DOCKETED	
Docket Number:	22-RENEW-01
Project Title:	Reliability Reserve Incentive Programs
TN #:	271348
Document Title:	Inlyte Energy Comments - Maximize grid reliability value per public dollar
Description:	N/A
Filer:	System
Organization:	Inlyte Energy
Submitter Role:	Other Interested Person
Submission Date:	7/9/2026 10:23:33 AM
Docketed Date:	7/9/2026

Comment Received From: Inlyte Energy
Submitted On: 7/9/2026
Docket Number: 22-RENEW-01

Maximize grid reliability value per public dollar

Additional submitted attachment is included below.

Docket No. 22-RENEW-01 — Comments on Draft Solicitation: Proposition 4 Distributed Electricity Backup Assets (DEBA) Grant Program (TN #270606)

Submitted by: Inlyte Energy
Date: Jul 9, 2026

Inlyte Energy appreciates the CEC's work on the Proposition 4 DEBA solicitation and the opportunity to provide comments. Inlyte is a California-based manufacturer of iron-sodium battery energy storage systems. Our comments below are intended to help the final solicitation maximize grid reliability value per public dollar, accelerate project deployment ahead of the June 2028 deadline, and broaden the pool of strong applications.

Comment 1: Cost-Effectiveness Metric Should Account for Duration and Project Life (Section IV.E.2, Criterion 5)

The draft scores cost-effectiveness on a $/MW basis using rated capacity normalized to a 4-hour duration. As drafted, this metric assigns no value to capacity sustained beyond four hours, and no value to a longer service life or non-degrading performance. Yet the extreme events this program targets (multi-day heat waves in particular) are exactly the conditions where longer-duration and durable resources deliver reliability value. Two projects with identical $/MW scores may deliver very different quantities of energy during program events over the life of the asset.

We recommend the Commission revise Criterion 5 to use a $/MWh metric (CEC funds requested divided by nominated capacity × full duration), or alternatively a life-weighted capacity metric that accounts for expected degradation over the project's committed lifespan. At a minimum, we suggest extending the rated-capacity normalization window beyond 4 hours so that longer-duration projects receive credit for the additional hours of reliable capacity they commit to the grid.

Comment 2: Fire-Safety Permitting Requirements Should Be Proportionate to Demonstrated Hazard (Section II.B.9(b))

The draft applies uniform fire-safety documentation requirements to all energy storage projects. Battery chemistries vary substantially in their thermal runaway and propagation risk, and codes such as NFPA 855 and the testing framework of UL 9540A exist precisely to characterize these differences. Applying identical documentation burdens regardless of demonstrated hazard adds permitting time and cost without a corresponding safety benefit, and risks slowing exactly the type of projects the Commission needs online quickly to meet the encumbrance and liquidation deadlines.

We recommend the final solicitation allow applicants to satisfy or streamline the fire-safety documentation requirements by submitting UL 9540A test results (or equivalent large-scale fire testing) demonstrating that the proposed system does not exhibit thermal runaway propagation, together with confirmation of compliance with applicable NFPA 855 provisions. This would

preserve rigorous safety review where warranted while accelerating readiness for inherently lower-hazard systems.

Comment 3: Scoring Should Explicitly Reward Sustained, Non-Degrading Committed Capacity (Sections II.B.4(b) and IV.E.2, Criterion 1)

Section II.B.4(b) appropriately requires applicants to disclose whether committed capacity will be sustained or decline over the project's lifespan. However, the scoring criteria do not clearly reward projects that guarantee full committed capacity and duration across all 3 program seasons and beyond. A project whose capacity degrades materially over the performance term delivers less certain reliability value to ratepayers than one with non-declining performance, yet the two will score identically under Criterion 1.

We recommend that Criterion 1(b) be revised to state that projects demonstrating sustained committed capacity and duration over the performance term and project lifespan will be scored more favorably than projects with declining capacity or reliance on future augmentation.

Comment 4: Provide Pathway Flexibility for Small and Non-Exporting Front-of-the-Meter Projects (Section II.B.5.e, Pathway 1; Table 4)

The draft requires all FTM resources to elect Pathway 1 (Market-Integrated Dispatch). Full wholesale market integration (scheduling coordinator arrangements, day-ahead and real-time bidding infrastructure, and associated administrative costs) imposes a fixed overhead that is disproportionate for projects at the scale contemplated by this solicitation. This requirement may deter otherwise strong FTM applications, narrowing competition and reducing the diversity of projects.

We recommend the final solicitation permit FTM projects that are non-exporting, that utilize existing interconnection capacity, or that fall below a reasonable size threshold to elect Pathway 4 (Daily Dispatch), which provides the grid a predictable daily commitment during program hours without the overhead of full market integration.

Comment 5: Clarify the Treatment of Technology Providers as Vendors and Their Participation Across Multiple Applications (Sections I.C, II.A.1, and III.D.6(f))

Because eligible applicants are limited to public agencies, nonprofits, tribes, utilities, etc., most projects will rely on private-sector technology providers for equipment supply, installation, and ongoing support. Two clarifications in the final solicitation would help applicants structure competitive proposals:

First, we request the Commission confirm that the purchase of equipment and associated commercial services from a technology provider at fair market value constitutes a vendor transaction as defined in Section I.C, and is therefore not subject to the 10% subrecipient profit cap described in Section III.D.6(f), consistent with the solicitation's definitions distinguishing vendors from subrecipients.

Second, we request confirmation that the multiple-application restrictions in Section II.A.1 apply to Applicants, and that a single equipment manufacturer or technology provider may serve as a vendor or subrecipient on multiple distinct applications submitted by different eligible applicants. Given the limited pool of eligible applicant entities, this clarification will support broader participation and stronger competition.

Inlyte Energy thanks the Commission and staff for this well thought out draft and for the opportunity to comment.