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Proposition 4 DEBA DER Draft Solicitation- ASE Comments

Additional submitted attachment is included below.

California Energy Commission — Proposition 4 DEBA DER Draft Solicitation

Comments from Applied Systems Engineering, Inc

1. Introduction and Purpose of These Comments

Applied Systems respectfully submits these comments on the Draft Solicitation for the Proposition 4 Distributed Electricity Backup Assets (DEBA) Distributed Energy Resources (DER) program released on June 12, 2026, and presented at the staff workshop on June 23, 2026.

Applied Systems is an independent technology provider that operates as an IEEE 2030.5 aggregator and DER gateway provider. We provide the software and communications layer (standards-based telemetry, secure dispatch, enrollment, and measurement-and-verification data) that allows distributed energy resources at many sites to be operated together as a single, grid-responsive portfolio.

Our goal in commenting is constructive: we want the final solicitation to make it straightforward for an independent aggregator/gateway provider to support Eligible Applicants and to deliver reliable, dispatchable capacity to the grid — without the program or the applicant having to on-board each individual end consumer one at a time. The recommendations below are intended to reduce administrative friction, lean on existing interoperability standards, and ultimately increase the amount of reliable DER capacity the program can secure with its appropriated funds.

2. Who We Are and How We Fit the Program

As a 2030.5 aggregator and DER gateway provider, Applied Systems typically sits between the grid-facing program (the CEC / balancing authority) and a portfolio of distributed resources. Our role includes:

- Enrolling and authorizing end customers and their devices and maintaining the records of that authorization.
- Translating program dispatch instructions and events into device-level actions across many sites using IEEE 2030.5 (the protocol underlying the California Smart Inverter Profile / CSIP).
- Collecting interval-level telemetry from each resource and aggregating it into portfolio-level performance data.

In the structure contemplated by the draft solicitation, Applied Systems would not itself be the grant recipient. Eligible Applicants are limited to public agencies, nonprofits, tribes, utilities, and similar entities (Section II.A.1). Instead, we would partner with an Eligible Applicant as the

operating/technology partner — the entity that actually makes the aggregated resources dispatchable and measurable. The comments below are aimed at making that partnership model explicit and workable.

3. Detailed Comments and Recommendations

To maximize vendor participation and expedite grid deployment in alignment with the CEC’s statutory deadlines, the program must decouple grid edge orchestration technology from consumer account acquisition.

Currently, the administrative burden of onboarding thousands of individual homeowners is a significant barrier for independent technology providers. To ensure that public agencies and eligible Load Serving Entities (LSEs) can seamlessly procure and deploy open-standards technology from private middleware providers, we respectfully submit the following strategic recommendations for the final solicitation manual.

1. Establish a "Pre-Qualified Technology Partner" Registry

- **Context:** The draft solicitation awards points based on "Project Readiness" and "Project Team Qualifications" (Section IV.E.2 “Scoring Criteria”). The draft limits Eligible Applicants to public/quasi-public entities. It does not clearly describe the role of an independent third-party technology provider or aggregator that an Eligible Applicant relies upon to deliver and operate the resource.
- **Recommendation:** We urge the CEC to establish a rolling pre-qualification process for CSIP/ IEEE 2030.5 Aggregators and DER Gateway software vendors. Once a software platform is vetted and certified (e.g., demonstrating compliance with CSIP guidelines), the vendor should be listed in an official registry. Explicitly state in the final solicitation that an Eligible Applicant may designate a third-party aggregator/DER gateway provider as the operating partner responsible for dispatch, telemetry, and M&V, and that doing so does not disqualify the application. Allow the aggregator's role and capabilities to be documented through a Letter of Commitment and through the Project Team Form, so the applicant can demonstrate operational readiness via its technology partner. Allow the same aggregator to support multiple Eligible Applicants and multiple applications, recognizing that an aggregator is a shared platform, not a single-project vendor.
- **Justification:** This allows turnkey grant applicants—such as public agencies, tribes, or municipal utilities who already hold site control and customer relationships—to simply select a pre-qualified platform in their application, instantly clearing Phase One technical screening. The eligible applicant handles consumer acquisition, while the technology provider seamlessly delivers the network orchestration.

2. Explicitly Include Middleware & Edge Gateways as Eligible Technologies

- **Context:** Section II.B.2 “Eligible Technologies” identifies advanced microgrid controllers and load flexibility enabling technologies as eligible items.
- **Recommendation:** We recommend the final guidelines explicitly list edge-computing applications (such as Gateway device or apps hosted directly inside AMI 2.0 meters) and cloud-native DER orchestration engines as qualifying components for grant allocation.

- **Justification:** Moving the "controllable node" to the intelligent edge minimizes data-backhaul overhead and ensures the rapid, low-latency execution required for the "Market-Integrated" and "Market-Aware" performance pathways.

3. Recognize IEEE 2030.5 (CSIP) as an accepted dispatch, telemetry, and M&V protocol

- **Context** Section II.B.5 "Performance Requirements"; Section II.B.5.a "Dispatch Requirements"; Section II.B.6 "Measurement and Verification." The draft describes dispatch in response to market/BA instructions and program events, and M&V using interval/hourly performance, but it does not name an interoperability standard. Naming IEEE2030.5 (the basis for California's CSIP for smart inverters) would let a gateway provider serve as a single, standards-based integration point for the whole portfolio.
- **Recommendation:** State that IEEE2030.5 / CSIP is an accepted protocol for receiving program/dispatch signals and for delivering telemetry and M&V data, while remaining open to other standards-based approaches.
- **Justification;**
 - Allow a single gateway/aggregator endpoint to receive program events on behalf of an entire portfolio and to fan those events out to enrolled devices, so the program does not integrate with each device individually.
 - Accept aggregator-provided, standards-based interval telemetry as the source data for demonstrated-capacity measurement.

4. Mandate Storage-Specific Protocol Enhancements (IEEE2030.5 / CSIP)

- **Context:** Projects are assessed based on a continuous 4-hour "Rated Capacity" commitment (Section II.B.4.a "Project Capacity and Duration").
- **Recommendation:** The CEC must specify storage-specific communication parameters in the final manual rather than relying on generic net-metering commands. We recommend adding direct battery orchestration control schedules, and split charge/discharge ratings.
- **Justification:** Direct battery control insulates utility dispatch from volatile household loads. Furthermore, local schedule persistence guarantees that assets survive power reboots and execute their 4-hour commitments even during sudden cellular or backhaul network dropouts.

5. Create an "Authorized Subcontractor" Status for Private Technology Firms

- **Context:** Proposition 4 rules limit eligible applicants to public entities, nonprofits, tribes, and public utilities. Furthermore, funds must not be used for shareholder incentives or profits for private corporations at the rate base layer (Section I.E.7 "Proposition 4 Funding Restrictions").
- **Recommendation:** The final guidelines should explicitly clarify that while private technology corporations cannot serve as the primary applicant, their commercial software licensing fees, hardware gateways, and SaaS orchestration subscriptions qualify as 100% "Allowable Costs" when subcontracted by an eligible public entity.
- **Justification:** This establishes a clean B2B vendor relationship. Public utilities or CCAs can win the Prop 4 grant and directly utilize those funds to procure best-in-class, enterprise-grade

grid edge management software from private providers without burdening the technology firm with customer-facing liability.

6. Incentivize Multi-Asset "Portfolio" Bids Over Single-Site Applications

- **Context:** Section II.A.1 "Eligibility" permits eligible applicants to submit multiple applications for different sites. An aggregated DER program only scales if participation does not require the program, or the applicant, to individually onboard, contract with, and document every single end consumer. The draft already permits "aggregated residential" sites and "multiple distinct sites," which is encouraging, but the application mechanics should make clear that the aggregator manages the customer relationship and the per-customer records
- **Recommendation:** The CEC should award preference points to "Portfolio Applications" that bundle multiple commercial sites (up to 100 kWh per site) or aggregated residential multifamily projects under a single unified middleware interface.
 - Permit a single application to nominate an aggregated portfolio (a target MW/MWh figure across many behind-the-meter sites) rather than requiring each site to be fully enumerated and individually documented at the time of application.
 - Let the aggregator hold and maintain end-customer enrollment, authorization, and site documentation, and make that documentation available to the CEC on request or through audit — rather than requiring the CEC to receive and process each consumer's paperwork.
 - Provide for a portfolio that fills in over the project's deployment period: specify a nominated capacity at application, then verify the enrolled, dispatchable capacity through the aggregator's telemetry by the project online date.
 - Define a standardized customer authorization artifact (e.g., a data-and-dispatch authorization signed at enrollment) that the aggregator collects and retains, so customer onboarding is a repeatable, lightweight, aggregator-run process.
- **Justification:** Encouraging commercial property managers and project developers to act as the consumer-facing interface allows technology providers to deploy orchestration gateways across hundreds of tenants via virtual allocation models, significantly reducing customer acquisition friction.

4. Why These Changes Help the Program

Adopting these recommendations would directly advance the program's own objectives:

1. More capacity per dollar. Aggregation through a shared gateway lets many small resources be assembled into meaningful, dispatchable capacity, improving cost-effectiveness (Scoring Criterion #5).
2. Faster deployment. The draft expects successful projects to begin deploying quickly to meet statutory deadlines (encumbrance by June 30, 2028; liquidation by June 30, 2030). Aggregator-run, standardized customer onboarding is far faster than per-consumer processing.

3. Lower administrative burden on the CEC. Holding customer-level records at the aggregator level, with audit rights for the CEC, keeps the program's review focused on portfolio performance rather than thousands of individual enrollments.
4. Reliability and verifiability. Standards-based (IEEE 2030.5 / CSIP) dispatch and telemetry give the CEC and the balancing authority a consistent, auditable basis for demonstrated-capacity M&V.
5. Broader, more equitable reach. Aggregated residential participation makes it practical to deliver direct, meaningful benefits to Vulnerable Populations and (Severely) Disadvantaged Communities (Scoring Criterion #6) at the household level.

Applied Systems appreciates the opportunity to comment on the draft solicitation and supports the CEC's effort to bring distributed, zero-emission backup capacity online quickly. We would welcome the opportunity to provide further technical details on standards-based aggregation, IEEE 2030.5 / CSIP integration, and portfolio-level M&V, and to participate in the pre-application workshop.

Submission note:

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