

<b>DOCKETED</b>	
<b>Docket Number:</b>	22-RENEW-01
<b>Project Title:</b>	Reliability Reserve Incentive Programs
<b>TN #:</b>	254993
<b>Document Title:</b>	Demand Side Grid Support Program Staff Workshop Presentation Slides 2024-03-12
<b>Description:</b>	Presentation slides for DSGS Program Staff Workshop held on March 12, 2024. Purpose of Workshop: review proposed modifications to DSGS Program Draft Guidelines.
<b>Filer:</b>	Brian Vollbrecht
<b>Organization:</b>	California Energy Commission
<b>Submitter Role:</b>	Commission Staff
<b>Submission Date:</b>	3/12/2024 2:28:57 PM
<b>Docketed Date:</b>	3/12/2024



# **DSGS Program Staff Workshop**

Demand Side Grid Support (DSGS) Program



March 12, 2024



# Introduction and Agenda

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- **Program Background**
- **Proposed 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	\$495 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

\*Based on January 2024 proposed budget



# Overview of DSGS Program



## 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

- CEC pays DSGS Providers incentives and administrative costs
- DSGS provider pays incentives to customers
- CEC pays DSGS Direct Participants incentives



# DSGS Development Roadmap





# Goals for 2024 and Beyond

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Based on lessons learned and 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.



# **Proposed Modifications to DSGS Program Guidelines**





# DSGS Program Eligibility (Ch. 2.A)

## Clarifying changes to reflect:

- All incentive options are open for on-going enrollment
- Tribal utilities and tribal utility customers are eligible to participate
- Dual participation in critical peak pricing rate plans is allowed
- Dual participation limitation for cogeneration facilities with PPAs does not include if the participant has a PPA for a renewable generator at the same site



# DSGS Enrollment Process (Ch. 2.C)

## DSGS Provider application modifications:

- Separated out specific requirements for Option 2 and Option 3 providers
- Option 2: add California ISO Demand Response Provider (DRP) ID and an attestation that the DRP has currently active proxy demand resources
- Option 3: add description of the applicant's plans to implement quality control on sub-metered charge and discharge data, including minimum standards for data completeness and quality
- Add STD-204 (payee data record) to application documents



# Enrolled Participation Reports – On-going Reporting Due Dates (Ch. 2.D.1.b)

<b>Current Guidelines (2023)</b>	<b>Proposed Modification for 2024</b>
No consequences for not submitting participation reports	<ul style="list-style-type: none"><li>• Site must be on a participation report be able to include in performance calculations</li></ul>
Incentive Option 2 and Option 3 reports due before the first day of each month	<ul style="list-style-type: none"><li>• Due 3 business days before the first day of each month</li><li>• Enrollments effective first calendar day of the following month</li></ul>



# Enrolled Participation Reports (Ch. 2.D.1.c-e)

Incentive Option	Proposed Additional Information
Option 1	<ul style="list-style-type: none"><li>• Whether the backup generation is portable or stationary, rated horsepower, fuel type used, and federal emissions tier</li><li>• Notice time and ramp time required to respond to a DSGS event</li></ul>
Option 2	<ul style="list-style-type: none"><li>• Estimated incremental capacity not shown on any supply plan or other resource adequacy commitment.</li></ul>
Option 3	<ul style="list-style-type: none"><li>• Customer class</li><li>• Nameplate discharge power rating (for electric vehicle supply equipment)</li> <li>• No longer require name and phone number of each participant</li></ul>



# Incentive Option 1: Standby and Energy Payment (Ch. 3)

Current Guidelines (2023)	Proposed Modification for 2024
<ul style="list-style-type: none"> <li>Report backup generator specifications after an event</li> <li>Do not ask about dispatchability of resources</li> </ul>	<p>Add to enrollment information:</p> <ul style="list-style-type: none"> <li>Whether the backup generation is portable or stationary, rated horsepower, fuel type used, and federal emissions tier</li> <li>Notice time and ramp time required to respond to a DSGS event</li> </ul>
<ul style="list-style-type: none"> <li>Participants may respond to EEAs issued by any California balancing authority at the discretion of the DSGS provider or host POU</li> </ul>	<ul style="list-style-type: none"> <li>All participants may respond to CAISO EEA</li> <li>Non-CAISO EEAs: only participants located in the applicable balancing authority may respond</li> </ul>
<ul style="list-style-type: none"> <li>DSGS providers must report standby commitments to the CEC and the applicable balancing authority</li> </ul>	<ul style="list-style-type: none"> <li>No longer require DSGS providers to report standby commitments to the applicable balancing authority</li> </ul>
<ul style="list-style-type: none"> <li>Standby commitment must be reported before an event begins</li> </ul>	<ul style="list-style-type: none"> <li>Allow standby payment if commitment reported within one hour of sudden onset EEA.</li> </ul>



# Incentive Option 2: Measuring Performance (Ch. 4.E)

## 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
- **Proposed Modification:**
  - Exclude interval if:  
**DAM LMP < \$600/MWh** AND  
**Offer = 0MW**

### Example

<b>DAM Bid Price</b>	<b>\$600/MWh</b>
<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>	0 MW



# Incentive Option 2: Minimum Dispatch Requirements (Ch. 4.E.3)

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

### Example:

- **Current Guidelines:**
  - 1+ dispatch (BNLI) per month
- **Proposed 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



# Incentive Option 2: Incremental Market-Integrated Demand Response (Ch. 4.C, D, F)

Current Guidelines (2023)	Proposed Modification for 2024
30% incentive bonus for participation in program years 2023 and 2024	Extend incentive bonus to program year 2025
DR providers may request an interim calculation of demonstrated capacity after 3 months of participation	May request interim calculation after August 31 <sup>st</sup> of each program year
Specify RA availability and bidding rules take precedence over DSGS on days when the must-offer obligation of a resource obligation is subject to the Resource Adequacy Availability Incentive Mechanism	Clarify RA rules always take precedent for the RA capacity
Require Demand Response Energy Measurement by Resource ID and end-use customer	Remove reporting by end-use customer
Seven-day a week availability window	Exclude Sundays





# Incentive Option 2: Availability Requirement Considerations for Public Comment

1. Is weekday and Saturday availability sufficient to ensure reliability?
2. Does the weekday and Saturday requirement reflect availability of DR resources?
3. Would stakeholders be interested in an option with 7-day availability if the incentive was higher than that of the weekday option?
  - If yes: What are the appropriate relative incentive levels?
4. Which DR availability requirements should CEC maintain consistency with?
  - CPUC RA: Weekdays and Saturday
  - IOU Capacity Bidding Program: Weekdays & Saturday
    - Saturday may be 0
  - CAISO RA Availability Incentive Mechanism (RAAIM): Weekdays



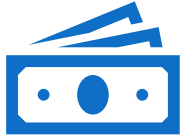
# Incentive Option 3: Eligibility and Enrollment (Ch. 5.A & B)



Current Guidelines (2023)	Proposed Modification for 2024
Stationary Storage Only	<ul style="list-style-type: none"><li>• Include Electric Vehicle-to-Building or Grid (V2X)</li></ul>
Aggregator submits all participant contact information	<ul style="list-style-type: none"><li>• Aggregator submits SAID and/or service address</li></ul>
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><li>• If a participant is identified as participating in a conflicting program it will be suspended from participation until the conflict is resolved</li></ul>
Each site cannot provide more than 1,000 kW during any hour of a program event	<ul style="list-style-type: none"><li>• Clarify battery system may be <u>capable</u> of discharging more than 1,000 kW</li><li>• Will not be compensated from discharge over 1,000 kW during a given event hour</li></ul>



# Incentive Option 3: Incentives, Program Availability, and Event Triggers (Ch. 5.C &D)

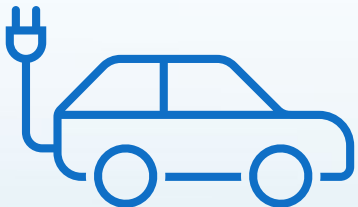


Current Guidelines (2023)	Proposed Modification for 2024
30% incentive bonus for participation in program years 2023 and 2024	Extend incentive bonus to program year 2025
Participation in more than 35 events not required	Clarify participation in more than 35 events may be used to increase demonstrated capacity
Event trigger based on DAM LMP only	Starting in 2025, event trigger based on DAM LMP or EEA Watch/EEAx up to 3 p.m. of the event day (still subject to program hours and VPP duration)
Partial-duration events may be used to demonstrate capacity in a month	At least one full-duration event required to demonstrate capacity



# Incentive Option 3: V2X Considerations (Ch. 5.A & E)

- Measure discharge only
  - No baseline applied
- Must use bidirectional EVSE for measurement
- No UL 1741-SB requirement for participation
  - Must still follow all applicable permission to operate requirements set by the relevant authority
- Power rating for minimum aggregation size determined by maximum EVSE discharge rate





# Incentive Option 3: Aggregation Size Considerations for Public Comment

## Considerations:

- Reduce barriers to participation, especially for new entrants
- Manage administrative burden per aggregation and MW

## Possible Alternative Modifications: Either or both of...

1. Apply minimum nominal capacity to DSGS provider, not aggregation
  - Across durations and territories
2. Reduce minimum size per aggregation
  - What would be an appropriate minimum aggregation size?
  - Should the minimum aggregation size for IOUs, POUs, and CCAs be the same or different?



# Program Incentive Payments (Ch. 6)

Current Guidelines (2023)	Proposed Modifications for 2024
Utilities not enrolled as DSGS providers can recover admin costs to facilitate participation of its customers	<ul style="list-style-type: none"> <li>• Clarify utilities enrolled as DSGS providers can recover admin costs to facilitate participation in an incentive option not offered by utility.</li> <li>• Include federal power marketing administrations</li> <li>• Must attest its not receiving compensation from another source for the costs claimed</li> </ul>
No deadline to submit claims	<ul style="list-style-type: none"> <li>• Incentive Option 3 claims: due by last business day of December</li> <li>• All other claims: due by last business day of February the following calendar year</li> </ul>
Request address in claims for Option 1 participants	<ul style="list-style-type: none"> <li>• Add customer identification number</li> </ul>
Request updated participation report for Option 3 claims	<ul style="list-style-type: none"> <li>• Require only (1) UDC and (2) site address, SAID, or both</li> </ul>
Require direct participants to calculate load reduction in claims	<ul style="list-style-type: none"> <li>• No longer require calculation of load reduction</li> <li>• Add more specificity to the documentation required to calculate load reduction (e.g., interval meter data or authorize data sharing)</li> </ul>



# Next Steps for DSGS

Target Dates (Subject to Change)	Milestone
March 22, 2024	<ul style="list-style-type: none"><li>Public comments due by 5:00 p.m.</li></ul>
Early Q2 2024	<ul style="list-style-type: none"><li>Staff consideration of public comments</li><li>Post final proposed modified guidelines</li></ul>
May 2024	<ul style="list-style-type: none"><li>CEC consideration of modified guidelines at Business Meeting</li></ul>
Spring/Summer 2024	<ul style="list-style-type: none"><li>DSGS Program Guidelines, 3<sup>rd</sup> Edition effective</li><li>Implement updated program guidelines for Summer 2024</li></ul>



# **Q&A & Public Comment**







# Q & A



## Zoom

- Enter question using Q&A box
- 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
- State your name and identify your organization, then start your question



# Public Comment

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# Written Comments

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- **Comment Period:** Until 5:00 p.m. on Friday, March 22, 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 email subscription enrollment:** <https://www.energy.ca.gov/programs-and-topics/programs/demand-side-grid-support-program>