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COMMENTS OF TERRAVERDE ENERGY ON THE DRAFT GRANT FUNDING OPPORTUNITY

Additional submitted attachment is included below.

July 15, 2026

Submitted via e-filing

California Energy Commission
Dockets Office
Docket No. 22-RENEW-01
TN 270606

COMMENTS OF TERRAVERDE ENERGY ON THE DRAFT GRANT FUNDING OPPORTUNITY FOR THE PROPOSITION 4 DISTRIBUTED ELECTRICITY BACKUP ASSETS (DEBA) GRANT PROGRAM (GFO-26-XXX-DRAFT)

I. Introduction

TerraVerde Energy submits these comments on the draft Grant Funding Opportunity for the Proposition 4 Distributed Electricity Backup Assets (DEBA) Grant Program (GFO-26-XXX-DRAFT), Docket No. 22-RENEW-01. TerraVerde supports the draft solicitation and recommends two changes: maximize the competitive funding allocation, and make the reservation of behind-the-meter backup capacity an applicant election.

II. Interest of TerraVerde Energy

TerraVerde is an independent energy advisor and owner's representative to California public agencies. It is not an applicant for DEBA funds and does not develop, own, or operate energy assets. Over 15 years, TerraVerde has advised close to 200 public agencies, with over 300 energy project assessments, procurements, and deployments.

III. Comments

1. TerraVerde supports the draft solicitation.

The performance-pathway framework, the focus on incremental dispatchable capacity, and the qualification of standalone behind-the-meter and front-of-the-meter storage fit how public agencies can support grid reliability. TerraVerde also supports the eligible technology range in Section II.B.2: its public-agency clients are pursuing not only battery storage but load flexibility measures such as variable frequency drives and vehicle-grid integration infrastructure for bidirectional charging.

2. Maximize the competitive allocation; program demand will exceed funding.

Public-agency demand alone will exceed the available funding. After the $12.5 million to $23 million direct-award set-aside (Section I.B), the competitive pool may be as small as $23 million, or approximately three to eleven awards at the Table 3 award range. TerraVerde recommends that the Commission:

(a) allocate the maximum feasible share of the SB 105 appropriation to this competitive solicitation;

(b) commit in the final solicitation to move unobligated direct-award funds into this solicitation and to fund additional passing applications in rank order (Sections I.E.8 and IV.B); and

(c) signal its intent to program subsequent DEBA funding rounds.

3. Make behind-the-meter backup capacity reservation an applicant election; allow full installed capacity to be nominated.

Section II.B.4, note 4 excludes capacity reserved for site backup from nominated capacity, and Criterion 5 divides requested CEC funds by rated capacity. Together, these penalize any project that includes backup capability, even though the solicitation funds microgrid controls as eligible equipment (Section II.B.2.d) and Proposition 4 directs priority to community resilience (Section II.B.8). Public agencies operate the water plants, schools, shelters, and cooling centers that most need backup capability.

The exclusion is broader than the program objective requires. A project that commits its full installed capacity to dispatch during Program Hours meets the program objective in full, whether or not backup equipment is installed alongside it. TerraVerde recommends that the Commission:

(a) provide that applicants may elect to commit full installed capacity to program dispatch during Program Hours and nominate that full capacity, with backup equipment alongside the project remaining eligible. Only capacity an applicant elects to withhold during Program Hours would be excluded. Existing measurement and verification, retention, and repayment provisions (Sections II.B.6 and I.E.2) ensure nominated capacity is delivered;

(b) add resilience and backup power for critical public facilities to the non-reliability benefit examples under Criterion 1, sub-criterion c.ii; and

(c) confirm that backup and microgrid-control equipment may be funded through match. Criterion 5 is based on CEC funds requested, so match-funded equipment falls outside the metric with no change to the calculation.

IV. Conclusion

TerraVerde appreciates the opportunity to comment and would welcome discussion with staff as the final solicitation is developed.

Respectfully submitted,

Ali Chehrehsaz
Chief Executive Officer
TerraVerde Energy

Dated: July 15, 2026