

DOCKETED	
Docket Number:	22-RENEW-01
Project Title:	Reliability Reserve Incentive Programs
TN #:	250111
Document Title:	Southern California Public Power Authority Comments - on the Draft DSGS Guidelines, Second Edition
Description:	N/A
Filer:	System
Organization:	Southern California Public Power Authority
Submitter Role:	Public Agency
Submission Date:	5/11/2023 3:40:52 PM
Docketed Date:	5/11/2023

*Comment Received From: Southern California Public Power Authority
Submitted On: 5/11/2023
Docket Number: 22-RENEW-01*

SCPPA Comments on the Draft DSGS Guidelines, Second Edition

Additional submitted attachment is included below.



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May 11, 2023 | Submitted electronically

California Energy Commission
Docket No. 22-RENEW-01
715 P Street
Sacramento, CA 95814

RE: April 26th Staff Workshop on the Demand Side Grid Support Program and Proposed Draft Program Guidelines

The Southern California Public Power Authority¹ (“SCPPA”) appreciates the opportunity to provide feedback on Demand Side Grid Support (DSGS) Program Guidelines, Second Edition² (Draft Guidelines), and the April 26, 2023, Staff Workshop on the DSGS Program (Workshop)³. SCPPA supports the efforts of the California Energy Commission (“CEC”) to offer incentives to electric customers during extreme events and reduce the risk of blackouts.

SCPPA appreciates the opportunity to collaborate with CEC staff on potential modifications to the DSGS guidelines and offers the following comments and recommendations for the CEC to consider:

- **Carefully consider the relationship between the DSGS program and other reliability initiatives, including resource adequacy (RA).**

The reliability landscape is complex and multi-faceted, but every agency, utility, and program share the goal of a safe, reliable electric grid. As a program that incentivizes customers to reduce net load during extreme events, DSGS should complement existing programs while carefully navigating the potential for unintended consequences. This is most critical in relation to resource adequacy (RA), which is the primary tool of the state’s reliability strategy, and DSGS should not compete with RA for resources.

Incentive options 2 and 3 must be tailored to avoid diverting resources from long-term reliability programs as this would be antithetical to the goal of incentivizing incremental net load reductions that would not have occurred in the absence of the DSGS Program.

¹ SCPPA is a joint powers authority whose members include the cities of Anaheim, Azusa, Banning, Burbank, Cerritos, Colton, Glendale, Los Angeles, Pasadena, Riverside, and Vernon, and the Imperial Irrigation District. Each Member owns and operates a publicly-owned electric utility (POU) governed by a board of local officials. Our Members collectively serve nearly five million people throughout Southern California. Together they deliver electricity to over two million customers throughout Southern California, spanning an area of 7,000 square miles.

² Emery, Ashley and Erik Lyon, April 2023. *Demand Side Grid Support Program: Proposed Draft Guidelines Second Edition*, California Energy Commission. Publication Number: CEC-300-2023-003-D.

³ Energy Commission Docket #22-RENEW-01, Document #249832, <https://efiling.energy.ca.gov/GetDocument.aspx?tn=249832&DocumentContentId=84492>

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- **SCPPA supports the eligibility language in the Draft Guidelines requiring aggregators to receive written consent from the host POU.**

The Draft Guidelines establish that an aggregator must receive written permission from a POU in order to serve as a DSGS provider for the POU's customers. SCPPA supports this requirement, as it is key to ensuring:

- The host utility's visibility into the location and quantity of load reduction capacity,
- Reliable and controlled management of dispatch of resources on the POU's own system and across balancing authority areas,
- Accurate planning for net load reductions, which is important for reliability, and
- No overlap between potential aggregator customers and customers already enrolled in a POU demand response program.

Thus, the proposed requirement for written permission prior to enrollment is necessary. Any effort to standardize this requirement must protect the ability of individual POU's to enforce their specific operational and informational needs.

- **Continue discussion with POU's and non-CAISO utilities to ensure an inclusive approach.**

The Draft Guidelines, particularly incentive options 2 and 3, are heavily weighted toward CAISO utilities and, to a lesser extent, CPUC-jurisdictional entities. For example, a behind-the-meter storage resource must have a Rule 21 interconnection agreement to participate in incentive option 3. However, POU customers are not included in Rule 21 and are instead subject to their POU's interconnection agreements and requirements. Thus, SCPPA suggests that the DSGS Guidelines include "POU interconnection agreements or requirements" as an alternative to a Rule 21 permit. Additionally, it is unclear how incentive options 2 and 3 will work for non-CAISO POU's. SCPPA understands it is the intent of the CEC to allow POU's outside CAISO to develop alternatives suitable for the individual POU and their host balancing authority. SCPPA supports this approach and looks forward to working with CEC staff to develop these alternatives.

Thank you for the opportunity to provide feedback on the DSGS program. The changes established in the Draft Guidelines improve the ability of the DSGS program to serve as an important tool to maintain grid reliability throughout the state during extreme events. SCPPA looks forward to continuing to collaborate with the CEC and other stakeholders as the DSGS program is further developed and refined.

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