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VIA CEC Docket Submittal

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Docket No. 22-RENEW-01
California Energy Commission
715 P Street
Sacramento, CA 95814

RE: CEC Docket No. 22-RENEW-01 Ava Community Energy Comments on Draft Solicitation for Proposition 4 Distributed Electricity Backup Assets Grant Program

Ava Community Energy (“Ava”) appreciates the opportunity to provide comments on the Draft Solicitation for the Proposition 4 Distributed Electricity Backup Assets (“DEBA”) Grant Program (“Draft Solicitation”), docketed on June 12, 2026. Ava is a community choice aggregator that serves as the default electricity provider in Alameda County and San Joaquin County. Ava is also a provider of load flexibility, with a growing aggregation of distributed energy resources that support the reliable operation of the state’s electricity grid.

Ava recently launched its solar and storage program, SmartHome Battery,¹ and is in its second year operating its managed electric vehicle (“EV”) charging program, SmartHome Charging.² Ava also operates an existing fleet of residential solar and storage through its Resilient Home program,³ providing resiliency for Ava customers at risk of power shut-offs and grid outages while contributing to resource adequacy through daily load shifting. These programs form the basis of Ava’s growing virtual power plant, which Ava is eager to expand to augment the state’s Resource Adequacy supplies and Strategic Reliability Reserves through participation in DEBA.

Upon reviewing the Draft Solicitation, Ava offers the following recommendations:

- The CEC should expand Performance Pathway 3 to allow resources to *follow* an hourly dynamic pricing schedule that reflects hourly marginal costs based on current or forecasted wholesale energy market prices or other grid capacity utilization signals, without requiring the customer’s tariff to be changed.

¹ <https://avaenergy.org/go-electric/residential-solar-storage/smarthome-battery/>

² <https://avaenergy.org/go-electric/electric-vehicles/smarthome-charging/>

³ <https://avaenergy.org/go-electric/residential-solar-storage/resilient-home/>

- The CEC should expand the eligible technologies under Load Flexibility Enabling Technologies to include smart charging devices and software that enable load-only flexible EV charging.
- The CEC should publish a draft of the agreement terms for potential applicants to review.

Additionally, Ava seeks to clarify the following aspects of the Draft Solicitation:

- Whether costs to fund ongoing incentives are eligible costs,
- Whether costs associated with software enabling load flexibility are eligible costs,
- Whether weekday-only participation is allowed through Pathway 4, and
- How Demonstrated Capacity is determined for Pathways 3 and 4.

I. Allow Resources that Follow Hourly Dynamic Pricing to Participate through Pathway 3

Ava recommends expanding Pathway 3 to allow resources that *follow* hourly dynamic pricing to participate, without requiring the customer's tariff to be changed. DEBA is focused on resource-level performance, whereas dynamic pricing pilots such as Pacific Gas & Electric's ("PG&E") Hourly Flex Pricing ("HFP") pilot are measured at the meter level. Customers' meter-level load typically includes inflexible loads and devices that are unable to follow hourly signals, exposing customers to high prices in hours when they are unable to reduce or shift load. Allowing specific resources that are participating in DEBA to follow dynamic pricing similar to PG&E's HFP would provide the same signal for resource-level load flexibility and can satisfy the requirements under Pathway 3 without exposing the customer's meter-level load to risks associated with dynamic pricing.

II. Include Technologies Enabling Load-Only Flexible EV Charging under Load Flexibility Enabling Technologies

Ava recommends the CEC expand the eligible technologies under the Load Flexibility Enabling Technologies category⁴ to include technologies that enable load-only flexible EV charging, such as smart charging devices and software. Unidirectional managed EV charging can shift load throughout the day to reduce system peak load, thereby contributing to the state's resource adequacy supplies. EV load can be managed according to all four performance Pathways detailed in the Draft Solicitation (market-integrated, market-aware, hourly dynamic pricing, and daily dispatch).

Additionally, of the four technologies included in the Load Flexibility Enabling Technologies, only the vehicle-grid integration infrastructure used for bidirectional charging requires bidirectional export capabilities. The remaining technologies (smart thermostats and other Heating, Ventilation, and Air Conditioning controls, water heater controllers, and advanced motor controls) are similar to smart charging technologies in that they enable load shift throughout the day but do not enable energy export. Thus, Ava recommends the CEC include technologies enabling load-only flexible EV charging under the Load Flexibility Enabling Technologies category of eligible technologies.

⁴ Draft Solicitation, p. 19–20.

III. Publish Draft Agreement Terms for Applicant Review

Ava recommends the CEC publish a draft of the grant agreement terms for potential applicants to review, particularly regarding performance evaluation terms. The Draft Solicitation is not clear on the criteria or standards by which the performance of proposed projects will be evaluated, beyond stating that “[a]n applicant receiving an award under this solicitation is subject to an evaluation of performance under the resulting agreement.”⁵ As performance requirements are an important consideration for project design, Ava recommends the CEC publish a draft of the agreement terms prior to opening up the solicitation for applications, to allow potential applicants to review terms and design their projects to meet performance expectations.

IV. Clarify Aspects of the Draft Solicitation

a. Allowable Costs

Ava seeks to clarify whether costs related to ongoing customer incentives for load flexibility program participation and costs associated with software that enables load flexibility are eligible as Allowable Costs, as detailed in Section E.3.⁶ The funds to be awarded through this Draft Solicitation were appropriated by Senate Bill (“SB”) 105 (Weiner, Chapter 104, Statutes of 2025), which states that the funds “shall be used for the Distributed Electricity Backup Assets Program, consistent with Section 94530 of the Public Resources Code, to provide project funding and to fund ongoing incentives exclusively for new clean microgrids, or new non-residential or aggregated residential distributed clean energy and storage projects.”

While ongoing incentives are not listed in Section E.3, they are explicitly included in the statute appropriating the funding available in the Draft Solicitation to DEBA. Both Ava SmartHome Battery and SmartHome Charging provide ongoing incentives to encourage participants to remain enrolled and active in the programs, allowing Ava to leverage their flexible load to support grid reliability. Thus, Ava seeks to clarify whether DEBA funds from this Draft Solicitation can be used to fund ongoing customer participation incentives, such as Ava’s ongoing enrollment incentives.

Additionally, SB 105 does not limit funding to physical equipment and hardware. Software costs such as those necessary to operate Distributed Energy Resource Management Systems (“DERMS”) make up a significant portion of load flexibility-related costs. For example, Ava pays DERMS platform fees, DERMS connected capacity fees, and application programming interface fees, on top of fees and costs for program administration, customer acquisition, and upfront and ongoing customer incentives. Ava seeks to clarify whether DEBA funds from this Draft Solicitation can be used for costs associated with software enabling load flexibility, including DERMS and other software fees.

⁵ *Id.*, p. 48.

⁶ *Id.*, p. 10.

b. Weekday-Only Participation Through Pathway 4

Ava requests that the CEC clarify whether weekday-only daily dispatch is allowed through Pathway 4 (Daily Dispatch). Ava has previously received guidance from CEC load forecasting staff indicating that the CEC allows programs that employ weekday-only dispatch to be included as load modifiers in an LSE's resource adequacy peak load forecast, particularly because the CEC's forecasts consistently show that peak days fall on weekdays. Following this guidance, Ava has included weekday-only resources in its peak load forecast submission to the CEC in the past. Given this precedent, Ava is under the impression that resources that dispatch only on weekdays provide a comparable reliability benefit to the state as resources that dispatch on all days, including weekends and holidays. Ava thus seeks clarity from the CEC regarding whether resources dispatching only on weekdays are eligible to participate through Pathway 4.

c. Demonstrated Capacity Methodology for Pathways 3 and 4

Ava requests clarification on the methodology for determining Demonstrated Capacity ("DC"). The Draft Solicitation states that "[f]or all performance pathways, project performance will be determined by measuring demonstrated capacity...achieved by the project during the applicable Measurement Hours."⁷ The Draft Solicitation later specifies that DC for non-weather-sensitive resources is determined across Measurement Hours and does not specify over which hours DC is determined for weather-sensitive resources.⁸

While calculating DC based on Measurement Hours is congruent with the event-based performance pathways (Pathways 1 and 2), Measurement Hours are less applicable to the dispatch schedule-based performance pathways (Pathways 3 and 4). Daily load shift (e.g., in response to hourly dynamic rates or based on a set schedule, such as in Pathways 3 and 4) provides a consistent load shift that can contribute to the state's resource adequacy supplies by reducing the amount of peak load the state must plan for. On the other hand, event-based resources that dispatch in response to grid conditions and/or market prices are not accounted for through a reduction of load but do provide reliability during emergency grid events. As these two types of load flexibility provide reliability in fundamentally different ways, Ava seeks to understand whether the CEC intends to evaluate DC for all performance pathways, including Pathways 3 and 4, only during the event-based Measurement Hours. If not, Ava requests the CEC provide a methodology for determining DC specific to each performance pathway.

Thank you for your consideration of our comments. Please contact Claire Huang (chuang@avaenergy.org) if you have any questions.

/s/ Claire Huang

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⁷ *Id.*, p. 23.

⁸ *Id.*, p. 28–29.