

DOCKETED

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Microgrid Resources Coalition Comments on DSGS Program Guidelines

Additional submitted attachment is included below.

July 29, 2022

Honorable David Hochschild, Chair
California Energy Commission
1516 9th Street
Sacramento, CA 95814



RE: Docket 22-RENEW-01 Microgrid Resources Coalition Comments on Demand Side Grid Support Program Draft Guidelines

Dear Chair Hochschild,

The Microgrid Resources Coalition (“MRC”) commends the California Energy Commission (“Commission”) for its leadership in recognizing the crucial role that demand side resources can play in improving electric system reliability and moving quickly to set up the Demand Side Grid Support (DSGS) program as part of the newly authorized Strategic Reliability Reserve pursuant to AB 205.

Introduction

The MRC is a national association of leading microgrid owners, operators, developers, suppliers, and investors dedicated to the advancement of microgrids through education, policy advocacy and other development activities. The MRC endeavors to ensure non-discriminatory market access and a level playing field for deployment and operation of diverse microgrid configurations and business models. Committed to empowering energy customers and communities, the MRC generally supports disaggregated, fair pricing for well-defined services, both from the grid to microgrids as well as from microgrids to the grid. We promote community-based resilience standards and support utilities and business models that accurately value resilient distributed resources. MRC members have deployed sophisticated microgrids throughout the United States for several decades and are at the cutting edge of microgrid technology and development.

Comments

The MRC has several recommendations for the Commission as it looks to create the DSGS program:

- Microgrids should be explicitly eligible to provide demand side grid support and emergency capacity, as microgrids can provide load shedding, demand management, and intentional islanding to support reliability needs of the energy system.
- The DSGS program should be coordinated with the Distributed Electricity Backup Assets (DEBA) program that is also authorized under AB 205.
- The DSGS and DEBA programs should be available to more than just customers of Publicly Owned Utilities (POUs) or the Commission should wait for further guidance from the legislature before implementing the new program to ensure that as many customers as possible are able to take advantage and support system reliability.
- Dual participation rules should be clarified and dual participation in NEM and other programs should be permitted, as these resources can provide incremental capacity or demand management.

- Loading order requirements should prioritize natural gas over diesel resources, as diesel is a significant source of air pollution, greenhouse gas emissions, particulate matter, and other harmful pollutants.
- Further clarification is needed on the CAISO market participation pathways outlined in Option 3.
- DSGS providers should be eligible for compensation for facilitating demand side grid support or be considered “participants” eligible for incentive payments. Currently, DSGS appears to be structured as a pass through with no value assigned to the DSGS provider.

Conclusion

The MRC appreciates the opportunity to provide comments on the workshop and looks forward to collaborating with the Commission on both the DSGS and DEBA programs to achieve greater electricity system reliability through the deployment of demand side resources like microgrids and distributed energy resources.

Respectfully submitted,



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