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Re Comments of Ventura Energy Partners on the Proposition 4 Distributed Electricity Backup Assets (DEBA) Grant Program Draft

Ventura Energy Partners appreciates the opportunity to comment on the draft solicitation. We develop behind-the-meter and front-of-the-meter energy storage projects at water utility and hydroelectric sites in Southern California, including multi-site portfolios hosted by mutual water companies, which are eligible applicants under Public Resources Code section 90110. We have multiple prospective applications identified under different performance pathways, each comprising multiple sites. Four provisions of the draft would benefit from clarification in the final solicitation, and each materially affects whether this class of projects can be financed and bid. We respectfully request the following.

1. Clarify the scope of the multiple-application restriction (Section II.A.1).

The draft permits an eligible applicant to submit multiple applications where each involves a different combination of eligible technologies or different identifiable project sites, but prohibits "multiple applications involving aggregations of similar technologies across multiple sites." These two sentences can be read to conflict: any two applications from one applicant, each containing multiple storage sites, arguably involve "aggregations of similar technologies across multiple sites" even where the applications are genuinely distinct projects.

We request the Commission confirm in the final solicitation that separate applications by a single applicant are permitted where each application comprises a distinct, identified portfolio of sites with distinct host customers and/or a distinct performance pathway, and that the prohibition is directed at dividing what is functionally a single project across applications to circumvent the maximum award amount.

This clarification matters for program access. Multi-site portfolios within a single application are the only practical means by which smaller host customers, such as mutual water companies operating individual well and booster sites, can aggregate to the $2,000,000 minimum award. Where the aggregation line sits will determine how much of this project class, which serves precisely the water infrastructure the Legislature prioritized in SB 105, is able to participate.

Suggested language: "An Applicant may submit multiple applications, each for a distinct project consisting of a different combination of eligible technologies or a different identified set of project sites and host customers. An Applicant may not divide a single project or aggregation across multiple applications in order to exceed the maximum award amount."

2. Confirm that tariffed export compensation falls within the rate plan exception to the dual compensation prohibition (Section II.B.5.d).

Section II.B.5.d prohibits compensation for the DEBA resource's demonstrated capacity through other utility, CCA, LSE, or state programs during overlapping intervals, "except the utility or LSE rate plan applicable to the project resource."

We request the Commission confirm that export compensation received under an investor-owned utility's net billing tariff (Schedule NBT), including avoided cost calculator based export credits attributable to paired storage discharge, constitutes compensation under the applicable rate plan and is therefore permitted during DEBA program events and Measurement Hours.

Behind-the-meter storage paired with on-site renewable generation under NBT is a core project configuration for Pathway 4 resources, and the tariff's export credits are simply the billing settlement of the customer's account, not a demand response or grid services program. A contrary reading would make an ordinary tariffed billing arrangement a de facto disqualifier for BTM projects and would discourage exactly the exporting configurations that deliver the greatest net supply to the grid during program hours.

3. Clarify the treatment of debt financing under the 100 percent funding cap (Section I.E.5).

Section I.E.5 provides that "the sum of the DEBA award, applicable tax credits, and other financial support in the form of grants, loans, and rebates must not exceed 100% of the total eligible project cost." Read literally, ordinary repayable project debt used to finance an applicant's own cost share would count against the cap. That reading would penalize applicants that borrow rather than self-fund, and would disproportionately burden nonprofit organizations, mutual water companies, and public agencies, which are the eligible applicant classes least able to self-fund and most dependent on state and federal infrastructure loan programs such as the Drinking Water State Revolving Fund and USDA Water and Environmental Programs.

We request the Commission clarify that repayable debt financing at market or program terms is not "financial support" counted toward the 100 percent cap, or alternatively that only the grant-equivalent subsidy value of below-market loans is counted.

4. Confirm the dual compensation prohibition applies only to the DEBA-funded resource where other incentive program assets share a site (Section II.B.5.d).

Many strong candidate sites, particularly water utility sites, already host energy storage funded under the Self-Generation Incentive Program, with ongoing performance-based incentive and greenhouse gas compliance obligations. We request the Commission confirm that the dual compensation prohibition applies to the DEBA-funded resource only, and that co-located resources funded under other programs may continue performing under their own program obligations, provided that metering distinguishes the resources and no compensation is claimed for the DEBA resource's demonstrated capacity under another program.

Without this confirmation, sites with existing incentivized storage, which are frequently the most development-ready sites available, would be effectively excluded from the program, and applicants would face conflicting performance obligations across state programs at the same premises. We suggest the final solicitation state that dispatch performance and demonstrated capacity are determined at the individual DEBA-funded DER asset, consistent with the measurement approach already described in Section II.B.6.a.

Ventura Energy Partners appreciates the Commission staff's work on this solicitation and the accelerated timeline it reflects. We would welcome the opportunity to discuss any of these items with staff.