DOCKETED

Docket Number:	22-RENEW-01
Project Title:	Reliability Reserve Incentive Programs
TN #:	255196
Document Title:	PG&E Comments RE DEBA DER Draft Solicitation Concept
Description:	N/A
Filer:	System
Organization:	Josh Harmon
Submitter Role:	Public
Submission Date:	3/20/2024 5:04:55 PM
Docketed Date:	3/21/2024

Comment Received From: Josh Harmon
Submitted On: 3/20/2024
Docket Number: 22-RENEW-01

PG&E Comments RE DEBA DER Draft Solicitation Concept

Additional submitted attachment is included below.

Josh Harmon
CEC Liaison
State Agency Relations

1415 L Street, Suite 280
Sacramento, CA 95814
(628) 777-4138
Joshua.Harmon2@pge.com

March 20, 2024

California Energy Commission
Docket Number 22-RENEW-01
715 P Street
Sacramento, CA 95814

RE: CEC Workshop for the Distributed Electricity Backup Assets (DEBA) Program – Distributed Energy Resources for Reliability Draft Solicitation Concept

Pacific Gas and Electric Company (PG&E) appreciates the opportunity to comment on the California Energy Commission's (CEC) Distributed Energy Resources for Reliability Draft Solicitation Concept Paper released by CEC on February 23, 2024, under the Reliability Reserve Incentive Programs. PG&E acknowledges the commenting deadline was March 15. However, after corresponding with CEC staff and receiving encouragement to provide input, PG&E respectfully submits these stakeholder question responses for consideration and thanks CEC staff for their flexibility and collaboration.

Solicitation Requirements

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

   PG&E believes the award funding level is appropriate for each group and encourages the CEC to consider the flexibility to shift funds between Group 2 and Group 3 based on number of projects awarded in each group.

   Group 1 and 2 50% matching fund requirement may be a barrier for parties that are interested in participating in DEBA but not able to secure matching funds. The CEC should consider developing a routine process, (biannual, annual, etc.), to evaluate if the 50% match funding requirement should be lower based on interest and the amount of leftover funds in these two groups.

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

   PG&E believes the proposed timeline is aggressive and not sufficient for 3rd parties to develop proposals for DEBA. PG&E recommends that applicants be given at least 4-6 months from issuance of the solicitation to application due date.

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?**

   PG&E agrees it is reasonable to allow project proposals that do not have all sites or customers pre-identified at the time of application, however, the applicant should provide detailed information on their existing customer base, if any, and their customer recruitment and marketing plans. Proposals with customers pre-identified should score higher than those that do not.

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?**

   Different distributed energy resource (DER) technologies require different timelines for deployment and implementation. PG&E believes that rather than setting a blanket deployment target for all parties, the process should allow applicants the flexibility to propose their own timeline and deployment targets. Proposals with more detailed developed timelines and deployment targets should receive a higher score. In the event of a deployment shortfall, the CEC could consider issuing a new solicitation or allowing revisions to proposed project scope and/or deployment target timelines.

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?**

   The CEC should consider applying 100% of the incentive to the deployment of the technologies for Group 1 and 2 as well as eliminating the 50% payment structure. The 100% technology incentive could be paid out across the duration of the project period, but it should not be reduced based on customer performance. To avoid overpaying for a specific technology, the applicant would need to provide detailed documentation on how the DER technologies would be able to provide a specific amount of kW in one of the performance demonstration pathways. This process is similar to one the IOUs implemented to develop the kW value for the Automated Demand Response (ADR) program incentive.

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.**

   PG&E does not have a comment on this item.

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?**

It is unclear to PG&E if Group 3 allows for investment in DER technologies (paying for the underlying technology such as battery, heat pump water heater (HPWH), electric vehicle supply equipment (EVSE), etc.) or just the control of these technologies. The design of the proposals would be significantly different depending on the technologies eligible for Group 3.

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

   PG&E recommends that the minimum project capacity requirement for Groups 2 and 3 be lowered to 6 MW, aligned with the minimum project capacity requirement for Group 1.

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

   PG&E does not have a comment on this item.

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

    For Pathway 2: Market-Aware Dispatch- PG&E recommends the CEC only adopt the Absolute Trigger as the Relative Trigger is complex and may cause customer confusion.

    For Pathway 4: Daily Dispatch- PG&E recommends allowing Group 3 projects to be eligible for electing this pathway, so customers may have an opportunity to participate and provide incremental kW reduction/shift in a utility program such as the Emergency Load Reduction Pilot (ELRP) or CEC's Demand Side Grid Support (DSGS) to maximize the available flexibility.

Distributed Energy Resources for Reliability

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

    PG&E recommends the CEC jointly develop a process with the IOUs and CPUC for accessing customer data to perform measurement and verification (M&V) activities. Regardless of the awardee, the CEC should lead the development of the M&V effort and process.

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

    PG&E does not have a comment on this item.

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?**

    PG&E does not have a comment on this item.

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?**

    PG&E does not have a comment on this item.

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?**

    PG&E does not have a comment on this item.

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?**

    PG&E recommends that DEBA funded technology project should continue to participate in IOUs' DR and dynamic rate programs such as critical peak pricing (CPP) and real-time pricing (RTP) after the conclusion of the DEBA program.

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

    PG&E recommends the CEC consider allowing IOUs to leverage existing technology program incentives such as Self-Generation Incentive Program (SGIP) and Clean Energy Transportation (CET) for matching fund in Group 2. In addition, if federal funding is available, PG&E suggests the CEC work with the Department of Energy to streamline this process to help customers and third parties get additional incentives to stack and buy down flexible measures.

--

PG&E appreciates the opportunity to respond to these stakeholder questions from the Distributed Energy Resources for Reliability Draft Solicitation Concept Paper and looks forward to continued collaboration with the CEC. Please reach out to me if you have any questions.

Sincerely,

Josh Harmon
State Agency Relations