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California Energy Commission
Docket Unit, MS-4
715 P Street
Sacramento, CA
Via docket submission

Re: Docket No. 22-RENEW-01 - Reliability Reserve Incentive Programs - Comments on January 27, 2023 Workshop

Dear Vice-Chair Gunda and Staff:

Generac Power Systems, Inc. (Generac) appreciates the opportunity to comment on the California Energy Commission (CEC)'s Lead Commissioner Workshop on the Demand Side Grid Support (DSGS) and Distributed Electricity Backup Assets (DEBA) programs. Generac commends the CEC staff on their swift work developing new programs and offers the following comments in response to the CEC's proposed program structures and questions for consideration. Our comments focus on how the CEC can enable cost-effective, statewide and high-impact program outcomes in the near term that accelerate progress toward California's reliability and decarbonization goals.

Enabled by recent legislation, the DEBA and DSGS Programs present tremendous opportunities for ambitious investment decisions that improve reliability and foster the Distributed Energy Resources (DER) market across the state. AB205 (*Committee on Budget, 2022)* created both programs and recognized "cost-effective demand response and efficiency" as a top priority in the loading order. Currently, DERs across California present thousands of untapped megawatts that have the potential to improve reliability cost effectively now with low or zero emissions. Much of this potential exists in the homes of Californians; most do not participate in demand response or emergency load reduction programs due to either burdensome enrollment processes, lack of knowledge, or other barriers to access. The CEC has an opportunity to engage tens of thousands of California homes to improve reliability, maximize emissions reductions, and ensure equitable access to DER benefits.

As CEC staff recognized in the workshop, recent extreme events such as the September 2022 heatwave highlight the urgent need to shore up emergency response capability. The heatwave required "all hands on deck," including substantial voluntary reduction on the part of Californians. Through these programs, we encourage the CEC to again enlist as many Californians as possible to respond to emergencies while providing customer benefits that reflect their contributions.

On November 7, 2022, the CEC released a Request for Information (RFI), seeking input from stakeholders on DEBA and DSGS program designs. On January 27, 2023, the CEC held a two-part workshop on the programs and presented potential program designs including eligibility requirements, incentive structures, and questions for stakeholders. The proposed program designs present significant limitations on customer eligibility and program structure. While Generac appreciates the CEC's concerns regarding - duplicate compensation and potential

impacts on existing utility-run programs, Generac urges the CEC to recognize the enormous potential that can be tapped if the programs are implemented as intended by statute.

The DEBA and DSGS programs were intended to be near-term and widespread opportunities to solve some of the most urgent challenges facing California. To that end, Generac's recommendations primarily concern the expansion of program eligibility and the employment of accessible, customer-focused, and equitable program design. We recommend the following modifications to the programs as outlined at the workshop:

1. The CEC should expand DSGS and DEBA eligibility for customers and use cases to meet legislative intent and to tap into the vast potential of customer-side emergency response, especially in the residential market.

2. The CEC should design cost-effective, customer-centered, and equitable programs that result in near-term reliability benefits by creating non-market integrated DSGS program pathways, leveraging third-party program administration, and by prioritizing equity as a funding consideration.

3. Generac commends the CEC's inclusion of aggregators, aggregation technology, and the prioritization of potential capacity from municipal water agencies and provides further recommendations on accessing such capacity.

Finally, Generac wishes to highlight concurrence with other stakeholders including the California Solar and Storage Association (CALSSA), the California Efficiency & Demand Management Council (CEDMC), and Sunrun/Leap on key recommendations for DSGS and DEBA, including eligibility expansion, recognizing the potential in the residential market, creating non-market integrated pathways for participation, as well as leveraging and building upon existing data visibility frameworks.

1. <u>Generac urges the CEC to expand program eligibility for customers and use cases to meet legislative intent and to tap into the vast potential of customer-side emergency response, especially in the residential market.</u>

While we understand the CEC's concerns in DEBA and DSGS program design, we urge the CEC to recognize the clear legislative intent of the programs, tap into the vast potential for reliability impact in the residential market, and pursue practical solutions for concerns such as dual enrollment.

a. <u>The CEC should follow the legislative direction for the DEBA and DSGS Programs</u>

AB 205 outlines the priorities for both the DEBA and DSGS programs, both intended to incentivize DERs as grid reliability support during extreme events. The Legislature appropriated $295 Million and $700 Million over 5 years for the DSGS and DEBA programs, respectively. Based on the Governor's proposed budget, $95M of the DSGS fund and $100M of the DEBA fund will be spent in the 2023-24 budget year. Since a large portion of the budgets, especially the DSGS budget, is to be spent this year, it is crucial that the CEC sets strong precedents for these programs in line with their statutory intent and tied to real-world impact.

DSGS:
The Legislature intended for the DSGS program to be a statewide program that maximizes customer participation without dual enrollment. AB 205 specifically created the DSGS program, and provides that its purpose is to:

> "incentivize dispatchable customer load reduction and backup generation operation as on-call emergency supply and load reduction for the state's electrical grid during extreme events. . . The commission shall allocate moneys to develop a new statewide program that provides incentives to reduce customer net load during extreme events with upfront capacity commitments and for per-unit reductions in net load."

Most notably, later in the 2022 session, the legislature modified the language of the DSGS program via AB 209, to specify that: "[e]ligible recipients may include all energy customers in the state, except those enrolled in demand response or emergency load reduction programs offered by entities under the jurisdiction of the Public Utilities Commission (CPUC)." Although the language allows for the addition of other "participation requirements or limitations," there is no ambiguity in the statutory intent of expanding eligibility to all residential customers that are not *presently* enrolled in existing utility programs overseen by the CPUC. At the workshop, CEC staff noted that the legislation requires that they "consult" with the CPUC and implied that the CPUC is asking for additional limitations that would block a large portion of California residents in IOU territories from participating in DSGS. Such a limitation would directly undermine the purpose of AB 209, which expanded eligibility to IOU customers who could potential enroll in programs in the future, but who are not currently enrolled.

The CEC has not clarified whether or how this direction from the Legislature will be met through the DSGS program. The DSGS workshop slides outline "expansion to certain IOU customers" and specify "demand response incremental to CPUC programs" as part of this expansion. The CEC should clarify that any customer that is not enrolled in another IOU, POU or CCA demand response or emergency load reduction program will be eligible.

DEBA:
In creating the DEBA program, the Legislature specified that its purpose is to:

> "incentivize the construction of cleaner and more efficient distributed energy assets that would serve as on-call emergency supply or load reduction for the state's electrical grid during extreme events."

It went on to clarify that CEC could provide funding for:

> "Efficiency upgrades, maintenance, and capacity additions to existing power generators, consistent with subdivision (e)"; or "(2) Deployment of new zero- or low-emission technologies, including, but not limited to, fuel cells or energy storage, at existing or new facilities."

We interpret this description of DEBA to indicate a focus on distribution-side assets, interconnected on the distribution grid and likely therefore owned by a utility commercial or

residential customer, and that these assets can be either low-emission or zero-emission. These assets could either be load-modifying assets or assets, like energy storage or generators, that are capable of exporting power.

During the January 27th workshop, the CEC presented a DEBA framework with a stated goal of accommodating a variety of projects. Generac commends this resource-flexible approach and looks forward to clarification on the eligibility of resources such as water heaters. However, the CEC has proposed a DEBA framework that would exclude supporting storage for residential customers that are eligible for other incentives such as the Self-Generation Incentive Program (SGIP). Generac urges the CEC to change this to only exclude storage resources for residential customers that have already received other state incentives such as SGIP. Further, Generac echoes comments shared by stakeholders during the workshop about how limited SGIP funding currently is and will continue to be, based on the Governor's proposed budget.[1] Barring customers that are simply eligible for funding will dramatically reduce the potential system reliability benefits and equitable customer-level benefits of residential energy storage.

b. The CEC should design DSGS to capture the immense potential for reliability benefits in the residential DER market, especially in smart thermostats and water heater controls

There is immense potential in the residential customer segment that is not currently enrolled in demand response or emergency load reduction programs to support California's grid when most needed. In response to the extreme grid conditions in the summer of 2020, the California Public Utilities Commission (CPUC) directed the three electric Investor-Owned Utilities (IOUs or Joint IOUs) to create a program designed to access incremental load reductions during periods of grid stress. This Decision resulted in the development of the Emergency Load Reduction Program (ELRP), of which there are different sub-programs targeting different customer segments and controllable loads.[2] ELRP is itself still officially a pilot program implemented statewide for various customer segments and end-use interventions. Each IOU was instructed to automatically enroll residential customers on either the California Alternative Rates for Energy (CARE) or the Family Electric Rate Assistance (FERA) rates within their territory. Each IOU was also instructed to default additional groups of customers into the program. Customers not in these segments *may opt-in to the program.* A recent report on the ELRP residential programs finds that there are roughly 4 million IOU-enrolled customers across California.[3] Depending on territory, these customers provided an average of 200 - 500 MW of grid relief across event days in the 2022 summer heatwave.[4]

[1] See Governor's Budget Summary on Climate Change – 2023-24, *available at* https://ebudget.ca.gov/2023-24/pdf/BudgetSummary/ClimateChange.pdf
[2] Demand-Side Analytics, ELRP Evaluation, *available at* https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/demand-response/emergency-load-reduction-program/statewide_a6_elrp_baseline_evaluation_report_01172023.pdf
[3] https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/demand-response/emergency-load-reduction-program/statewide_a6_elrp_baseline_evaluation_report_01172023.pdf
[4] Notably, this report found that ELRP customers in SDG&E territory actually added an average of 30 MW of demand during the events.

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Here, we echo and support CEDMC and CALSSA's points that DSGS can be additive rather than subtractive to existing demand response and emergency load reduction programs such as ELRP. DSGS be a customer-friendly, accessible option for customers to engage and contribute to reliability. Smart thermostat manufacturers and IOUs can identify which devices are enrolled in utility demand response programs, and IOUs have access to Emergency Load Reduction Program (ELRP) participant data. Although non-IOU third parties have no visibility into the customers enrolled in ELRP A6 (Residential ELRP) because it is a behavioral measure (requiring customers to manually respond by adjusting their own thermostat), these customers should nevertheless be allowed to participate in the DSGS Program. As demonstrated by Figure 1 (below), load impact results provided by automated demand response strategies are substantially greater than relying on a behavioral response alone.

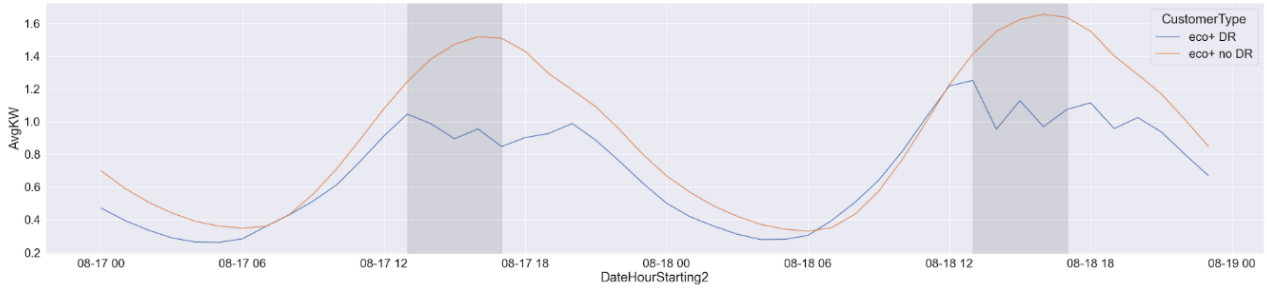

Fig. 1: ecobee customer HVAC runtime on August 17 & 18, 2020

Smart thermostats that are not otherwise enrolled in a utility demand response program can deliver predictable and reliable load shed. The detailed telemetry data available from the devices offers transparency and visibility into actual impacts and results. As indicated in the figure above showing runtime data from a 2020 California grid emergency, ecobee devices enrolled in a utility DR program delivered substantially more load reduction than those that relied on a behavioral response to a Flex Alert.

The DSGS workshop slides show that the initial launch of the DSGS program in summer 2022 resulted in the enrollment of 315 MW during the September 2022 heatwave, consisting mostly of back-up generator capacity. Of the 315 MW, the presentation shows that DSGS resulted in just over 50 MW of distributed resource dispatch during summer 2022 event days.

These results represent a fraction of the potential reliability impact of customer-sited DERs, including smart thermostats and electric water heater controls in the DSGS and DEBA programs. These are resources that already have high levels of customer-acceptance and rapidly increasing adoption rates across the state and should be prioritized accordingly as clean, cost-effective reliability solutions.

Generac estimates that there are tens of thousands of underutilized ecobee thermostats alone across California that are capable of providing **50 MW** of capacity. This would be equivalent to *all of the DER capacity dispatched by DSGS in 2022 and would be a 10-25% increase over existing ELRP.* Limiting the availability of this solution to only POU customers would significantly

limit the potential impact, delivering only **4 MW**. To the extent other vendors can offer similar solutions, the impacts could be far greater: market data shows that as of 2022, approximately 14% of residential households in the United States had a smart thermostat, which could translate to over **1.5 million smart thermostats in California.** With an average load reduction of 0.75-1 kW, such automated devices might provide over **1000 MW** of reliability during an emergency.

The potential of electric water heaters and electric heat-pump water heaters as thermal storage has long been discussed as a tremendous opportunity to help support reliability through load shifting, integrate renewables into the grid, and reduce customer energy costs. However, no effective large-scale programs currently exist in California. As discussed in our proposal filed on February 10th, if adequately incentivized by the DEBA and DSGS programs,[5] Generac estimates that there could be **45 MW** of residential peak load reduction capacity available within three years of a smart water heater controls program launch.

c. <u>The CEC can leverage and build upon current data visibility frameworks to avoid dual enrollment and alleviate concerns regarding dual enrollment</u>

While we recognize the concerns of the CEC in creating programs that do not result in duplication with other programs or paying customers twice for the same capacity, we believe that this can be avoided effectively by leveraging current visibility into customer programs and increasing overall transparency. Generac's relevant software platforms (e.g., Concerto) are designed to provide telemetry, monitoring, and dispatch functions that allow resources to be deployed in a stand-alone capacity. These functions can be overseen and operated by an agent of the CEC, directly by

Generac, or as a fully integrated extension of extant utility distribution network management systems (e.g., EMS, ADMS, etc.).

Specifically, ecobee's DSGS offering can provide fast, granular, device-level data. To mitigate any concerns regarding thermostat dual enrollment with existing utility DR programs, ecobee's Energy Control Platform dispatches events and does not allow the same device to enroll concurrently in a utility demand response program and a DSGS grid resiliency program. This is described in more detail in our February 11th "Proposal", filed in this docket. ecobee can and does share detailed telemetry data with its partner utilities to show the impact of the automated responses generated by enrolled devices. Meanwhile, the utilities maintain enrollment data on the utility-run ELRP residential behavioral program—but this data is not shared. Current ELRP guidelines require utilities to unenroll these customers when they enroll in demand response programs.[6] Other smart thermostat manufacturers can similarly guarantee against utility DR/DSGS dual enrollment.

[5] See Generac – DEBA DSGS Program Design Proposal, submitted February 7, 2023, available at https://efiling.energy.ca.gov/GetDocument.aspx?tn=248681&DocumentContentId=83189
[6] See eligibility guidelines for ELRP, available at https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/summer-reliability/copy-of-proposed-decision-in-r2011003-attachment-2-with-track-changes.pdf

Generac would like to highlight Sunrun and Leap's January 26 DER Program Design Proposal, filed in this docket, which contains other simple and effective solutions to prevent dual participation.

While the data sharing and visibility processes may not yet be built out for the DSGS program, it is entirely possible to prevent dual enrollment. As the CEC expressed in the workshop, these programs are intended to be "sandboxes" to test out program structures and eligibility requirements that result in tangible reliability outcomes. Therefore, the CEC should follow program approaches that prioritize reliability outcomes and treat this upcoming summer as an opportunity to contribute meaningfully to reliability and improve data visibility processes rather than require every process to be entirely proven before it is piloted.

2. **Generac urges the CEC to design accessible, customer-friendly, equity-focused programs that provide cost-effective but impactful incentives to improve reliability as soon as possible.**

Along with the expansion of eligibility, Generac urges the CEC to expand the reach of the DSGS program by addressing existing barriers to demand response and emergency load reduction programs. It is well-known that even seemingly straightforward requirements, such as requiring a customer to provide a utility account number, often prove to be burdensome for the enrollee, and these deter significant majorities of customers, except those who are auto-enrolled. For instance, ecobee found that requiring customers to input *any* personal information that they don't have memorized, such as the information required in the "Share My Data" process, results in 84% of customers failing to complete enrollment. This obstacle led EnergyHub to enroll just 3% of eligible California customers it targeted for the Demand Response Auction Mechanism.[7]

Further, unnecessarily complex program administration is costly and inefficient for program implementers. The CEC should prioritize designing programs that are easily accessible and understood by customers. The CEC should seek to eliminate the points of friction in the customer enrollment process to maximize the reliability value and cost-effectivness of existing flexible load resources.

a. DSGS should establish non-market integrated pathways for participation

Wholesale market participation for DERs requires burdensome authorization and enrollment processes that currently result in significant customer attrition (these programs have retention rates as low as 3%). Therefore, we recommend that the CEC establish the "DR Capacity Incentive - Non-Market Integrated" option as outlined in the workshop. This would remove a major barrier to entry for new program designs, and thus greatly increase the accessibility of the program while decreasing the administrative complexity. While there may be trade-offs in terms of market participation and market revenues, these will be outweighed by the much larger customer pool that will be available to respond to a grid event in the summer of 2023.

[7] See https://www.energyhub.com/blog/optimizing-demand-response-enrollment/

Performance of program participants can be easily measured without market-integrated programs. The CEC should allow the use of device-level telemetry data to measure performance in DSGS, as is already common industry practice for measuring demand response participation. ecobee, for example, currently provides load shift data to utilities from thermostat "runtime" data, which is used to assess performance. The CEC should also clarify that aggregators and third parties will be allowed to manage enrollment, reporting, and incentive allocation as DSGS providers. These measures would streamline the administration of the program as well as improve and simplify the customer experience while ensuring that the CEC does not pay for non-performance or capacity that did not show up.

b. DEBA incentive levels and structures should center on equity, customer uptake and experience

In response to the CEC's DEBA Questions for Consideration regarding incentive levels and evaluation criteria, we urge the CEC to weight equity highly as a project attribute in evaluation. We also recommend that the CEC integrate equity goals in setting program incentive levels. In Generac's recent proposal to the CEC[8], we outline incentive levels for equity-focused residential battery energy storage. Again, we urge the CEC to adjust the eligibility of DEBA such that only customers that receive SGIP incentives or other state incentives are excluded. It should also be recognized that while the SGIP program and other incentive programs may have significant carveouts for equity, the program has not "solved" inequities in access to energy storage for low-income and underserved customers. The availability of program funding continues to be uneven, and these programs have been slow to scale. Bespoke programs rolled out by utilities and CCAs have led to confusion and increased burden on installers, creating additional barriers – to the detriment of these underserved communities.

These communities continue to face disproportionate impacts and risks. Low-to-moderate income (LMI) communities are often most susceptible to extreme heat and include a high proportion of

"medical baseline" customers for whom power outages can mean life or death. It is essential that the CEC recognize the potential to create a clear program for residential energy storage, focused on increasing equitable outcomes. We urge the CEC to set the incentive level and structure with an approach that centers the customer's experience, especially low-income and disadvantaged customers. This means that the CEC should prioritize leveraging incentive models such as third-party ownership (TPO) that can result in no upfront cost for the customer, bill savings on day-one, and a straightforward customer experience.

In Generac's previous proposal to the CEC, we also outline DEBA incentive levels for residential water heaters and commercial battery energy storage, assuming a mix of DEBA and DSGS incentives. We also assumed that DSGS incentives would be provided over the life of the asset (10-15 years). Adjustments in this assumption, of course, would result in adjustments in DEBA funding recommendations. For residential water heaters, we proposed that DEBA would pay $100-150 for each new unit deployed to cover the cost of enabling hardware as well as deployment costs for the manufacturers/distributors to retrofit each unit upstream. DSGS would

[8] See Generac – DEBA DSGS Program Design Proposal, submitted February 7, 2023, available at https://efiling.energy.ca.gov/GetDocument.aspx?tn=248681&DocumentContentId=83189

then pay $50-80 per kW-yr for aggregated capacity to cover administrative and hardware costs, LTE communications, cloud infrastructure, and customer support. For commercial batteries, we proposed that DEBA would provide $300-$600/kWh for usable installed capacity and $175-$300/kW-yr in capacity payments. DSGS payments would need to be approximately $30-$60/kW-yr to cover incentives to the customer, fuel, and operational costs. Please see the proposal for further detail.

3. **Generac supports the CEC's inclusion of aggregators, aggregation technology, and the prioritization of the capacity that can be leveraged from municipal water agencies.**

While we believe that our proposed program modifications are essential, we also commend the CEC for select elements in their proposals. Firstly, we strongly support the inclusion of aggregators and third-parties as DSGS providers, the inclusion of "load flexibility controls, SCADA systems, and demand-response aggregation software" as DEBA Distributed Resources, and, overall, a more resource-flexible approach in the DEBA program. We encourage the CEC to continue to recognize and leverage the potential role of aggregators and aggregation technology as ways to maximize reliability outcomes and streamline program administration – thus maximizing cost-effectiveness. The CEC should also enable coordination between aggregators and other key stakeholders in order to address some key concerns in program design, such as dual enrollment. Facilitating effective communication between key stakeholders such as utilities and aggregators will allow both parties to leverage current capabilities in regard to data sharing and data-visibility.

At the workshop, the CEC proposed utilizing DSGS and DEBA funding to support increased resiliency by leveraging the capacity of back-up generators at water agencies during grid events. Generac supports the CEC's proposal for commercial and industrial customers and looks forward to further clarification on additional program pathways for water districts. There is significant untapped capacity in water districts, especially smaller water districts, that can leveraged by the DEBA and DSGS program as soon as summer 2023.

Further, as these solutions leverage aggregation technology and advanced monitoring and control software, they are extremely cost-effective. Based on Generac's current estimates and customer base, we believe that even a $10M investment through the DEBA and DSGS programs could make a substantial impact in enabling and enrolling water districts in programs to support the grid. As water districts contributed significantly during the September 2022 grid event, we encourage the CEC to consider our recommendations to create program pathways for the following use cases:

- **Water Agencies with existing generators:** All generators could be retrofitted with a monitoring and control solution that can be leveraged by an aggregator to dispatch the capacity as needed during emergencies. These upgrades could be implemented in less than a month. Benefits include:
  a. instantaneous access to the enrolled generation capacity without the requirements of onsite operator interaction
  b. more precise access to the capacity to allow aggregators to turn on / off back-up generation as required by local event needs

c. ability to optimize to reduce emissions during such events

4. **Water Agencies lacking intelligent pumping automation (typically agencies with <25,000 connections):** All water and wastewater agencies should have basic automation capabilities that would allow the intelligent timing shift of pumping requirements away from on-peak periods or away from peak emergency periods. This was demonstrated by DWR's actions during the September 2022 heatwave event which made 150MW available during peak periods. Benefits from expanding automation using program funds include:
   a) unlocking significant peak period capacity via simple, real-time automation (especially impactful in small / mid-size utilities that typically have limited investment in connectivity / automation), and
   b) energy efficiency benefits that will extend beyond emergency events to allow water agencies to intelligently control pumping times outside of peak periods

- **Water Agencies without back-up generation (or undersized back-up capacity):** Similar to SB 552, which requires all small water suppliers (<3k connections) to have adequate back-up power capacity, all water agencies should be required to invest in back-up generation capabilities for their critical plants / stations. This incremental back-up generation capacity could be intelligently designed to include clean energy storage solutions alongside right-sized combustion engine generators. All additional generation capacity should be required to come with intelligent, cloud-based controls to allow for ease of integration. Benefits include:
  a. increased resiliency for all critical water agencies
  b. When packaged with a battery storage system, the combustion engine generator size can be reduced to further limit carbon emissions (vs. a generator only).

Targeting these 3 areas for expanded eligibility and use of DSGS and DEBA funding (for upgrades) will provide one of the most significant pools of immediate capacity for emergency events while also providing much needed increased resiliency for water agencies and their critical infrastructure.

Conclusion

Generac greatly appreciates the thoughtfulness and time that the CEC staff has put into developing the initial DSGS and DEBA program designs, recognizing the competing need to develop programs quickly and effectively to support the grid in the upcoming summer months.

Generac agrees with other stakeholders who have filed comments in this docket, such as Advanced Energy United, CEDMC, CalSSA, LEAP/ Sunrun and OhmConnect, regarding the vast potential from residential customers. Therefore, we collectively urge the CEC to expand program eligibility for customers and use cases to meet legislative intent and to tap into the vast potential of customer-side generation and load modifications, especially in the residential market.

While we understand the CEC's concerns regarding DEBA and DSGS program design, we urge the CEC to recognize the clear legislative intent of the programs, tap into the immense potential

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for reliability impact in the residential market, and pursue practical solutions for concerns such as dual enrollment. In particular, we expect great potential in residential smart thermostats, water heaters, and full-home DER solutions that include energy storage.

Generac urges the CEC to design accessible, customer-friendly, equity-focused programs that provide cost-effective but impactful incentives to improve reliability as soon as possible. It is essential that the CEC recognize and address previous barriers to participation in demand response and emergency load reduction programs. By creating non-market integrated pathways for DSGS and by leveraging the role of third-parties, the CEC can remove significant barriers to participation and greatly simplify the program implementation. Further, the CEC should prioritize equitable outcomes for customers in setting incentive levels.

We commend the CEC for including aggregators and aggregation technology in DEBA and DSGS, but we encourage the CEC to further leverage the role of aggregators and third-parties to pursue cost-effective program pathways. However, we do not think that only CAISO market integrated programs should be included in DSGS, as there are major barriers to entry for market integration that would greatly reduce the potential capacity provided through the program.

Finally, Generac supports the CEC's focus on municipal water agencies we offer concrete recommendations for program pathways that will enable more meaningful and near-term reliability benefits from water agencies.

Sincerely,

Anne E. Hoskins

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