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VGIC Comments on 2026 Draft DSGS Guidelines

Additional submitted attachment is included below.

March 16, 2026

Email to: docket@energy.ca.gov
Docket Number: 22-RENEW-01
Subject: California Energy Commission Demand Side Grid Support Program Guidelines

RE: Comments of the Vehicle Grid Integration Council on the Demand Side Grid Support Program Draft Guidelines, Fifth Edition

Dear Sir or Madam:

The Vehicle-Grid Integration Council (VGIC) appreciates the opportunity to provide additional comments on the Demand Side Grid Support (DSGS) Program Draft Guidelines, Fifth Edition published by the California Energy Commission (CEC).

DSGS plays a critical role in enabling distributed resources to provide emergency reliability services to California's electric grid. As the program continues to evolve, it is important that the Guidelines remain flexible enough to accommodate emerging technologies, particularly bidirectional electric vehicle (EV) charging systems, that can provide meaningful grid support. VGIC acknowledges the budget constraints facing DSGS. However, our below comments underscore the likelihood that **two key proposed restrictions in the Draft Guidelines – pre-2026 PTO date and pre-2026 aggregator participation – will effectively eliminate DSGS support for bidirectional EV supply equipment (EVSE)**, a solution set that the CEC has historically championed. Alternatively, establishing modest carve-outs for bidirectional EVSE with respect to both restrictions (PTO and aggregator participation) could have only a minor impact on the budget while avoiding a disproportionately negative impact on the development of the bidirectional EVSE market.

DSGS is an Important Program Enabling EVs to Provide Critical Grid Services

California is the national leader in EV adoption, with more than two million EVs currently on the road. Recent analysis released by the CEC underscores the opportunity for these EVs to support the grid. In a March 2026 whitepaper developed with the National Lab of the Rockies (NLR), the CEC estimated that approximately 18.5 GW of vehicle battery storage capacity is already available in California today.[1] Whether this capacity can help prevent energy emergencies depends on whether customers can participate in programs that compensate them for providing these services

[1] CEC, *A Roadmap to Unlocking the Benefits of Bidirectional Charging* at 2. https://efiling.energy.ca.gov/GetDocument.aspx?tn=268952&DocumentContentId=106145

during grid emergencies. Without such opportunities, the state risks leaving a substantial, already-deployed flexible capacity resource almost entirely locked away.

Although the recent CEC-NLR whitepaper envisions customers using EVs as a non-exporting resource to meet site load, this use case has not seen uptake in California to date. Notably, this configuration would not eliminate certain key costs and barriers, such as the $800 interconnection application fee that most Californians face[2] or the lengthy interconnection timeline delays evident in utility reporting.[3] Moreover, this non-export configuration may add complexity and cost for customers, as limiting net export requires systems capable of measuring and coordinating on-site load, generation, and/or energy storage, including the EV battery itself, to ensure that discharge does not exceed the site load.

The DSGS program therefore plays an important role in California's demand response portfolio. It is currently the only statewide emergency demand response program available to customers across all load-serving entities. DSGS is also one of only a few programs that allows bidirectional EVSE to participate.

Importantly, DSGS provides multiple pathways for EV participation: Option 3, which encourages battery systems and bidirectional EVSE to discharge energy when needed, and Option 4, which enables managed charging and other load flexibility strategies. For both bidirectional and unidirectional EVSE, DSGS provides a unique statewide participation pathway that is available to customers served by all load-serving entities, including publicly owned utilities. As a result, DSGS is not only an important reliability program but is also providing important data and lessons learned for how to integrate EVs into demand response and demand flexibility programs going forward.

EVSE With Permission to Operate After December 31, 2025 Should Be Allowed to Enroll in DSGS in 2026

Under the Draft Guidelines, bidirectional charging systems participating in Option 3 must receive Rule 21 permission to operate (PTO) on or before December 31, 2025. The Draft Guidelines outline the following requirements:

> "Have permission from the host utility to operate the battery system *or bidirectional EVSE* in parallel to the utility's grid (for example, under a Rule 21 tariff) and operate in a manner

[2] See Comments of the Vehicle-Grid Integration Council on Order Instituting Rulemaking to Update Distribution Level Interconnection Rules and Regulations submitted to R.25-08-004 on October 20, 2025. https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M583/K959/583959154.PDF

[3] See, for example, CA IOU Quarterly Rule 21 Interconnection Application Timeline Reporting, circulated quarterly to the service list of R.17-07-007.

compliant with existing rules and tariffs applicable to the site. The permission-to-operate date must be on or before December 31, 2025. (*emphasis added*)"[4]

However, this requirement currently applies only to EVSE participating in Option 3, while the PTO requirement in Option 4 applies only to stationary energy storage systems.[5]

Given the current stage of bidirectional EVSE adoption, VGIC is concerned that this requirement will prematurely halt participation from emerging bidirectional EVSE. The bidirectional charging market is still in its early stages, and many projects currently in development are expected to receive PTO in 2026, including projects funded by the CEC. For example, the CEC's Responsive, Easy Charging Products with Dynamic Signals (REDWDS) grant program is supporting the deployment of bidirectional EVSE that will be capable of participating in DSGS beginning in 2026. **Preventing these resources from enrolling in DSGS would reduce the value of these publicly-funded investments.**

During the DSGS workshop, CEC staff noted that the PTO deadline was intended to maintain existing enrollment levels given program budget constraints. While VGIC understands the need to manage program funding carefully, **bidirectional EVSE participation is unlikely to materially strain the DSGS budget in the near term as deployment remains relatively modest compared to stationary storage deployment.**

Lastly, due to the nascent state of the bidirectional EVSE market, restricting enrollment to pre-2026 PTO dates will have an outsized impact on the market and customer adoption compared to the relatively mature market for stationary storage. With DSGS often cited by VGIC members as a primary driver of market entry in California, effectively eliminating program access will send a clear, strong signal regarding the state's support for the bidirectional EVSE market. **This signal will echo loudly throughout an industry eager to expand grid-supportive bidirectional EVSE offerings but consistently challenged by a limited availability of worthwhile compensation opportunities for customers and aggregators.**

VGIC therefore recommends that both bidirectional and unidirectional EVSE participating in all program options be exempt from this PTO deadline.

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[4] Revised Draft Guidelines at p.26.

[5] *See* Revised Draft Guidelines at p.34, which includes the following list of non-weather-sensitive resources:

- heat pump water heaters,
- electric resistance water heaters,
- electric vehicle supply equipment (EVSE),
- *stationary BTM batteries with a permission-to-operate date on or before December 31, 2025*, or
- residential smart electrical panels (also known as circuit breaker box or service panel).

VGIC believes that this language allows EVSE with PTO after 2025 to participate in Option 4.

Additional EVSE DSGS Providers Should Be Allowed to Enroll in DSGS Option 3 in 2026

The Revised Draft Guidelines propose limiting participation in Option 3 in 2026 to DSGS providers that participated in the program in 2025.[6] While this approach may simplify program administration and reduce budget strain, it risks unnecessarily restricting participation from emerging bidirectional EVSE aggregators and technology providers.

As detailed above, given the current stage of bidirectional EVSE deployment, limiting participation to existing providers would significantly constrain the ability of the program to support innovation and market growth, and will not likely have a significant impact on the overall program budget. The CEC has been instrumental in supporting the bidirectional EVSE ecosystem in its R&D efforts (e.g., through EPIC-funded projects) and, in part due to that past support, the market is now developing rapidly with new vehicles, chargers, and aggregation platforms made available to customers each year. **Many potential DSGS providers could not participate in earlier program years but are now ready to enroll with expanded – yet still modest – bidirectional EVSE offerings.** Enabling additional providers to participate would reduce reliance on a limited number of aggregators and help build a more robust ecosystem of VGI service providers across the state.

In order to allow additional providers to participate, the CEC should consider changing the currently proposed budget allocation option. For example, the CEC could reserve a modest portion of Option 3 funding for new bidirectional EVSE providers in Round 1 of the 2026 allocation process. Alternatively, additional funding provided through the DEBA program or future budget actions could be used to enable participation from new EV aggregators.

Conclusion

VGIC appreciates the opportunity to provide these comments and looks forward to collaborating with the CEC and other stakeholders in this docket.

Respectfully submitted,
/s/ Zach Woogen
Zach Woogen
Executive Director
Vehicle Grid Integration Council
vgicregulatory@vgicouncil.org

[6] Revised Draft Guidelines at p.28.