

DOCKETED

Docket Number:	22-RENEW-01
Project Title:	Demand Side Grid Support Program
TN #:	244260
Document Title:	SCE Comments for DSGS Program Proposal July 26, 2022
Description:	SCE Comments for DSGS Program Proposal July 26, 2022.
Filer:	Southern California Edison Company
Organization:	Southern California Edison
Submitter Role:	Applicant
Submission Date:	7/29/2022 3:26:04 PM
Docketed Date:	7/29/2022

July 29, 2022

California Energy Commission
Docket Office, MS-4
Docket No. 22-RENEW-01
715 P Street
Sacramento, CA 95814-5512
docket@energy.ca.gov

Re: Southern California Edison Company's Comments on the Draft Guidelines for the California Energy Commission's Demand Side Grid Support (DSGS) Program
Docket No. 22-RENEW-01

Dear Commissioners:

SCE has been and will continue to be strongly supportive of California's efforts to address the State's grid reliability needs. SCE recognizes the importance of the CEC's proposed DSGS program for customers of load serving entities that are not investor-owned utilities (IOUs) pursuant to Assembly Bill (AB) 205 and helping the State achieve its clean energy and grid reliability goals. While the DSGS would be available only to customers of publicly owned and municipal electric utilities, SCE provides its comments and feedback on some of the questions the CEC posed during its workshop on July 25, 2022.

I. Do the proposed DSGS eligibility requirements ensure the program does not negatively impact pre-existing demand response programs?

SCE sees the value in the DSGS program and generally supports the development of demand response (DR) resources outside IOU territory as part of the solution to maintain California's grid reliability alongside existing DR programs. From SCE's perspective, the proposed eligibility requirements align with AB 205 Article 3 25792 (b) Demand Side Grid Support Program, which states in part "*Eligible recipients shall include all energy customers in the state, except those that are eligible to participate in demand response or emergency load reduction programs offered by entities under the jurisdiction of the Public Utilities Commission.*" As such, SCE does not expect the CEC to open this program to facilities served by electric IOUs with DR programs under the jurisdiction of the California Public Utilities Commission (CPUC). Doing so could cannibalize existing DR programs and resources, inadvertently enable double-dipping, and reduce the *incremental* value and support from DR resources.

II. Are the program event triggers clear and universal across balancing authorities?

As currently written, the DSGS proposed program triggers are unclear and are not consistent with other Load Serving Entities within the same balancing authority. In the table below, SCE summarizes the Dispatch Loading Order in the proposed DSGS Program Guidelines.

Dispatch Trigger		Option 1	Option 2	Option 3
Standby Period	Balancing Authority issues EEA Watch or equivalent	DSGS provider shall notify participants	DSGS providers shall notify participants to <i>prepare</i> their load reduction resources for dispatch and determine ILR that will be available	Standby and Dispatch Periods are Not Applicable. Option 3 participants are dispatched with ISO day-ahead market award instructions
	Balancing Authority issues EEA 1 or equivalent			
Dispatch Period	Balancing Authority issues EEA 2 or equivalent	DSGS provider shall notify participants to dispatch their load reduction resources and determine from the participants the amount of incremental load reduction (ILR) that will be available during the dispatch period		
	Balancing Authority issues EEA 3 or equivalent			

The proposed DSGS Program Guidelines state that during the Standby Period, Option 1 DSGS Providers shall notify participants.¹ This requirement is unclear as to whether DSGS providers must notify participants to “prepare” their load reduction resources, similar to Option 2, or whether participants should be notified to “dispatch” their load reduction resources. If DSGS Providers are only required to notify participants to “prepare” their load reduction resources, this dispatch trigger does not align with the IOUs’ Emergency Load Reduction Program (ELRP), which can be dispatched at an EEA Watch, EEA-1, EEA-2, or EEA-3 notification.²

Triggering IOU emergency demand response resources before other grid emergency resources places greater burdens on IOU customers to meet statewide grid reliability needs. To the extent possible, the CEC should ensure DR resources across load serving entities are dispatched consistently to meet grid reliability needs.

¹ Proposed DSGS Program Guidelines, Chapter 4, Section C.1., at p. 9.

² California Public Utilities Commission Decision 21-12-015, Attachment 2, at pp. 10-12.

III. What elements of program design can be improved?

SCE recommends that the DSGS Program Guidelines clarify or address responsibilities for Option 3 as it pertains to CAISO market rules. Specifically, whichever party - the DSGS Provider or the participant - is going to receive the CAISO revenues for their resource should also bear the responsibility for any shortfalls or penalties for not delivering their committed capacity.

Furthermore, the DSGS Program Guidelines should also specify the threshold at which penalties will be assessed for Option 2 and Option 3. Current provisions for Option 2 and Option 3 state “[i]f a participant does not dispatch the amount of incremental load reduction committed and reported to the applicable California balancing authority during the standby period, it will forfeit the standby payment” or “[i]f the CEC determines the participant has delivered less than the committed capacity, the CEC shall reduce payment by two times the amount of the shortfall.”³ To avoid surprises, the guidelines should specify the non-performance level at which a participant will forfeit their standby or capacity payment (e.g., if a participant does not dispatch at least 70 percent of their incremental load reduction commitment amount or if the participant has delivered less than 70 percent of their committed capacity).

IV. Conclusion

SCE appreciates the opportunity to file these comments and provide feedback on the CEC’s draft guidelines for the DSGS Program. SCE looks forward to working with the CEC and other stakeholders on demand response and other grid reliability matters. Please do not hesitate to contact me at (626) 302-0905 or Dawn.Anaiscourt@sce.com or Patrick Nandy at Patrick.Nandy@sce.com with any questions or concerns you may have. I am available to discuss these matters further at your convenience.

Very truly yours,

/s/

Dawn Anaiscourt

³ Proposed DSGS Program Guidelines, Chapter 3, Section B and C, at pp. 7-8.