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## Comments on the Staff Workshop for the Demand Side Grid Support Program Draft Guidelines

*Additional submitted attachment is included below.*

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July 28, 2022

Vice Chair Siva Gunda
California Energy Commission
Docket Unit, MS-4
Docket No. 22-RENEW-01
1516 Ninth Street
Sacramento, CA 95814-5512

**Subject: Comments on the Staff Workshop for the Demand Side Grid Support Program Draft Guidelines**

Dear Vice Chair Gunda,

Southern California Gas Company (SoCalGas) appreciates the opportunity to provide comments on the California Energy Commission's (CEC) draft guidelines for the Demand Side Grid Support (DSGS) Program (Draft DSGS Guidelines) presented during the July 25 workshop. The DSGS Program will be a model for future programs oriented toward mitigating compounding reliability risks in California. Fire, drought, and heat events, including those that coincide, require more upfront capacity commitments to be available to reduce net load. Demand side resources, such as onsite distributed energy resources (DERs), including renewables, fuel cells, linear generators, and demand response measures, are an integral part of a reliable and resilient energy system that also meets California's goals to reach carbon neutrality by 2045. The right mix of program offerings for DER technologies and demand response will enable electricity to be reliable, resilient, safe, and decarbonized while reducing public health impacts. To that end, our comments focus on the following topic: **The current loading order for the DSGS Program should be calibrated to synchronize with the broader air quality and decarbonization goals of the State.**

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**In this section, we answer:** *What modifications should be considered? And what elements of the program design can be improved?*

The Draft DSGS Guidelines' proposed dispatch loading order places conventional diesel resources and gas resources in the same dispatch load reduction order.[1] Per the California Air Resources Board (CARB), *Use of Back-up Engines for Electricity Generation During Public Safety Power Shutoff Events* guidance, "[w]hen electric utilities de-energize their electric lines, the demand for back-up power increases. This demand for reliable back-up power has health impacts of its own. Of particular concern are health effects related to emissions from diesel back-up engines. Diesel particulate matter (DPM) has been identified as a toxic air contaminant, composed of carbon particles and numerous organic compounds, including over forty known cancer-causing organic substances. The majority of DPM is small enough to be inhaled deep into the lungs and make them more susceptible to injury."[2]

It is in the public interest to prioritize and implement, to the extent possible, a DSGS Program dispatch loading order that is more reflective of the State's broader climate and air quality goals. CARB's guidelines recommend limiting backup generators for non-emergency periods due to the harmful effects of diesel particulate matter.[3] Conventional and non-combustion natural gas generators do not produce diesel particulate matter and therefore the dispatch loading order should favor these technologies above diesel. The Draft DSGS Guidelines as currently structured includes a dispatch loading order that could lead to increased adverse reliance on diesel backup generation for electric reliability. Consistent with SoCalGas comments submitted to the CEC on the Distributed Energy Resources in California's Energy Future Proceeding,[4] there is a clear need for clean energy adoption, especially in those communities that may be disproportionally impacted by poor air quality and climate change.[5] Interestingly, the Draft DSGS Guidelines note that "DSGS

[1] *See* Draft Proposed DSGS Program Guidelines, CEC, p. 9, available at: https://efiling.energy.ca.gov/GetDocument.aspx?tn=244148

[2] *See* Use of Back-up Engines for Electricity Generation During Public Safety Power Shutoff Events, California Air Resources Board (CARB), available at https://ww2.arb.ca.gov/resources/documents/use-back-engines-electricity-generation-during-public-safety-power-shutoff

[3] *Ibid.*

[4] *See* SoCalGas Comments on the CEC Distributed Energy Resources Commissioner Workshop, June 17, 2022, available at: https://efiling.energy.ca.gov/GetDocument.aspx?tn=243573&DocumentContentId=77422

[5] This concern was recently expressed in the University of California, Irvine (UCI) presentation to the South Coast AQMD Governing Board. The UCI presentation illustrates the potential significant air quality degradation and increased public health costs in disadvantaged communities from residential, commercial, and industrial gasoline and diesel backup generation during Public Safety Power Shutoff (PSPS) events in the South Coast Air Basin. These impacts have also been top of mind for the Disadvantaged Communities Advisory Group (DACAG), the 11-member group that reviews California Energy Commission (CEC) and California Public Utility Commission (CPUC) policies. In 2021, the DACAG recommended reducing the use of diesel generators, improving communication about the scope and duration of Public Safety Power Shutoff (PSPS) events, and exploring ways the grid can remain energized through islanding in PSPS event communities with no wildfire risk.

providers will dispatch participants with back up diesel generators **only if** authorized under a state of emergency proclamation issued by the governor."[6] This statement appears to indicate that diesel assets are deployed as the last line of defense because conventional and non-combustion natural gas resources do not require a state of emergency proclamation. Thus, SoCalGas recommends updating the Draft DSGS Guidelines' dispatch loading order to reflect a prioritization schedule from which DSGS providers will dispatch participants with conventional and non-combustion natural gas resources prior to diesel resources. Slightly reordering the dispatch schedule may result in cleaner capacity being installed as a result of the program. Specifically, we recommend updating the dispatch loading order to reflect the following:

- First: Demand-response resources
- Second: Renewables and zero-emission resources
- Third: Conventional gas resources
- Fourth: Conventional diesel resources

**Conclusion**

Grid reliability is key for the health and safety of vulnerable populations as well as staying on track to meeting the State's climate goals. The Strategic Electricity Reliability Reserve can play a critical role in procuring the right clean resources to harden the electricity system. With the proper mix of DER deployment, the State can reduce the air quality impacts of the program, while increasing electricity reliability during the times when the grid is the most stressed. Thank you for your consideration of our comments.

Respectfully,

*/s/ Kevin Barker*

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[6] DSGS Program Guidelines, Chapter 4. B, p. 9. Emphasis added.