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<b>Project Title:</b>	Reliability Reserve Incentive Programs
<b>TN #:</b>	254091
<b>Document Title:</b>	Presentation - Demand Side Grid Support (DSGS) Program January 23, 2024, Workshop
<b>Description:</b>	The Demand Side Grid Support (DSGS) Program presentation slides for the January 23, 2024 workshop.
<b>Filer:</b>	Guadalupe Corona
<b>Organization:</b>	California Energy Commission
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<b>Submission Date:</b>	1/23/2024 1:12:50 PM
<b>Docketed Date:</b>	1/23/2024



# **DSGS Program Staff Workshop**

Demand Side Grid Support (DSGS) Program



January 23, 2024



# Introduction and Agenda

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- **Program Background and Seasonal Activity**
- **Potential Modifications to DSGS Guidelines**
- **Next steps**
- **Q&A**
- **Public Comment**

**\*Note this workshop is being recorded**



# Reliability Reserve Incentive Programs (AB 205 and AB 209)

	Demand Side Grid Support (DSGS)	Distributed Electricity Backup Assets (DEBA)
Funding	\$314 million	\$545 million
Incentivized Activities	Use of load reduction resources during extreme events	Purchase of cleaner and more efficient distributed energy assets that would serve as on-call emergency supply or load reduction
Eligibility	Statewide	Statewide



# DSGS Program Overview



## Enrollment

- DSGS providers (retail suppliers and aggregators) enroll with CEC
- Customers enroll with DSGS providers (or CEC in limited circumstances)
- DSGS providers report participation to CEC

## Participation

- **Incentive Option 1:** dispatch based on EEAs
- **Incentive Option 2:** market-integrated demand response pilot
- **Incentive Option 3:** market-aware battery storage VPP pilot

## Payment

- DSGS provider pays incentives to customers
- CEC pays DSGS providers incentives and administrative costs



# CEC's Approach to Develop DSGS

## Phased Approach to Accommodate Policy, Market, and Operational Complexity

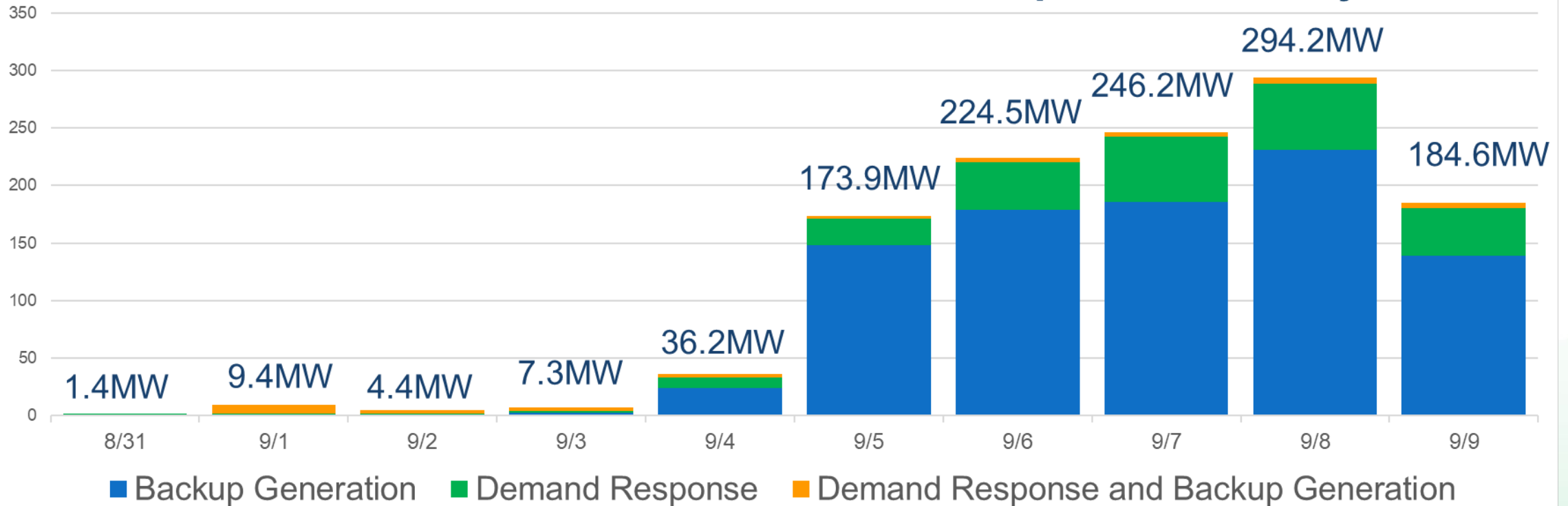
<b>2022</b>	<b>Phase 1:</b> <ul style="list-style-type: none"><li>• Expedited Development and Launch</li></ul>
<b>2023</b>	<b>Phase 2:</b> <ul style="list-style-type: none"><li>• Streamline and simplify participation</li><li>• Test approaches to maximize demand response</li><li>• Prepare for 2023 and beyond<ul style="list-style-type: none"><li>• Explore solutions for operational complexities across multiple utilities, programs, and balancing authority areas</li><li>• Secure a third-party administrator</li><li>• Expand program participation</li></ul></li></ul>
<b>2024</b>	<b>Phase 3:</b> <ul style="list-style-type: none"><li>• Scale</li><li>• Unlock &amp; grow cleaner resources for Strategic Reliability Reserve</li></ul>



# DSGS Summer 2022 Impact

- **Over 44** Individual Entities Participated
- **Over 315 MW** Enrolled
- **Over 3,189 MWh** Dispatch Compensated (\$7.8 million in incentives and eligible administrative costs)

## Total Estimated MW Enrolled to Dispatch Each Day





# Program Changes for Summer 2023

## Bring on Additional Clean Resources

- Dispatch cleaner resources earlier
- Market-integrated demand response incentive pilot
- Market-aware battery storage VPP incentive pilot
- One-time bonus incentive for remote controllable generation

## Expand and Streamline Participation

- Expanded eligibility to certain IOU and CCA customers
  - ✓ Backup generation
  - ✓ Water agencies
  - ✓ Market-integrated DR and market-aware battery storage pilots
- Incorporated aggregators as DSGS providers
- Allowed direct customer enrollment (in limited circumstances)
- Contracted with Olivine, Inc., as third-party administrator





# Summer 2023 Activity

## Option 1 Events:

- July 20, 2023: EEA 1
- July 25, 2023: EEA Watch
- July 26, 2023: EEA Watch

	Option #1	Option #2	Option #3
Incentive Type	Standby and Energy Payment	Incremental Market-Integrated Demand Response Pilot	Market-Aware Battery Storage VPP Pilot
Enrolled Providers	8	3	8
Participants Enrolled	27	TBD	1,296
Capacity Enrolled	132.1 MW	TBD	10.4 MW

\*information as of 1/11/2024



# Goals for 2024 and Beyond

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Based on lessons learned and initial stakeholder feedback, staff is looking to:

- Refine and clarify requirements to improve user experience.
- Continue to find solutions for operational complexities across multiple utilities, programs, and balancing authorities.
- Scale and grow participation from clean resources.



# Potential Modifications to DSGS Program Guidelines



# Clarifying and Refining Program Requirements: Potential Modifications

Topic	Current Guidelines	Potential Modification
Reporting	<ul style="list-style-type: none"><li>No consequences for not submitting participation reports</li></ul>	<ul style="list-style-type: none"><li>Site must be included in a participation report to count in the performance calculations for that reporting period to improve CEC's visibility in enrollment and program impact.</li></ul>
Claims	<ul style="list-style-type: none"><li>No deadline to submit a claim</li><li>Utilities not enrolled as DSGS providers can recover admin costs to facilitate participation of its customers</li></ul>	<ul style="list-style-type: none"><li>Establish claim deadline to improve program visibility into participation and costs.</li><li>Clarify utilities enrolled as DSGS providers can also recover admin costs to facilitate participation in an incentive option not offered by utility.</li></ul>
Option 1 Dispatch	<ul style="list-style-type: none"><li>Participants may respond to EEAs from any balancing authority (in coordination with host POU and balancing authority)</li></ul>	<ul style="list-style-type: none"><li>Participants may only respond to EEAs issued by their host balancing authority.</li></ul>



# Incentive Option 1 Program Events: Energy Emergency Alerts

Potential Modification: Exploring how to limit dispatch of backup generators in certain areas to use only as a last resort.



## EEA Watch

- Standby – combustion resources
- Dispatch – non-combustion resources
- Issued around 3pm day before



## EEA 1

- Standby – combustion resources
- Dispatch – non-combustion resources
- Day of event



## EEA 2

- Dispatch all resources
- Day of event



## EEA 3

- Dispatch all resources
- Day of event



\*Combustion resources may only dispatch if authorized by an executive order



# Option 2: Potential Modification 1

## Accommodating Day-Ahead DR Resources

- **Current Guidelines:**
  - RTM performance assessed on all applicable days, even if no DAM dispatch
  - Results in 0 performance if not scheduled in DAM
- **Potential Modification:**
  - Exclude interval if:  
**DAM LMP < \$600/MWh AND Offer = 0MW**

### Example

<b>DAM Bid Price</b>	\$600/MWh
<b>DAM Clearing Price</b>	<b>\$200/MWh</b>
<b>RTM Self-Schedule</b>	0 MW
<b>RTM Bid</b>	0 MW
<b>Offer</b>	<b>0 MW</b>
<b>Bid-Normalized Load Impact</b>	<del>0 MW</del>



# Option 2: Potential Modification 2

## More Flexible Minimum Dispatch Requirement to Target Hotter Summer Months

### Example:

- **Current Guidelines:**
  - 1+ dispatch (BNLI) per month
- **Potential Modification:**
  - 1+ dispatch per month from July – Sep
  - 1+ dispatch per month average across program season
  - 1+ 3-hour dispatch

	May	June	July	Aug.	Sep.	Oct.
Current	1	1	1	1	1	1
Proposed	0	0	1	2	2	1

At least one 3+ hour dispatch



# Option 3: Potential Modifications



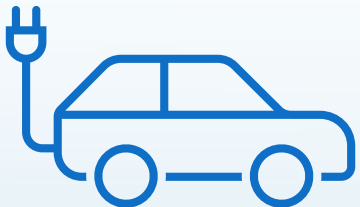
	Current Guidelines	Potential Modification
1	Stationary Storage Only	Include Electric Vehicle-to-Building or Grid (V2X)
2	Aggregator submits all participant contact information	Aggregator submits SAID and/or service address
3	Aggregator responsible for ensuring participant eligibility; CEC to verify eligibility following enrollment/participation	<ul style="list-style-type: none"><li>Participant to acknowledge/agree to prohibition on dual enrollment to the best of their knowledge</li><li>Aggregator to attest to control over each participating battery and no awareness of conflicting programs to the best of their knowledge</li></ul>
4	Event trigger based on DAM LMP only	Event trigger based on DAM LMP <b>or</b> Flex Alert, EEA Watch, or EEAx up to 3p.m. of the event day (Still subject to program hours and VPP duration)
5	Partial-duration events may be used to demonstrate capacity in a month	At least one full-duration event required to demonstrate capacity





# Option 3: V2X Considerations

- Measure discharge only
  - No baseline applied
- Must use bidirectional EVSE for measurement
- No UL 1741-SB requirement for participation
  - Must still follow all applicable conditions of Rule 21
- Power rating for minimum aggregation size determined by maximum EVSE discharge rate





# Next Steps for DSGS

Target Dates (Subject to Change)	Milestone
January 12–January 30, 2024	<ul style="list-style-type: none"><li>• Workshop and Public Comment Period</li></ul>
Late February 2024	<ul style="list-style-type: none"><li>• Release Draft Modified Guidelines</li></ul>
March 2024	<ul style="list-style-type: none"><li>• Workshop and Public Comment Period on Draft Modified Guidelines</li></ul>
Early Q2 2024	<ul style="list-style-type: none"><li>• Staff Consideration of Public Comments</li><li>• Post Final Draft Modified Guidelines</li></ul>
May business meeting (April preferred)	<ul style="list-style-type: none"><li>• CEC Consideration of Modified Guidelines at Business Meeting</li></ul>
Q2 2024	<ul style="list-style-type: none"><li>• Implement Updated Program Guidelines for Summer 2024</li></ul>



# Questions for Consideration

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1. What additional potential program modifications should be considered?
2. What are the barriers to enrollment and participation for both providers and participants?
3. What is a reasonable deadline for submitting incentive claims to ensure timely reporting of performance while providing sufficient time to providers and participants to gather the necessary data?



# **Q&A & Public Comment**





# Q & A



## Zoom

- Use the “raise hand” feature to ask questions



## Telephone

- Dial \*9 to raise your hand
- \*6 to mute/unmute your phone line. You may also use the mute feature on your phone



## When called upon

- Your microphone will be opened
- Unmute your line
- Spell your name and identify your organization, then start your question



# Public Comment



## Zoom

- Use the “raise hand” feature to make verbal comments



## Telephone

- Dial \*9 to raise your hand
- \*6 to mute/unmute your phone line. You may also use the mute feature on your phone



## When called upon

- Your microphone will be opened
- Unmute your line
- Spell your name and identify your organization, then start your comment



# Written Comments

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- Comment Period: Until 5:00 p.m. on Tuesday, January 30, 2024

- Docket 22-RENEW-01

- CEC webpage for comments:

<https://efiling.energy.ca.gov/Ecomment/Ecomment.aspx?docketnumber=22-RENEW-01>



# Thank You!

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**Additional Questions:** [DSGS@energy.ca.gov](mailto:DSGS@energy.ca.gov)

**Public Comment:** Docket No. 22-RENEW-01

**DSGS webpage and listserv enrollment:**  
<https://www.energy.ca.gov/programs-and-topics/programs/demand-side-grid-support-program>