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**Comments of GoodLeap on the Demand Side Grid Support  
Program Draft Guidelines**

*Additional submitted attachment is included below.*



Docket No. 22-RENEW-01  
Reliability Reserve Incentive Programs

Comments of GoodLeap on the Demand Side Grid Support (DSGS) Program Draft Guidelines,  
Fifth Edition

Submitted to the California Energy Commission

March 16, 2026

GoodLeap submits the following in response to the California Energy Commission's (CEC) 2/27/2026 Request for Comments on the Demand Side Grid Support (DSGS) Program Draft Guidelines. GoodLeap is a technology company delivering best-in-class financing and software products for sustainable solutions, from rooftop solar panels and home batteries to energy-efficient HVAC, heat pumps, roofing, energy efficient windows, and more. Over 1.4 million homeowners, including more than 200,000 Californians, have benefited from GoodLeap's technology that makes the adoption of these products more accessible and easier to understand.

GoodLeap generally supports the approach taken by the CEC in these programmatic edits. Given reduced funding for the 2026 program year, the proposed changes build upon lessons learned from prior years and help further mature and advance the DSGS program.

GoodLeap participated as an aggregator in the DSGS program Option 3 during the 2024 and 2025 seasons and intends to continue participation in Option 3 program again during the 2026 season. However, Goodleap requests several changes and clarifications that GoodLeap believes would further improve the program. GoodLeap takes no position on matters not addressed in these comments and reserves the right to comment at a future time.

Firstly, GoodLeap supports the broad edits made to the guidelines reframing "incentives" as "performance payments." The term "incentive" can imply a payment provided simply to encourage participation, regardless of the outcome. In contrast, behind-the-meter batteries coordinated as aggregations provide a meaningful service to the grid, and as such, earn payment for the service they provide. The term "performance payment" more accurately reflects the structure of the DSGS program. These changes help communicate the value that participating resources provide to the grid and support clearer messaging on the program's effectiveness.

While GoodLeap supports the overall direction of the revised guidelines, some aspects of the program design could benefit from further refinement.



**Recommendation: Clarify the calculation of the 10-in-10 and 5-in-5 baselines. Also, for future program years, CEC may wish to evaluate baseline methodologies to ensure they best support DSGS program objectives and resource characteristics.**

GoodLeap understands that a Measured Baseline is currently under development by the CEC and is expected to be used for the 2026 program year. As the CEC finalizes the methodology, GoodLeap recommends CEC consider core principles that should guide the design of the methodology.

Firstly, the baseline should estimate a credible counterfactual of what the resource would have done absent the event. This counterfactual provides a measure of the estimated incremental performance of the battery. Secondly, the baseline should be robust against gaming and strategic manipulation. Additionally, the baseline should strive for simplicity and transparency so that all parties understand how performance will be measured and can plan operations accordingly.

The methodology outlined in Chapter 5, Section E.3 is unclear, but seems to recommend methods similar to demand response programs, specifically establishing a 10-in-10 baseline for weekdays and 5-in-5 for weekends and holidays. GoodLeap's understanding of the proposed methodology is as follows:

- For weekdays, select the 10 most recent qualifying days (i.e., non-event, non-outage, non-PSPS, non-holiday weekdays within the last 30 days) and average the battery dispatch during the event hours over those 10 days.
- For weekends and holidays, select the 5 most recent qualifying days (i.e., non-event, non-outage, non-PSPS, weekend days within the last 30 days) and average the battery dispatch during the event hours over those 5 days.

GoodLeap understands that this methodology will be used for the 2026 program year. Many aggregators participate in demand response programs and are familiar with methodologies like 10-in-10 and 5-in-5. Given the limited time before the start of the 2026 program year, this approach provides a straightforward method for establishing a baseline.

In future program years, however, the CEC should consider whether alternative baseline approaches could better reflect the operational characteristics of battery resources. Aggregated batteries operate differently from traditional demand response resources. Demand response baselines are used to measure load reduction, whereas a baseline for batteries measures additional discharge. Demand response load is highly weather-driven, while battery dispatch is operational, driven by market signals and operational constraints. As a result, methodologies developed for traditional demand response programs may not always accurately measure the incremental grid services provided by battery resources.

When more time is available for stakeholder input, the CEC should consider developing a statistically sound baseline methodology that both supports program objectives and reflects best practices for battery resources.



**Recommendation: Eliminate the option for an alternative baseline and the option to avoid the baseline audit with CEC-called test events.**

In Chapter 5, Section E.3. on the Measured Baseline, the CEC contemplates an alternative approach where aggregators may elect a shorter baseline window (5-in-10 for weekdays and 3-in-5 for weekends/holidays). Aggregators that select this alternate baseline may also avoid a baseline audit by electing to have the CEC call test events. GoodLeap recommends removing this alternate pathway.

Establishing multiple baseline methodologies adds unnecessary complexity to the program and may lead to inconsistent performance measurement across program participants. Baseline audits provide a consistent and predictable mechanism to verify performance assumptions across all participating resources. Using a single, consistent methodology will improve transparency and will allow the CEC to evaluate performance consistently across aggregators and program years.

**Recommendation: Clarify that the Program Administrator is responsible for calculating performance and the baseline.**

The draft guidelines are not clear on which party is responsible for calculating the Measured Baseline and event performance. Aggregators can provide submeter or inverter discharge data on hourly battery discharge for all resources in their aggregation. However, requiring aggregators to calculate the baseline and performance would increase the administrative complexity of the program. Having a single entity (i.e., the Program Administrator) responsible for these calculations will improve consistency and reduce the risk of differing interpretations of the methodology across aggregators. The guidelines should be updated to clarify the Program Administrator's role in these calculations.

**Recommendation: Clarify that customers on retail tariffs can participate in the program unless they already receive compensation for the same energy reductions.**

Chapter 2, Section A.2.b. on "Dual-compensation prohibition" contains language that could be interpreted as prohibiting customers on a retail tariff (i.e., a NBT tariff) from participating in the program. However, based on comments made by CEC Staff at the March 9th workshop, that does not appear to be the intent of the redline changes. It seems the intent is to prevent customers from receiving multiple payments for energy reductions or exported energy. To clarify this issue, GoodLeap recommends simplifying the section to the following:

*ii. Receives any compensation from any other utility, CCA, or state program for the same reduction in electricity use or energy export, except for critical peak pricing rate plans.*

This change improves clarity by focusing the prohibition on dual compensation rather than a customer's status on a retail tariff.



**Recommendation: Set "Pro-Rata Share" of program funding based on actual participation in the 2025 program year.**

The CEC is in an unfortunate position of needing to reduce funding for a successful program that broadly benefits California. All parties involved in the program understand that the Commission must prioritize the limited available funds, and that all program participants are likely to experience a reduction in funding. However, GoodLeap does not support using the measured baseline as a backward-looking metric to determine the pro-rata funding allocations. Doing so would set an unfavorable precedent for this program and potentially other CEC programs.

During the 2025 season, customers and aggregators operated and optimized their systems based on the prescriptive baseline. There was no expectation that performance would be later evaluated using a measured baseline.

The measured baseline estimates counterfactual event performance. It was not designed as a tool for forward-looking allocation of scarce funds. From a principal-agent perspective, retroactively applying a new performance metric to determine future allocations undermines the incentive structure that participants used to make investment and operational decisions in earlier program years. Effectively, this proposes a retroactive change to the program. Retroactive changes introduce regulatory uncertainty and program risk, which can discourage participation and investment in future years. Program participants benefit from clear and predictable performance metrics that are known in advance and are directly tied to the outcomes being rewarded.

A simpler and fairer way to allocate 2026 funds is to create shares based on actual performance delivered in 2025.

**Recommendation: Remove the 12/31/2025 Permission to Operate (PTO) deadline to participate in the 2026 program year.**

Chapter 5, Section A establishes a PTO deadline of December 31, 2025, to participate in the 2026 program. The requirement is unnecessary and overly restrictive.

The process of applying for interconnection, and receiving permits and inspections, can be lengthy and may be largely outside of the control of the customer. Customers may have purchased systems and enrolled in the program in 2025 but experienced a delay in PTO until early 2026. Excluding these resources unnecessarily limits the ability of providers to optimize their fleet and bring resources to the program and provide support to the grid.

Also, there is natural churn in participation as individual customers choose to opt-out of the program. At the same time, the establishment of the Measured Baseline is likely to reduce performance payments for existing participants. Aggregators should have the flexibility to optimize their fleets and add new resources to ensure sufficient capacity is available to support the grid during events.

For these reasons, GoodLeap recommends removing the PTO deadline or, alternatively, allowing projects to enroll once at least 30 days of operating data are available to establish the baseline.



GoodLeap appreciates this opportunity to provide these comments and looks forward to continued engagement in the DSGS Program.

Respectfully submitted,

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