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July 10, 2023

California Energy Commission
Docket Office, MS-4
Re: Docket No. 22-RENEW-01
1516 Ninth Street
Sacramento, CA 95814-5512
docket@energy.ca.gov

Re: Southern California Edison Company's Comments on the California Energy Commission's Demand Side Grid Support (DSGS) Program Guidelines, Second Edition (Underline Strikethrough Version), Docket No. 22-RENEW-01

Dear Commissioners:

SCE hereby submits these comments on the California Energy Commission's Modified Proposed Draft (DSGS) Program Guidelines (Modified Guidelines). SCE appreciates the opportunity to provide comment and the California Energy Commission's consideration of the matters SCE raises. SCE comments on three general areas:

- DSGS rules should be consistent for all types of Load-Serving Entities (LSE)
- Parity in incentive calculations should be maintained between DSGS and ELRP
- Clarification is necessary for certain provisions in the modified guidelines

DSGS Rules Should be Consistent for All Types of LSEs

The Modified Guidelines state that, while DSGS providers must obtain permission from publicly owned utilities (POU) before enrolling customers of the POU into DSGS, a DSGS provider need only notify investor owned utilities (IOUs) and CCAs when enrolling their customers into DSGS.[1] It is unclear what benefit this difference provides and SCE recommends that the same requirement apply to all of these LSEs to protect the competitive neutrality principle and to provide a similar operational and cost requirement. SCE recommends that permission be required from all LSEs for DSGS providers to enroll their customers into DSGS, but its primary concern is that LSEs be treated equally in this regard.

Similarly, the Modified Guidelines provide up to $250,000 per year in reimbursement for DSGS support-related costs incurred by POUs not enrolled as DSGS providers but does not

[1] Modified Guidelines, p. 2.

provide similar reimbursement for costs incurred by IOUs.[2] The same level of reimbursement should be given to all LSEs for costs incurred in supporting DSGS.

Parity in Incentive Calculations Should be Maintained Between DSGS and ELRP

The Modified Guidelines state that the DSGS energy payment will be calculated by summing positive usage at the hourly level, which is different from the calculation used in ELRP, upon which the structure of DSGS is based.[3] The California Public Utilities Commission requires the netting of usage, including negative hourly Incremental Load Reduction (ILR), for an entire event under ELRP.[4] If the ILR for an event is negative, it is set to zero. Because DSGS is substantially based upon the structure of ELRP, the CEC should also net usage for a total event, rather than for each hour. This will provide parity between DSGS and ELRP and will pay incentives for actual load reduction provided for the entire emergency event, rather than using only positive ILR at the hourly level.

Clarification is Necessary for Certain Provisions in the Modified Guidelines

The Modified Guidelines provide a list of items that must be provided to the CEC by DSGS participants enrolled directly with the CEC. One of the items is "Verified incremental load reduction (in kWh) dispatched each hour of each dispatch period during the reporting period." It is unclear how this data should be obtained, what the term "verified" means in this context, and who must perform the verification.[5] SCE recommends some added clarity on this item.

In addition, there is an undefined term, "IAB," in Chapter 3.B of the Modified Guidelines.[6] SCE recommends this term be defined in the final guidelines.

Conclusion

SCE thanks the CEC for consideration of the above comments. Please do not hesitate to contact me at (626) 302-0905 or Dawn.Anaiscourt@sce.com with any questions or concerns you may have. I am available to discuss these matters further at your convenience.

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[2] *Id.,* p. 27.
[3] *Id.,* p. 10.
[4] *See* CPUC Resolution E-5267, pp. 24-27.
[5] Modified Guidelines, p. 30.
[6] *Id.*, p. 10.

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Very truly yours,

/s/

Dawn Anaiscourt