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Fermata Energyâ€™s Comments on DSGS Program Proposed Draft Guidelines, Third Edition

Attached please find comments on behalf of Fermata Energy.

Additional submitted attachment is included below.

Fermata Energy

March 22, 2024

CEC Commissioners and Staff
California Energy Commission
Research and Development Division
1516 Ninth Street
Sacramento, CA 95814

Via: CEC Docket #22-RENEW-01
Re: Fermata Energy Comments on Demand Side Grid Support Program Proposed Draft Guidelines, Third Edition, CEC Docket #22-RENEW-01

Dear California Energy Commission,

Fermata Energy is pleased to submit comments in response to the California Energy Commission's ("CEC") Demand Side Grid Support ("DSGS") Program Proposed Draft Guidelines, Third Edition, and the March 12, 2024, Workshop CEC hosted to review the proposed modifications to the DSGS Program Draft Guidelines.

Background

Founded in 2010, Fermata Energy is a leading Vehicle-to-Everything ("V2X") bidirectional charging services provider. Fermata Energy designs, supplies, and operates the technologies required to integrate electric vehicles ("EVs") into homes, buildings, and the electric grid. Fermata Energy's V2X platform incorporates multiple connector types in a bidirectional charger and management software platform that connects the EV and electricity user to the grid. Fermata Energy's V2X platform extends the value of an EV and allows the vehicle to act as a dispatchable energy storage resource when the vehicle is not in use.

Fermata Energy's customers today are earning thousands of dollars per EV and EVSE pair through Vehicle-to-Grid ("V2G") and Vehicle-to-Building ("V2B") programs nationwide. The company's bidirectional EV charging system is the first to be certified by UL Solutions in North America to UL 9741, the Standard for Bidirectional EV Charging System Equipment and is the first to earn approval in the U.S. from a major OEM for battery warranty. In addition to developing the hardware and software required to perform V2X activities, Fermata Energy has spent over 10 years studying how V2X can unlock additional value streams from EVs, including those that are commercially viable today without regulatory intervention and how to best monetize these value streams. Fermata Energy has extensive experience with analyzing use cases, monetization mechanisms, and business models to maximize the benefits of V2X technologies.

Fermata Energy

Fermata Energy Recommendations

Fermata Energy strongly supports the DSGS program and its goals of expanding demand flexibility opportunities, similar to ELRP, to publicly owned utilities, municipal utilities, and other load serving entities that cannot currently participate in ELRP. We commend the CPUC for including V2X as an eligible technology in DSGS and creating an additional pathway for V2X export compensation. We also greatly appreciate the revised guidelines' recognition of V2X services providers as eligible Option 3 aggregators. To ensure that the V2X can meet its full potential as a mobile, dispatchable resource to help support grid resilience, reliability, and affordability, we propose the following changes to the DSGS program guidelines:

1. Fermata Energy supports the CEC's decision to include a UL 1741-SB exemption for V2G EVSE participating in DSGS, as there is a very limited availability of SA-certified V2G DC EVSE, and there are no SB-certified V2G DC EVSE currently available for at least the next 12-18 months. This exemption will enable the wide scale participation of V2G EVSE in DSGS, but to ensure certainty for customers and projects, we hope to see this proposal formalized in the near term. During the March 12th workshop, CEC staff shared that they had not approached California Public Utilities Commission ("CPUC") Energy Division for a formal exemption to enable the participation of non-UL 1741-SB certified V2G DC EVSE participating in the program and that it would be incumbent upon industry stakeholders to approach the CPUC for a formal exemption.
2. We request that the CEC specify which programs are explicitly allowed for dual participation, particularly with respect to the PG&E, SCE, and SDG&E Dynamic Rate Pilots. Right now, guidelines specify that dual participation is prohibited for customers enrolled in ELRP, the Base Interruptible Program (BIP), and those participating in the CAISO Proxy Demand Resource (PDR) or Reliability Demand Response Resource (RDRR). The guidelines also state that customers "*Receiving payment or accounting for the same reduction in use of electricity, including energy export, through any other utility, CCA, or state program, except critical peak pricing rate plans"* are not eligible to participate in DSGS.[1] However, it would be helpful for the CEC to clearly affirm which programs are allowed for dual participation, as opposed to which programs are not allowed. There is already precedent for allowing customers to dual participate in an emergency DR program and dynamic rates; the January 25, 2024 CPUC Decision to Expand PG&E And SCE's Dynamic Rate Pilots stated that *"It is reasonable to allow dual-participation in the expanded pilots and the following tariffs and programs: Critical Peak Pricing, electrification rates, TOU rates, NEM and NBT, and ELRP Subgroup A."*[2] Allowing dual participation for emergency DR programs like ELRP and DSGS, and dynamic rate pilots

[1]Demand Side Grid Support (DSGS) Program Proposed Draft Guidelines, Third Edition, at Page 3.
[2] DECISION TO EXPAND SYSTEM RELIABILITY PILOTS OF PACIFIC GAS AND ELECTRIC COMPANY AND SOUTHERN CALIFORNIA EDISON COMPANY at Page 64, 81.

and export credits, such as the PG&E and SCE CalFUSE pilots, can help improve project economics and incentivize projects to deploy and deliver greater incremental emergency load reduction and export capacity.

3. For BTM storage VPP aggregations of IOU customers in Option 3, consider reducing the minimum aggregation size from 500 kW to 250 kW for the first year of participation for any new aggregators. The current requirement states: *"At a minimum, to participate in DSGS as a BTM storage VPP, each aggregation must have a total minimum nominal power rating of 100 kW for aggregations consisting of customers from a single POU or CCA and 500 kW for aggregations consisting of customers from a single IOU."* The minimum aggregation size of 500 kW sets a high bar for aggregators of low-power V2X charging solutions and other emergent technologies, especially for new entrants into the V2X industry. A reduction in the minimum aggregation size for Option 3 behind the meter ("BTM") resources would be helpful for the first year as V2X services providers build out their customer pipelines and deploy more chargers. Several new V2X hardware solutions and bidirectional EVs are expected to come to market in 2024 and 2025, making the technology more widely available; until then, a reduction in the minimum aggregation size among IOU customers would ensure smaller aggregations do not become stranded assets simply because they do not meet the 0.5 MW minimum size threshold.

In closing, Fermata Energy greatly appreciates the work of the Commission and staff in organizing and leading this workshop and appreciates the opportunity to provide feedback on the CEC's efforts to support grid reliability through the DSGS program. As discussions on these topics continue, Fermata Energy is happy to provide staff with additional feedback on these and other issues related to V2X adoption in California. As a V2X services provider with projects in California and nationwide, Fermata Energy has years of expertise monetizing and studying V2X use cases, and we look forward to sharing our resources and knowledge on this subject with staff to help develop these programs.

Respectfully submitted,

/s/ Anna Bella Korbatov
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