

**DOCKETED**

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| <b>Docket Number:</b>   | 22-RENEW-01   |
| <b>Project Title:</b>   | Reliability Reserve Incentive Programs  |
| <b>TN #:</b>            | 251225  |
| <b>Document Title:</b>  | Resolution Adopting the Demand Side Grid Support Program Guidelines, Second Edition |
| <b>Description:</b>     | Resolution No.: 23-0726-05  |
| <b>Filer:</b>           | Ngoc Tran   |
| <b>Organization:</b>    | California Energy Commission  |
| <b>Submitter Role:</b>  | Commission Staff  |
| <b>Submission Date:</b> | 7/27/2023 4:22:53 PM  |
| <b>Docketed Date:</b>   | 7/27/2023   |

STATE OF CALIFORNIA  
STATE ENERGY RESOURCES  
CONSERVATION AND DEVELOPMENT COMMISSION

RESOLUTION ADOPTING THE DEMAND SIDE GRID SUPPORT PROGRAM  
GUIDELINES, SECOND EDITION (22-RENEW-01)

**WHEREAS**, Assembly Bill (AB) 205 (Ting, Statutes of 2022, Chapter 61), added, among other statutes, Public Resources Code section 25792, which directs the California Energy Commission (CEC) to implement and administer the Demand Side Grid Support (DSGS) program 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 using moneys appropriated therefor; and

**WHEREAS**, AB 205 appropriated an overall program budget of \$200 million for the DSGS program to provide incentives and to be used for associated mitigation costs; and

**WHEREAS**, Public Resources Code section 25792 and section 18 of AB 205 provide that the CEC shall develop and adopt regulations, guidelines, or other standards for the program in consultation with California balancing authorities and the California Air Resource Board (CARB) and that the Administrative Procedure Act (commencing with Government Code section 11340) does not apply to regulations, guidelines, or other standards for the program adopted at a CEC business meeting; and

**WHEREAS**, the CEC has consulted with, the Public Utilities Commission, California balancing authorities, and CARB in developing these guidelines; and

**WHEREAS**, Public Resources Code section 25792 directs the CEC to "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"; and

**WHEREAS**, section 18 of AB 205 provides that the CEC may "[u]se any type of third party block grant or contract with incentive program implementers for the purposes of implementing the program"; and

**WHEREAS**, section 18 of AB 205 provides that "[c]ontracts, grants, or loans entered into with these funds shall not require the review, consent, or approval of the Department of General Services or any other state department or agency and do not need to comply with requirements under the State Contracting Manual, the Public Contract Code, or the contracting requirements of Article 4 (commencing with Section 19130) of Chapter 5 of Part 2 of Division 5 of Title 2 of the Government Code;" and

**WHEREAS**, section 18 of AB 205 provides that "[t]hese funds shall be available for encumbrance or expenditure by the [CEC] until June 30, 2026, and shall be available for liquidation until June 30, 2030;" and

**WHEREAS**, the CEC, at its August 10, 2022, business meeting adopted the DSGS Program Guidelines, First Edition; and

**WHEREAS**, AB 209 (Ting, Statutes of 2022, Chapter 251) amended Public Resources Code section 25792 to expand DSGS program eligibility to 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;” and

**WHEREAS**, Public Resources Code section 25792, as amended by AB 209, provides that the CEC, in consultation with the Public Utilities Commission, may adopt additional participation requirements or limitations; and

**WHEREAS**, CEC staff conducted a public workshop on January 27, 2023, to solicit stakeholder feedback on the initial implementation of the DSGS Program Guidelines, First Edition; and

**WHEREAS**, CEC staff propose a Second Edition of the DSGS Program Guidelines to expand program eligibility consistent with the requirements of AB 209 and address lessons learned from the initial program implementation; and

**WHEREAS**, the DSGS Program Guidelines, Second Edition, were informed by these requirements and stakeholder feedback and were published in draft form to the DSGS program docket (22-RENEW-01) and emailed to the email subscription list, Demand Side Grid Support, on April 20, 2023; and

**WHEREAS**, CEC staff conducted a public workshop on April 26, 2023, to solicit further stakeholder feedback on the DSGS Program Guidelines, Second Edition, and accepted written comments from April 20, 2023, through May 11, 2023; and

**WHEREAS**, having considered public comments on the initial draft of the DSGS Program Guidelines, Second Edition, on June 30, 2023, CEC staff published a revised draft of the DSGS Program Guidelines, Second Edition, to the DSGS program docket (21-RENEW-01) and to the email subscription list Demand Side Grid Support; and

**WHEREAS**, CEC staff accepted written comments on the revised draft of the DSGS Program Guidelines, Second Edition, from June 30, 2023, through July 10, 2023; and

**WHEREAS**, having considered public comments on the revised draft of the DSGS Program Guidelines, Second Edition, on July 21, 2023, CEC staff published a second revised draft of the DSGS Program Guidelines, Second Edition, to the DSGS program docket (21-RENEW-01) and to the email subscription list Demand Side Grid Support; and

**WHEREAS**, the CEC’s staff has considered the application of the California Environmental Quality Act (CEQA) to the CEC’s adoption of the DSGS Program Guidelines, Second Edition, and concludes that these Guidelines are exempt from CEQA under California Code of Regulations, title 14, sections 15061(b)(3).

**THEREFORE, BE IT RESOLVED**, the CEC has considered the application of the California Environmental Quality Act (CEQA) to the proposed DSGS Program Guidelines, Second Edition, and finds that its adoption is exempt from CEQA requirements pursuant to the “common sense” exemption (CEQA Guidelines, § 15061, subd. (b)(3)) because there is no possibility that the proposed regulations may have a significant effect on the environment, and nothing in the record suggests otherwise; and

**FURTHER BE IT RESOLVED**, that, after considering all comments received, and based on the entire record of this proceeding, the CEC hereby adopts the DSGS Program Guidelines, Second Edition, as published on July 21, 2023, and incorporating any changes presented and adopted today along with any non-substantive changes such as correction of typographical errors. We take this action under the authority of sections 25213 and 25218(e) of the Public Resources Code and Section 18 of AB 205; and

**FURTHER BE IT RESOLVED**, that the CEC delegates the authority and directs CEC staff to take, on behalf of the CEC, all actions reasonably necessary to implement the DSGS program as specified in the DSGS Program Guidelines, Second Edition, including entering into contracts for the disbursement of money in accordance with the Guidelines and verifying compliance with program and contract requirements and, if necessary, making grammatical or other non-substantive changes to the DSGS Program Guidelines, Second Edition.

### **CERTIFICATION**

The undersigned Secretariat to the CEC does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the CEC held on July 26, 2023.

AYE: McAllister, Monahan, Gallardo

NAY: NONE

ABSENT: Hochschild, Gunda

ABSTAIN: NONE

Dated: July 27, 2023

**SIGNED BY:**

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Kristine Banaag  
Secretariat