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Generac Power Systems Comments on the DEBA Draft Solicitation Concept and Staff-Led Workshop

Additional submitted attachment is included below.

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March 15, 2024
California Energy Commission
Docket Unit, MS-4
715 P Street
Sacramento, CA
Via docket submission

Re: GENERAC COMMENTS ON DEBA DRAFT SOLICITATION "CONCEPT" AND STAFF-LED WORKSHOP

Dear Vice Chair Gunda and Energy Commission Staff,

Generac Power Systems appreciates your consideration of the following comments. Generac Power Systems (Generac) submits these questions and comments on the Distributed Electricity Backup Assets (DEBA) Draft Solicitation Concept (Concept). Generac extends our appreciation to the Energy Commission (CEC) and Staff for their significant time and effort dedicated to the development of DEBA.

I. Introduction

Generac is a leading resiliency provider with over 60 years of experience manufacturing and deploying solutions for residential and commercial needs alike. With our full product offerings, Generac is leading in creating a cleaner, more resilient grid that is nimble in responding to real-time conditions and resilient in all circumstances. Generac provides batteries, smart thermostats, and software applications that can augment the existing asset base to work better together.

The DEBA program has incredible potential to provide the grid and the Independent System Operator (CAISO) access to distributed energy assets (resources) during times of grid stress, while also providing customers with the improved resiliency that they desire. Distributed energy resources played a key role in preventing blackouts during the intense summer heat event in 2022 and can support a much more resilient grid in the future. We recognize the complexity and ambition of this program, and the intricate challenges of its implementation. We commend the Commission for its thorough approach in addressing them.

Throughout the stakeholder process, we have advocated for a nuanced and inclusive approach to the implementation of the DEBA program[1]. Specifically, our focus has been on ensuring that the program's structure not only facilitates rapid deployment of DERs but also maximizes their grid benefits. We have underscored the importance of adopting a programmatic approach within the Grant Funding Opportunity (GFO) framework, emphasizing that such an approach is critical to overcoming existing deployment barriers and fully leveraging the capabilities of solution providers. Furthermore, we have highlighted the urgency of finalizing the

[1] *See* "Generac Comments on DEBA Guidelines", filed August 31, 2023 in 22-RENEW-01.

DEBA guidelines to enable effective planning and deployment ahead of critical demand periods, particularly Summer 2024. Our engagement has consistently aimed at refining the program to ensure it can deliver on its promise to enhance grid resilience and support California in times of energy stress.[2]

The evolution of the ideas within this Draft Solicitation Concept reflects a careful consideration of diverse perspectives, showcasing the Commission's commitment to inclusive and comprehensive policy development. We applaud the CEC for revising the proposed payment structures to 50% upfront and 50% over five years, up from the initially proposed 25% upfront payment. This adjustment, based on stakeholder feedback, marks a considerable improvement in making projects more financeable. Such responsiveness to stakeholder input underlines the Commission's adaptability and its commitment to the program's success. The opportunity for stakeholders to contribute and the Commission's openness to these contributions are foundational to the success of DEBA and similar initiatives.

AB 205 created DEBA to "incentivize the construction of cleaner and more efficient distributed energy resources that would serve as on-call emergency supply or load reduction for the state's electrical grid during extreme events,"[3] and the Legislature authorized a program budget of $595 million.[4] We are happy to see the Commission set forth a timeline and process to deploy more DEBA funding with the release of this Concept. Given the legislative intent of AB 205—to foster a more resilient and decentralized energy system through the strategic deployment of DERs—we are happy to continue and engage with the CEC and other stakeholders to develop a DEBA program which accomplishes the legislature's policy goals.

These comments on the Solicitation Concept include our requests for clarification, comments, and answers to questions posed by Staff. We aim to address specific aspects of the Concept that impact the efficiency, inclusivity, and effectiveness of Distributed Energy Resource (DER) deployment across California. Through this structured approach, we intend to contribute substantively to the refinement of the DEBA program, ensuring it aligns with legislative intent, meets the state's energy resilience and reliability needs, and maximizes benefits for all Californians. Our engagement in this process reflects our commitment to a collaborative, transparent, and effective policymaking process that leverages DERs for the public good.

II. Questions

A. Eligibility

1. Is eligibility for DEBA funding restricted to customers not currently enrolled in another DER program at the time of application, or does it also exclude customers that have ever been enrolled in such programs? Or specifically Demand Response programs?

[2] *Id.*
[3] *See* Assembly Bill (AB) 205 (Ting, Chapter 61, Statutes of 2022).
[4] California Budget, Fiscal Year 2022-23.

2. Are customers on critical peak pricing schemes eligible for DEBA funding, considering similar allowances were made in the Demand Side Grid Support (DSGS) program?

3. Can you provide clarification on why projects opting for daily dispatch are exempt from the prohibition on dual enrollment, specifically in the context of Section III.B.9.d?

4. In Group 3: Are existing aggregated DER resources that have previously participated in the RA market barred from aggregation in group 3?

5. Are applicants participating in other IOU and POU DR programs eligible for DEBA funding?

6. Please confirm that Federal funds such as DOE grant opportunities can be leveraged as a match for DEBA projects.

B. Regarding Disadvantaged Communities (DAC) 50% enrollment requirement

1. What specific criteria or definition does the CEC plan to use to define Disadvantaged Communities (DACs) for the DEBA program? Will the CEC use CalEnviroScreen? If so, which percentile of CalEnviroScreen communities? Will DEBA consider CARE (or equivalent) enrollment?

2. Does eligibility extend to customers who provide services to DACs (like a public agency / public utility), even if the project itself is not located within a DAC but will provide benefits to those located in DAC?

3. For Group 2: Considering the overlap with the Self-Generation Incentive Program (SGIP), which now has a major focus on low-income customers, how will DEBA address the requirement for a 50% contribution from low-income communities for projects that focus solely on storage? (Assuming Group 2 is not changed to allow load flexibility).

4. Will DEBA be considered for an additional incentive on top of SGIP for low-income customers for Group 2 or 3?

Specific Questions About Program Design

1. Please clarify whether projects under Group 1, 2 or 3 are eligible for Resource Adequacy and the related specific requirements. The introduction says: “Applications for proposed projects selected through this GFO are expected to provide new capacity in the form of supply or load reduction that is incremental to the state’s resource adequacy supplies and existing strategic reliability reserves and improves grid reliability” (p.3) implying that DEBA projects would not become part of the state’s

RA "fleet." Yet, other areas of the Draft Solicitation Concept imply that distributed RA resources are eligible for DEBA.

2. Group 1:

    a) Considering the 100kW minimum capacity requirement per site, how is the DEBA funding going to support residential projects, if at all?

    b) The Concept lists Smart Thermostats as eligible technologies for Group 1: how does this reconcile with the 100kW minimum? The examples of aggregation given at the workshop did not include such an example of aggregating >50 households to meet the minimum size requirement.

    c) Please clarify the role and inclusion of storage and commercial/industrial load flexibility within Group 1.

3. Group 2:

    a) Was it CEC Staff's intention to exclude software costs for Group 2? How are Virtual Power Plants (VPPs) expected to operate efficiently without dedicated software solutions?

    b) What is Staff's rationale for excluding load flexibility technologies from a funding category meant for VPPs?

    c) Can we leverage other on-site devices at a customer's home who has solar + storage to extend or increase VPP performance? Do we have to measure output at the inverter or potentially at the meter?

    d) Group 2 (primarily focused on storage) appears duplicative of the CPUC's SGIP program, particularly for low-income customers. Is the intent to provide a higher level of incentive for low-income customers?

    e) If installations for LMI customers do not need a 50% match, then how does bundling LMI customers with other customers work?

4. Group 3:

    a) If existing assets are now or were previously enrolled in IOU or POU DR programs, how would such dual enrollment affect their eligibility?

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III. Comments

A. The Draft Solicitation Concept does not seem motivated to provide a statewide program option for aggregated residential load flexibility + residential battery storage.

Generac has been participating in the stakeholder process for DSGS and DEBA since the initiation of this proceeding.[5] In each instance we have encouraged the CEC to consider the true total potential of an aggregation of statewide residential DER resources. Providers like Generac have the ability to develop a "turn-key" solution for integrated residential DERs that includes both already installed and new smart thermostats, other smart appliance controls and residential storage, and to operate these resources as a true Virtual Power Plant. However, neither DSGS nor DEBA have been designed to harness the full potential of statewide residential aggregations. Given the clear legislative intent,[6] as well as the large budget, California will miss out on critical distributed capacity that can be brought online very quickly to shore up our grid during times of stress unless the RFO is designed to facilitate DER integration and aggregation.

B. Comments on Funding Allocations in Solicitation Concept—Create Federal Match Set-Aside, and Re-distribute Funding across Groups

Generac applauds the CEC for increasing the proposed payment structures to 50% upfront and 50% over 5 years (vs. 25% upfront, as originally proposed in DEBA's Draft Guidelines[7] last year). This increase compared to last year's Draft Guidelines is appreciated, as it will make projects more financeable in the future. This change is a major improvement and demonstrates the CEC's responsiveness to stakeholder feedback.

Most importantly, Generac recommends setting aside separate funding within DEBA specifically to provide match funding for DOE awarded projects. (*See discussion below on a separate GFO for this purpose).* Federal funding opportunities are well aligned with the goals of AB 209 and overarching decarbonization and stability of the grid. California should be striving to leverage DEBA's California taxpayer funded program into bringing the most federal funding to California as possible. Recently, California has been passed over for large buckets of federal funding. The CEC can play a major role in helping to reverse this trend.

Overall, we echo other stakeholders like Advanced Energy United AEU and CalSSA in finding the Solicitation Concept's maximum award amount per awardee seems far too large.[8] Under current design it appears that the CEC could make five awards *total* under DEBA. It is unlikely that this would be in the public interest, or that it would result in diversity or efficiency of projects under DEBA. While it may make it faster for CEC to make decisions about funding, it would be unlikely to have maximum statewide benefits.

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[5] *See* "Generac - DEBA DSGS Program Design Proposal", filed February 7, 2023 in 22-RENEW-01,
[6] AB 205 (Ting, 2022).
[7] *See* "Proposed Draft DEBA Program Guidelines".
[8] *See* "CALSSA DEBA DER GFO Comments".

AEU and CalSSA have suggested an incentive-based program design for DEBA.[9] Generac suggested in our comments on DEBA last year that DEBA include a "program of programs"[10] and echo that again now. We recommend that a grant-based structure serves a valuable purpose for funding larger projects that are ready to launch, but there should be one funding pathway that is structured with an incentive-type design. As it is now there is some duplication between Group 1 and 2, so Staff could redesign options so that one of them is incentive-based. An incentive-based program would make particular sense for smaller commercial and residential programs where it will be very challenging to identify all customers/ project sites up front.

Importantly, the funding designated for Group 1 appears insufficient when compared to the project requirements and potential impact. If Group 1 is intended for larger C&I projects—the proportions of funding for Group 1 ($20 million) vs Groups 2 and 3 ($95 million each) seems inconsistent with stated goals. We urge you to increase funding for Group 1, as doing so would ensure maximum reliability benefits for the state from these larger projects, as well as funding efficiencies.

Furthermore, the CEC should reconsider and adjust the allocation of funding between Groups 2 and 3. Allocating the funds separately will ensure that projects eligible for both groups can be funded. Any unspent funds can be reallocated as necessary.

One major oversight in the Solicitation Concept is that they do not suggest a bonus payment/consideration for projects in local reliability areas (LCRs). California's grid has many locally-transmission constrained areas, which the CAISO calls LCRs, and where RA resources in general have a much higher monetary value and reliability benefit than what CAISO calls "system" resources.[11] DEBA should provide for a bonus for projects in LCRs, and potentially consider working with CAISO to identify priority LCRs for higher bonus payments.

C. The requirement for a 50% match / funding contribution from DACs may be too ambitious for a statewide program and warrants reevaluation.

Generac encourages CEC Staff to reconsider whether the 50% funding match is reasonable for projects in DACs or for low-moderate income (LMI) customers. Specifically, CEC Staff should consider a match exception for DAC customers under Option 2. In reality, most installations completed under Option 2 will include solar, even if DEBA doesn't pay for solar, because it is very cost-inefficient to not install solar for customers who do not have it already. If DEBA only pays for the storage, low-income installations would be best incented by not requiring a match (as the solar installation would essentially act as the match).

If CEC retains such a substantial focus on customers in DACs, Generac recommends more flexibility to achieve milestones. Recruiting LMI customers to participate in solar and storage aggregations is still a new frontier and developing and launching the right program

[9] *Id.*
[10] Generac Comments on DEBA Guidelines (August 31, 2023).
[11] *See* "Glossary of terms and acronyms," California ISO.

structure and offer to these customers, in a way that includes strong community input, will take more time and introduce additional uncertainty.

Also, the requirement for 50% of installations in a given project and/or application to be in a DAC may also be unachievable given the plethora of existing programs aimed at LMI customers and customers in DACs.[12] It may be very challenging to secure additional capacity amongst these customers for technologies where a program already exists. Examples of such programs include: ELRP auto-enrollment and SGIP, which is now primarily focused on LMI customers.

D. Recommend Modifying the Timeline for GFOs or Creating a new GFO that can launch sooner

As mentioned above, to maximize federal funds leveraged by DEBA: either the envisioned DEBA program timeline should be modified to allow for an earlier application deadline, aligning with the DOE's GRIP grant timelines (GRIP applications are due May 22nd)[13] or CEC should create a separate solicitation that is available specifically for those seeking match funding for DOE GRIP applications as soon as possible. CEC could issue this separate solicitation nearly immediately so that applications could be submitted by May. Please see further comments below on program design in section III(E).

E. Overall Recommendations Regarding Program Design/ Groups

As discussed, it would be in the public interest to leverage federal funds by creating a separate funding category, with a competitive process, that entities who are applying to DOE's GRIP program could apply for to secure match funds. This would need to be on a faster timeline than the other DEBA awards as proposed under this Solicitation Concept.

Recommendations for Group 1: Leveraging Federal Funds, Load Flexibility, and Hybrid Systems

To maximize the impact of allotted funds through DEBA, Generac encourages the CEC to confirm that applications under Group 1 for federal match would be considered. The CEC would also need to accelerate the approval of funds available for federal match funding to ensure applications to DOE are competitive. Given the overlap with DEBA and the goals of the DOE Grid Resilience and Innovation Partnerships program, it's crucial to ensure that there is a clear path to federal cost sharing for projects under Groups 1 and 2 and that the timeline will be consistent with DOE timelines.

The Solicitation Concept lists smart thermostats as eligible technologies under Group 1. However, the 100kW minimum capacity requirement does not align with the nature of smart thermostats or residential load flexibility projects, indicating a potential mismatch in Group 1's design. Did CEC Staff really intend to exclude residential load flexibility from Group 1? This

[12] *See* "Directory of State Low- and Moderate-Income Clean Energy Programs," Clean Energy States Alliance.
[13] Grid Resilience and Innovation Partnerships (GRIP) Program Funding Opportunity Announcement, United States Department of Energy.

leaves only Group 3 for residential VPPs / residential load flexibility programs. Additionally, it is common for customers to integrate solar and storage solutions, which complicates the program's exclusion of solar from funding.[14] Considering the investment tax credit (ITC) reduces the net cost of solar and storage installations to 70% of the initial expense,[15] Staff should clarify the DEBA program's funding approach, and its exclusion of solar. Specifically, the CEC should explain how the ITC affects the calculation of eligible costs within the program, making sure the financial impacts of excluding solar are clear and fair.

Recommendations for Expansions to Group 2 Design:

If the CEC intends Group 2 to be the only VPP program pathway, then it must include funding for the software that enables the operation of a VPP. Load flexibility hardware and software for residential applications should be included under Group 2's VPP focus. This would be more effective and efficient and would allow providers to secure more capacity per customer, ensuring DEBA funding goes as far as possible. If not changed, this requirement would derate capacity and make the economics of these projects more difficult. We believe it would also be appropriate to leverage other on-site devices at a solar and storage customer home to extend or increase VPP performance.

Furthermore, *especially* without software, the four-hour discharge/load-impact requirement seems extremely onerous, and unnecessarily onerous for resources that are not *required* to be offered as Resource Adequacy. Two-and-three-hour resources can be extremely valuable for the grid during times of stress and should be included in this option. Projects with 4-hour availability could be scored highly.

Generac offers the following recommendations on the price triggers for Group 2: $100/MWH is very low. This will lead to a lot of dispatches and/or events, which will affect battery life. When compared to Group 3, which includes the option to choose $300/MWh as a price trigger, we do not see a justification for such a low trigger for Group 2.

We also echo the concerns of other stakeholders that this program design overlaps with SGIP for low-income residential customers. This overlap may serve the public interest by providing a higher incentive for LMI customers who can bundle SGIP with DEBA, but this could make it nearly impossible to get to a 50% match.

Recommendations on Group 3: New and Existing Resources

Generac recommends maintaining Group 3's current approach of including both new and existing resources for demand flexibility aggregations. This is important because there are

[14] "Clean Power Annual Market Report," American Clean Power Association, March 11, 2024. *See also* "Hybrid Power Plants: Status of Operating and Proposed Plants," Lawrence Berkeley National Laboratory, August 2023.
[15] *See* "Directory of State Low- and Moderate-Income Clean Energy Programs," United States Department of Energy, updated March 2023.

millions of installed smart thermostats in California that are not currently being controlled or aggregated into a VPP.[16]

We recommend however that the minimum hours should be limited to 20 hours per household per season. This is a more reasonable target for residential customers. It is not reasonable to expect higher dispatch, and it is not necessary to improve reliability and "shave" the statewide peak during times of grid stress and high energy market prices.

We caution the CEC Staff from creating unnecessarily burdensome requirements that would doom this program from the start. The CEC should not require customer attestation regarding "non-dual enrollment" and should instead let program providers work with customers directly on attestation. We have the data available already to ensure there is no double enrolment. Additionally, the CEC should not create burdensome measurement and verification requirements for this program. CEC should allow telemetry for verification of load impact. Just because these will be LSE run programs should *not mean* that the same unnecessarily burdensome M&V requirements the CPUC places on ratepayer funded programs should apply. These are emergency reliability programs that the legislature has decided to fund with taxpayer dollars.

Regarding resource size, Generac recommends reducing the minimum proposal threshold from 15MW to 6MW. Since Group 3 is really intended for residential BTM DERs, and since there are *dozens* of LSEs in California, some of which are very small, 15 MW is too high for individual program applications.

IV. Answers to CEC's Questions

Solicitation Requirements

1. Are the minimum and maximum award amount funding levels and match requirements appropriate for each Group?

    a. Not exactly. See our comments on funding limits for Group 1, and the sharing of funds between Groups 1 and 2.

2. Is the proposed timeline in the solicitation, including application submission windows, reasonable to accommodate project proposals for project group?

    a. We recommend adjusting the solicitation's timeline to better match the timeline of the Department of Energy's GRIP program, for which applications are due by June 2024. See our comments regarding GRIP and federal funding.

3. Is it reasonable to allow project proposals that do not have all sites or customers pre-identified at the time of application? Are there any concerns with this approach?

    a. This is a reasonable inclusion. It will not be possible to have all customers secured before knowing whether funding will be awarded. The smaller the

[16] "North America virtual power plant (VPP) market: H1 2023," Wood Mackenzie, 23 February 2023.

customer, the harder it will be to have all sites pre-identified. Two options for CEC to consider: DEBA can provide some funding prioritization or bonus scoring for applications with committed customers under Options 1 and 2.

4. To mitigate the risks of funding multiphase projects, staff have proposed minimum deployment targets for multiphase projects under "Project Readiness" (25% by June 1, 2025, 50% by June 1, 2026, and 100% by June 1, 2027). Are these proposed deployment targets reasonable? What measures should the CEC take in the event of a deployment shortfall?

    a. Any program and penalties should recognize the potential for delays outside applicants' control, e.g. interconnection delays.

    b. Regarding timelines, we once again emphasize the need to ensure the DEBA timeline reflects the federal GRIP timeline to maximize stakeholders' ability to leverage DEBA funds.

5. Is the proposed payment structure, with 50% of the award disbursed during project development, and 50% disbursed annually based on successful performance, adequate to ensure successful performance by DEBA assets, including during emergencies?

    a. Yes, with our additional comments provided above regarding funding for each group, this design will work well for commercial and industrial customers.

6. This GFO proposes to amend the DEBA Program Guidelines, First Edition, to grant eligibility under Group 1 to projects connecting to the transmission grid behind-the meter at a load center not receiving distribution service. Please comment on whether this use case is of interest and, if possible, describe potential proposed projects and the reliability benefit they would offer.

    a. While a portion of funding for behind the meter connections to the transmission grid for industrial use could be appropriate, Group 1 funding should prioritize behind the meter projects connecting to the distribution grid. Many industrial customers connect to the distribution grid.

Project Requirements

7. Are the Project Group definitions and requirements clear and adequate to sufficiently target DER technologies and projects capable of supporting statewide grid reliability?

    a. No. The explicit exclusion of load flexibility technology and software for VPPs under Group 2 is inadequate for meeting the program's goals. See our comments above.

8. Are the minimum project capacity requirements for each Group reasonable or should they be adjusted?

a. For Group 1, the 100kW minimum requirement and the inclusion of technologies like smart thermostats create incongruities. See our comments on this topic.

9. Are there any additional eligible technologies that should be included, or any currently eligible technologies that should be excluded?

    a. Smart thermostats, vehicle-grid integration, load management software should be included under Group 2.

10. Are the proposed performance pathways sufficient and flexible enough to accommodate the variety of eligible technologies and project groups targeted by this solicitation?

    a. No, see comments above regarding recommended changes to Group 1 and 2 in particular. Also, without adjustments to the funding of each Group, DEBA could result in a small number of very non-diverse projects.

11. What data should be required from DEBA Program participants for measurement and verification purposes as well as other public reports and initiatives?

    a. Telemetry data is appropriate for all Groups.

12. Are the metering and telemetry requirements for projects sufficient for measurement and verification purposes and determining performance of DEBA funded projects?

    a. Participants should have the option to design proposals with meter data and/or telemetry as an option to accommodate a range of assets and program designs.

Miscellaneous

13. What are the key performance indicators (KPIs) or metrics that should be used to evaluate and score VPP and Load Flex Aggregation projects and assess whether they will be reliable DEBA assets?

    a. Generac continues to consider this question and may be available to provide an answer at a later date.

14. Are the proposed evaluation criteria, including preference points criteria, reasonable and sufficient to achieve the aims of funding DER projects that best bolster grid reliability in the state?

    a. Generac continues to consider this question and may be available to provide an answer at a later date.

15. Are the provisions for supporting projects that either benefit or are located in DACs sufficient? What other application components could facilitate greater participation from projects located in or benefiting DACs?

a. The provisions dealing with disadvantaged communities, and specifically the share of funds intended for projects benefiting or located in such communities, appear ambitious, particularly given the cost-share and timeline requirements. See our comment above for more details.

16. What are the potential pathways for DEBA-funded projects across different Balancing Authorities and LRAs to continue to provide reliability value after the conclusion of the DEBA program?

    a. A continued focus on summer peak load reduction is perhaps the greatest reliability value DEBA funded projects can provide. Based on the Solicitation Concept, it is very likely that DEBA funding will be used for the installation of new equipment across the different groups. What the various energy agencies need to maintain after the DEBA funding runs out is the enrollment of those new assets in various demand response and load management programs. Developing incentive programs across the agencies to target summer peak loads would be an effective use of DEBA funded assets for providing reliability value in the future.

    b. There is also participation in the RA market to consider for long term reliability impact of these projects. See our comments above on RA participation.

17. Are there any other recommended improvements or necessary clarifications for the CEC to consider for this draft solicitation concept document?

    a. See comments above on improved program design for Groups 1, 2, and 3. There are creative solutions for lead generation that have been developed in other large projects across the country. For instance, in Puerto Rico, the DOE has provided funding for solar ambassadors that are finding leads and are sending those to participants. This is a creative solution for engaging LMI customers and projects in specific target zones.

V. Conclusion

Generac's engagement in the DEBA stakeholder process has been driven by our vision of a more resilient, efficient, and sustainable energy future for California. We have consistently advocated for a programmatic approach that addresses the current barriers to DER deployment, emphasizing the need for flexibility, inclusivity, and efficiency in program design. Our recommendations seek to refine the DEBA program in ways that enhance its effectiveness and impact, ensuring that it serves the legislative intent behind AB 205.

Most importantly, we urge the Commission to make any revisions expeditiously and to provide a path for DEBA funds to serve as a match for federal GRIP funding. The GRIP and DEBA programs share the critical public interest goal of improving grid resiliency.

In our responses to specific questions from Staff, our comments underscore the importance of clear, actionable guidelines that support the rapid and effective deployment of DERs.

Our comments on the Draft Solicitation Concept and the proposed allocation of funds request certain adjustments to amplify program effectiveness and to ensure that California can leverage critical and significant federal funding for DERs. We propose a reallocation of resources to ensure that large commercial and industrial projects, as well as residential aggregations, receive adequate funding. These changes would ensure that the DEBA program not only adheres to its legislative mandate but also fully capitalizes on the diverse capabilities of DERs to fortify the grid against future challenges.

We believe that the DEBA program, with the suggested refinements, will play a pivotal role in achieving this transition, benefiting Californians through enhanced grid reliability, increased energy resilience, and the promotion of cleaner energy solutions.

Generac appreciates the opportunity to contribute to the development of the DEBA program and looks forward to continuing our engagement with the CEC and other stakeholders. We are excited about the potential of this program to transform California's energy landscape, and we are eager to contribute our technologies and expertise towards realizing this potential. By working together, we can ensure that the DEBA program achieves its ambitious goals, serving as a cornerstone of California's energy resilience and sustainability strategy. Please do not hesitate to contact me at Meredith.Roberts@generac.com with any questions about our recommendations.

Thank you for your consideration of our questions and comments.

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Via electronic submission.