment submittal portal

RE: Demand Side Grid Support Workshop - Support Additional Program Funding to Retire OTC Gas Units

Dear Commissioners and Staff,

The Central Coast Alliance United for A Sustainable Economy (CAUSE) in partnership with the Regenerate California Campaign¹ have been advocating for the decommissioning of once-through cooling (OTC) power plants across the state, with priority of those sitting in environmental justice communities. Our organizations support proposals to increase funding for the Demand Side Grid Support (DSGS) program because it would support the decommissioning of OTC plants.

The Strategic Reliability Reserve (SRR) currently includes units at three OTC gas plants that were slated to be retired in 2020: Ormond Beach Generating Station, AES Alamosa, and Huntington Beach Generating Station. The State Water Resources Control Board extended the retirement deadlines for these OTC units in 2020 and 2023 to ensure the state's grid reliability, despite continued outcry from local communities who have been advocating for years for these plants to be retired and decommissioned.

These OTC plants have been shown to be unreliable during emergencies like the 2022 heat wave. The [Regenerate Campaign's 2023 Heat Wave Report](#) found that some of these plants had some of the highest rates of outages and derates among state power plants, as well as spikes in CO₂ and NO_x emissions impacting nearby communities.² Last Summer, Regenerate CA and CEERT submitted a [letter](#) to the CEC requesting a re-evaluation of the SRR given the enhanced grid reliability largely due to the integration of renewable energy and battery storage. Programs like DSGS are critical to ensuring we can achieve grid reliability without polluting our communities.

Retaining these OTC units has been prohibitively expensive, while DSGS funding would deploy clean energy resources that offer a multitude of benefits. Since 2023, OTC units participating in the state's Electricity Supply SRR Program have received \$1.19 billion in taxpayer support to

¹ The Regenerate California Campaign is led by the California Environmental Justice Alliance (CEJA) and the Sierra Club who, together, share a vision for California to run on 100% clean renewable energy – ensuring our children grow up breathing clean air and the most impacted communities have access to renewable energy and local jobs.

² Regenerate California, *Report 2023, California's Underperforming Gas Plants, How Extreme Heat Exposes California's Flawed Plan for Energy Reliability* at Table 1 (2023), available at <https://ceja.org/wp-content/uploads/2023/06/2023-Regenerate-Heat-Wave-Report.pdf>

remain open.³ In a time where the state is facing a budget shortfall of \$2.9 billion,⁴ it is imperative that the State continue to fund clean energy alternatives to address grid reliability. Programs like DSGS have proven to be a suitable solution to our State's reliability concerns, while deploying clean energy resources. The DSGS program supports the deployment of demand response, energy storage, managed electric vehicle charging, smart building controls, and coordinated local solar and storage resources. Collectively, these resources support grid reliability without perpetuating harm on frontline communities.

CAUSE and the Regenerate Campaign support the CEC's efforts to secure additional funding for the DSGS program as a tool to ensure grid reliability all while advancing on our State's SB 100 goals.

Sincerely,

Jennifer Hernandez, Associate Policy Director, Central Coast United for A Sustainable Economy (CAUSE)

Heena Singh, Energy Justice Manager, California Environmental Justice Alliance (CEJA)

Katie Ramsey, Senior Attorney, Sierra Club

³California Department of Water Resources, *Electricity Supply Reliability Reserve Fund Progress Report* at 14 (Aug. 1, 2025), available at <https://water.ca.gov/-/media/DWR-Website/Web-Pages/Programs/Electricity-Supply-and-Strategic-Reserve-Office/DWR-August-2025-JLBC-Report-1212.pdf>.

⁴ California Department of Finance, *Governor's Budget Summary 2026-27* at 2 (Jan. 9, 2026), <https://ebudget.ca.gov/2026-27/pdf/BudgetSummary/Introduction.pdf>.