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Comment Received From: Kevin Marquardt
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DEBA DER GFO Draft Solicitation Concept

Additional submitted attachment is included below.

AlphaStruxure

March 15, 2024

California Energy Commission
Docket Unit, MS-4
715 P Street
Sacramento, CA
Via docket submission

Re: Docket No. 22-RENEW-01 – Comments and Questions Regarding the DEBA DER GFO Draft Solicitation Concept

California Energy Commissioners and Staff:

AlphaStruxure is a leading Energy as a Service microgrid provider that designs, builds, owns, operates, and maintains energy infrastructure. AlphaStruxure empowers organizations to achieve ambitious, tailored energy transformations — without the CapEx or complexity – that's why we are working to address energy infrastructure issues at speed and scale. As a steadfast innovator in the new energy landscape, AlphaStruxure's unique joint-venture model combines the financial backing of one of the largest global investment firm's in the world, Carlyle Group, with the 185+ year energy expertise of Schneider Electric. We look forward to working with our clients and the California Energy Commission ("CEC") and its staff to develop a program that enables new large, Distributed Energy Resources ("DER"), including microgrids, to connect to the California electric grid.

AlphaStruxure appreciate the significant attention the CEC and its staff have given to developing the Draft Solicitation Concept on DERs for Reliability for the Distributed Electricity Backup Assets ("DEBA") program. As a developer of innovative, large-scale microgrids, we believe the DERs for the Reliability portion of the DEBA program will enable the construction of new energy resources that will benefit the California electric grid. We recognize the significant amount of time that has gone into creating this program and appreciate the opportunity for us to share our comments and feedback with you. In addition, we ask that the CEC and its staff consider the questions we pose below and incorporate feedback or answers into the official GFO or include a Q&A that can be shared publicly.

Interconnection

From the beginning, the CEC and its staff have worked to quickly bring new large-scale DERs onto the grid under this program. With the timelines laid out in the draft Solicitation Concept, we would appreciate clarity on how projects that are proposed are viewed and ranked by the CEC and its staff. In the draft Solicitation Concept it states that "interconnection studies or approvals

must be completed for the project to begin operations." Depending on the project size, type, location and utility, the approval process for interconnection may vary and may not align with deadlines prescribed for multiphase projects in the draft Solicitation Concept. We ask that the CEC and its staff clarify whether projects must demonstrate they have received approval of interconnection to receive an award or if the project must have documentation and rationale that their project will meet implementation deadlines, including interconnection. We also recommend the CEC and its staff provide some level of flexibility in timelines as interconnection delays can and do occur that are outside the control of project owners and developers.

Load Reduction or Supply

One of the many benefits of constructing a microgrid is the ability to manage multiple distributed energy resources and other energy infrastructure. At our project sites, we can design the microgrid, with the help of our microgrid controller solution, to provide both load reduction and supply to the electric grid within a 4-hour window. There is a single reference in the Evaluation Criteria inside the Draft Solicitation Concept – Distributed Energy Resources for Reliability that addresses whether a project is allowed to do both. It states that a project will be scored based on its ability to "Support grid reliability during net peak load hours through providing load reduction or supply, or both." AlphaStruxure would appreciate confirmation that the CEC and its staff will allow projects to stack load reduction and supply within the same 4-hour window. For example, a project can stack both during a 4-hour timeframe in such a way that it provides 4MW of load reduction and 2MW supply (totaling a 6MW of minimum capacity required of Group 1: Large DER Installations).

Multi-Phase Projects

Within the Draft Solicitation Concept on the Distributed Electricity Backup Assets Program Distributed Energy Resources for Reliability there were specific milestones established for multiphase projects. As proposed by CEC staff, these milestones are listed under "Project Readiness" and are defined as 25% by June 1, 2025, 50% by June 1, 2026, and 100% by June 1, 2027. While ASX appreciates the intent of setting goals for projects to ensure projects progress, we would encourage the CEC and its staff to treat the 50% minimum capacity as a program goal, not a rule.

Microgrids and CHP installations may experience difficulty meeting a 50% by June 1, 2026 threshold even though they may be able to meet the 100% by June 1, 2027 deadline. For example, microgrids rely on multiple types of generation and storage assets, in addition to additional infrastructure to help manage onsite needs. With varying pieces of energy infrastructure with differing production and installation timelines, there could be scenarios where a microgrid developer misses the 50% by June 1, 2026 deadline, but is operating at more than 50% by July 1, 2026. In the case of a CHP facility, those projects tend to have longer production and construction timelines. For projects that are expected to go live in 2027, they likely will not be able to provide 50% of capacity as the facility is still being constructed. It is also possible that the facility may go from no load to full load when it is fully constructed and operational. If the

CEC and its staff are looking for an all-the-above approach to project proposals, then the program should treat microgrids and CHP solutions in a way that recognizes that timelines may not be able to match that 50% threshold.

Conclusion

AlphaStruxure appreciates the opportunity to provide feedback and we look forward to continued engagement with the CEC and staff to expand the deployment of distributed energy resources and microgrids in the state of California. We are encouraged by this program and appreciate all the time and effort that has gone into building this program. Please do not hesitate to contact me at Kevin.Marquardt@AlphaStruxure.com with any questions regarding our solution offerings or these comments.

Sincerely,

/s/ Kevin Marquardt
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