

DOCKETED

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**Comments on Modified Draft Demand Side Grid Support Program
Guidelines, Second Edition**

Additional submitted attachment is included below.

**BEFORE THE STATE OF CALIFORNIA ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION**

In the matter of:)	Docket No. 22-RENEW-01
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)	
<i>Reliability Reserve Incentive</i>)	LADWP Comments Re:
<i>Programs</i>)	Modified Draft Demand
)	Side Grid Support
)	Program Guidelines,
)	Second Edition
)	

**COMMENTS FROM THE LOS ANGELES DEPARTMENT OF WATER AND POWER TO THE
CALIFORNIA ENERGY COMMISSION ON THE MODIFIED DRAFT DEMAND SIDE GRID
SUPPORT PROGRAM GUIDELINES, SECOND EDITION**

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INTRODUCTION

The Los Angeles Department of Water and Power (LADWP) appreciates the opportunity to provide these additional comments to the California Energy Commission (Commission) regarding the modified draft *Demand Side Grid Support (DSGS) Guidelines, Second Edition*.

The City of Los Angeles (City of LA) is a municipal corporation and charter city organized under the provisions set forth in the California Constitution. LADWP is a proprietary department of the City of LA, pursuant to the Los Angeles City Charter, whose governing structure includes a Mayor, a fifteen-member City Council, and a five-member Board of Water and Power Commissioners (Board). LADWP is the third largest electric utility in the state, one of five California Balancing Authorities (BAs), and the nation’s largest municipal utility, serving a population of over four million people within a 478 square mile service territory that covers the City of LA and portions of the Owens Valley. LADWP exists to support the growth and vitality of the City of LA, its residents, businesses and the communities we serve, providing safe, reliable and cost-effective water and power in a customer-focused and environmentally responsible manner.

As LADWP works toward 100% clean energy for Los Angeles, LADWP has launched several distributed energy resource and demand response programs to achieve our renewable energy goals. While LADWP continues to meet and exceed renewable energy requirements and goals, it has also been a reliable partner to the State and neighboring utilities by being in a position to export energy to the grid during critical periods. LADWP remains committed to clean energy while continuing to provide bulk grid support during State emergencies.

SPECIFIC COMMENTS

LADWP appreciates the efforts of Commission staff to address comments previously submitted. LADWP believes the June 30, 2023, version of the revised *(DSGS) Guidelines, Second Edition* generally improves the April 20, 2023, version; and, provides these additional comments to address outstanding concerns and questions.

1. LADWP Requests that the Commission Revise Chapter 2, Section A (1)(c)(i) to Maintain Regulatory and Logistical Certainty in the DSGS Enrollment Process

With respect to the changes to Chapter 2, Section A (1)(c)(i), the Commission's proposed modifications have introduced greater regulatory uncertainty while lacking clear benefits or rationale for the change. The previous draft of this section stated that, before enrolling customers, aggregators need to obtain written "permission" from the local publicly owned electric utility (POU). LADWP believes retaining the original term "permission" highlights the logistical intent of this step in the overall process – replacing "permission" with "statement" fails to capture the POU's role. LADWP recommends that aggregators be required to obtain written permission from the POU. To the extent the Commission would like the POU to include specific information in the written permission statement, that language may be added within the guidelines. LADWP's proposed change is displayed below.

*"Before enrolling customers in the service territory of a local publicly owned electric utility (POU), aggregators of customers must obtain ~~a~~ written **permission statement** from each applicable POU that the POU:..."*

With respect to the second bullet point under Chapter 2, Section A (1)(c)(i), the "statement" of non-objection now seems to create an obligation on the POU to provide "necessary" data to the aggregator without specifying the type of data or the conditions under which the data would be provided. LADWP recommends adding "as determined by the POU" to the end of the sentence. The revised second bullet point would then read:

*"...Will provide the aggregator the data necessary for the aggregator to administer the DSGS Program **as determined by the POU**".*

As an alternative, the Guidelines could be revised to clarify this data sharing provision and recirculated for public comment.

Additionally, it is unclear why a statement of permission to an aggregator would discuss the understanding between the POU and the Commission with respect to reimbursement costs described in Chapter 6, Section B. Without further clarification, LADWP suggests that the third bullet be eliminated. Finally, to the extent specific items are required in the permission statements, LADWP recommends that the Guidelines expressly provide for the inclusion of additional conditions set by the POU, such as the POU's right to revoke permission.

2. LADWP Supports the Commission’s Approach in Chapter 2, Section B, Allowing non-CAISO BAs the Flexibility to Develop Alternative Requirements and Criteria

LADWP supports the Commission’s inclusion of the provision in Chapter 2, Section B providing that “POUs outside the California ISO may develop alternative dispatch requirements and associated performance measurement criteria, to those described in Chapters 3-5 if the requirements are suitable to the operations of the applicable balancing authority and contribute to reliability within the balancing authority area.” Local POUs and BAs must be able to retain authority over local grid operations.

3. LADWP Recommends Modifying Chapter 2, Section B, paragraph 4 to Ensure Host-BAs are Consulted when Non-California ISO DSGS Providers are Submitting Applications

In Chapter 2, Section B, paragraph 4, where it states that “Non-California ISO DSGS providers must submit a description of the proposed incentive structure, dispatch requirements, and performance measurement criteria to the CEC for approval with their application package described in Chapter 2, Section C.1.b.”, LADWP recommends that these descriptions **only** be submitted in consultation with the host POU or BA.

4. LADWP Recommends Modifying Chapter 3, Section C to Consider Including Host-BAs in All Coordination

In Chapter 3, Section C, LADWP recommends adding, “and the host balancing authority” to the first sentence of the last paragraph such that it reads:

*“...or for direct participants, at the discretion of the CEC in coordination with the balancing authority issuing the EEA **and the host balancing authority.**”*

This modification is to ensure that the customer’s host BA is involved in any coordination among the Commission and the BA issuing the EEA, if multiple BAs are impacted.

5. LADWP Supports the Commission’s Proposed Changes to Chapter 6, Section B Allowing Reimbursements to POUs, but Seeks Clarification on the Administrative Cost Limit

Lastly, LADWP supports the proposed changes in Chapter 6, Section B, that provide for reimbursement of POUs’ incremental DSGS costs. However, LADWP seeks clarification regarding the \$250,000 administrative cost limit for POUs that are not DSGS providers. It is unclear whether this limit pertains to each DSGS Program Option or the entire DSGS Program as a whole (e.g. the POU only offers Option 3, but not Options 1 and 2).

CONCLUSION

LADWP is grateful for the opportunity to participate in the rulemaking process and looks forward to continue working with the Commission to help shape appropriate and effective regulations that will benefit the health, safety, and security of all California residents. If you have any questions, please contact me at (213) 367-4631, or Mr. Scott Hirashima at (213) 367-0852.

Dated: 7/10/2023

Respectfully Submitted,

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