

DOCKETED

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VGIC's Comments on Proposed DEBA Program Guidelines

Additional submitted attachment is included below.

August 31, 2023

Email to: doCKET@energy.ca.gov

Docket Number: 22-RENEW-01

Subject: California Energy Commission Proposed Draft Distributed Electricity Backup Assets Program Guidelines

Re: Comments of the Vehicle Grid Integration Council on the Proposed Draft Distributed Electricity Backup Assets Program Guidelines

Dear Sir or Madam:

The Vehicle Grid Integration Council (“VGIC”) appreciates the opportunity to comment on the California Energy Commission’s (“CEC”) Proposed Draft Distributed Electricity Backup Assets (“DEBA”) Program Guidelines. VGIC commends the CEC for its efforts to bolster grid reliability in the face of increased risk of extreme weather events.

I. INTRODUCTION AND SUMMARY.

The Vehicle Grid Integration Council is a 501(c)(6) membership-based trade association representing 40 companies focused on accelerating the role of smart electric vehicle (“EV”) charging and discharging through policy development, education, outreach, and research. VGIC supports the transition to a decarbonized transportation and electric sector by ensuring the value from EV deployments and flexible EV charging and discharging is recognized and compensated in support of a more reliable, affordable, and efficient electric grid.

VGIC strongly believes that the DEBA program is needed to deploy equipment capable of unlocking real-world load reductions and exports that will meaningfully support the grid during emergency conditions. To accomplish these goals, the program must fill key gaps in policy and funding support. With this in mind, VGIC offers the below overarching recommendations to the CEC:

- DEBA program should transition toward a standard incentive program offering rather than using a Grant Funding Opportunity (“GFO”) approach to project selection and fund distribution.
- DEBA eligibility should explicitly list all bidirectional EV chargers and associated equipment, unidirectional managed charging solutions, and storage-backed managed charging solutions, rather than using the term “vehicle-to-grid integration.”
- The CEC should clarify that island-only vehicle-to-home (“V2H”) backup power systems are eligible to receive DEBA funding.

II. DEBA PROGRAM SHOULD TRANSITION TOWARD A STANDARD INCENTIVE PROGRAM OFFERING RATHER THAN USING A GRANT FUNDING OPPORTUNITY (“GFO”) APPROACH TO PROJECT SELECTION AND FUND DISTRIBUTION.

VGIC generally supports the proposed DEBA guidelines, as DEBA presents an opportunity to capture the myriad of benefits available through VGI solutions, which in turn will help achieve greater reliability for California’s grid. This being said, one immediate action that should be considered is structuring the DEBA project selection and fund distribution components to enable a wide range of VGI technologies at a low administrative cost for applicants. Specifically, the CEC should offer a transparent, accessible incentive program to support constructing these critical distributed grid resources, rather than conducting Grant Funding Opportunities (“GFO”). GFOs are administratively burdensome for project developers and site hosts and are a risky endeavor due to the uncertainty of a given GFO application being awarded CEC funding. In contrast, an incentive program administered by a third-party, for example CALeVIP or Energiize, would offer a streamlined, accessible funding source for DEBA projects. In February 2023 comments, VGIC and other parties recommended a structure and incentive amount to be used in a DEBA rebate program. VGIC urges the Commission to transition DEBA to a standard incentive program, perhaps administered by a third party, rather than using the administratively burdensome GFO model.

III. DEBA ELIGIBILITY SHOULD EXPLICITLY LIST ALL BIDIRECTIONAL EV CHARGERS AND ASSOCIATED EQUIPMENT, UNIDIRECTIONAL MANAGED CHARGING SOLUTIONS, AND STORAGE-BACKED MANAGED CHARGING SOLUTIONS, RATHER THAN USING THE TERM “VEHICLE-TO-GRID INTEGRATION.”

With the 1.5 million EVs already on California’s roads, the state stands to benefit immensely from the increasing opportunities for EVs and EV chargers to provide load reduction and grid exports. With this in mind, VGIC supports the CEC’s inclusion of VGI as an eligible solution set for DEBA. However, the term “vehicle-to-grid integration”, as used in the CEC staff’s presentation on DEBA eligibility, could be misinterpreted to mean only bidirectional charging equipment that exports power to the grid, which is typically labeled “vehicle-to-grid” or V2G. To avoid confusion and remain consistent with definitions adopted by the CPUC and used in other CEC funding opportunities, VGIC recommends the CEC revise its guidelines, presentations, and any other communications and outreach surrounding DEBA with best practices for VGI solution definitions. Specifically, CEC should refer to “vehicle-grid integration” as a broad umbrella of eligible DEBA solutions that explicitly include: (1) vehicle-to-everything (V2X) bidirectional chargers and

associated equipment, (2) unidirectional managed charging solutions, and (3) storage-backed charging solutions. Moreover, DEBA should support VGI solutions in a non-technology-specific manner, such that chargers of all power levels, charging connectors, communication protocols, and located on either existing or new utility service drops or meters are eligible to receive support. For example, the existing list of available V2X bidirectional charging equipment remains relatively small, so any limitations to technology type or size would significantly constrain the load reduction and grid export solutions ultimately deployed. This remains a major barrier for the growth of the V2X market in particular, and VGIC urges the Commission to support the widest reasonable eligibility rules for bidirectional charging equipment. In sum, defining VGI broadly is consistent with the intent of DEBA, as it would promote an appropriately large set of VGI solutions and ensure that both load reduction and grid exports are enabled to support the grid during extreme reliability events.

IV. THE CEC SHOULD CLARIFY THAT ISLAND-ONLY VEHICLE-TO-HOME (“V2H”) BACKUP POWER SYSTEMS ARE ELIGIBLE TO RECEIVE DEBA FUNDING.

VGIC reiterates its support for the CEC including VGI resources in its proposed DEBA eligibility guidelines, which it believes will be crucial to supporting the grid during extreme events. However, in addition to our recommendation in Section II above, VGIC also recommends the CEC explicitly clarify that island-only vehicle-to-home (“V2H”) backup power solutions be included on the list of technologies eligible for the DEBA program, if not already included. These solutions may not be certified or configured to export to the grid during these events, however, may be able to support the grid by meeting a customer’s load during an extreme event by electrically isolating from the grid using industry-standard transfer switches. VGIC recognizes that this solution may be considered a behind-the-meter, single-customer microgrid and therefore fall under the “microgrid” category for DEBA eligibility. However, we believe it would be valuable for the CEC to explicitly clarify that V2H solutions are eligible for DEBA given the widespread use of that term (rather than “behind the meter microgrid”) within the EV/VGI industry, customer base, and technical experts.

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V. **CONCLUSION.**

VGIC appreciates the opportunity to provide these comments on the workshop and looks forward to collaborating with the CEC and other stakeholders in this docket.

Respectfully submitted,

/s/ Zach Woogen

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