

**DOCKETED**

<b>Docket Number:</b>	22-RENEW-01
<b>Project Title:</b>	Reliability Reserve Incentive Programs
<b>TN #:</b>	256274
<b>Document Title:</b>	RESOLUTION ADOPTING THE DEMAND SIDE GRID SUPPORT PROGRAM GUIDELINES, THIRD EDITION
<b>Description:</b>	N/A
<b>Filer:</b>	Kristine Banaag
<b>Organization:</b>	California Energy Commission
<b>Submitter Role:</b>	Commission Staff
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STATE OF CALIFORNIA  
STATE ENERGY RESOURCES  
CONSERVATION AND DEVELOPMENT COMMISSION

RESOLUTION ADOPTING THE DEMAND SIDE GRID SUPPORT PROGRAM  
GUIDELINES, THIRD EDITION (22-RENEW-01)

**WHEREAS**, Assembly Bill (AB) 205 (Ting, Statutes of 2022, Chapter 61), added, among other statutes, Public Resources Code section 25792, which directs the California Energy Commission (CEC) to implement and administer the Demand Side Grid Support (DSGS) program to incentivize dispatchable customer load reduction and backup generation operation as on-call emergency supply and load reduction for the state's electrical grid during extreme events using moneys appropriated therefor; and

**WHEREAS**, AB 205 appropriated an overall program budget of \$200 million for the DSGS program to provide incentives and to be used for associated mitigation costs; and

**WHEREAS**, Public Resources Code section 25792 and section 18 of AB 205 provide that the CEC shall develop and adopt regulations, guidelines, or other standards for the program in consultation with California balancing authorities and the California Air Resource Board (CARB) and that the Administrative Procedure Act (commencing with Government Code section 11340) does not apply to regulations, guidelines, or other standards for the program adopted at a CEC business meeting; and

**WHEREAS**, the CEC has consulted with, the Public Utilities Commission, California balancing authorities, and CARB in developing these guidelines; and

**WHEREAS**, Public Resources Code section 25792 directs the CEC to "allocate moneys to develop a new statewide program that provides incentives to reduce customer net load during extreme events with upfront capacity commitments and for per-unit reductions in net load"; and

**WHEREAS**, section 18 of AB 205 provides that the CEC may "[u]se any type of third-party block grant or contract with incentive program implementers for the purposes of implementing the program"; and

**WHEREAS**, section 18 of AB 205 provides that "[c]ontracts, grants, or loans entered into with these funds shall not require the review, consent, or approval of the Department of General Services or any other state department or agency and do not need to comply with requirements under the State Contracting Manual, the Public Contract Code, or the contracting requirements of Article 4 (commencing with Section 19130) of Chapter 5 of Part 2 of Division 5 of Title 2 of the Government Code;" and

**WHEREAS**, section 18 of AB 205 provides that “[t]hese funds shall be available for encumbrance or expenditure by the [CEC] until June 30, 2026, and shall be available for liquidation until June 30, 2030;” and

**WHEREAS**, the CEC, at its August 10, 2022, business meeting adopted the DSGS Program Guidelines, First Edition; and

**WHEREAS**, AB 209 (Ting, Statutes of 2022, Chapter 251) amended Public Resources Code section 25792 to expand DSGS program eligibility to include “all energy customers in the state, except those enrolled in demand response or emergency load reduction programs offered by entities under the jurisdiction of the Public Utilities Commission;” and

**WHEREAS**, Public Resources Code section 25792, as amended by AB 209, provides that the CEC, in consultation with the Public Utilities Commission, may adopt additional participation requirements or limitations; and

**WHEREAS**, the CEC at its July 26, 2023, business meeting adopted the DSGS Program Guidelines, Second Edition, to expand program eligibility consistent with the requirements of AB 209 and address lessons learned from the initial program implementation; and

**WHEREAS**, CEC staff conducted a public workshop on January 23, 2024, to solicit stakeholder feedback on the implementation of the DSGS Program Guidelines, Second Edition; and

**WHEREAS**, CEC staff propose a Third Edition of the DSGS Program Guidelines to address lessons learned from the summer 2023 program implementation; and

**WHEREAS**, the DSGS Program Guidelines, Third Edition, were informed by stakeholder feedback and were published in draft form to the DSGS program docket (22-RENEW-01) and emailed to the email subscription list, Demand Side Grid Support, on March 6, 2024; and

**WHEREAS**, CEC staff conducted a public workshop on March 12, 2024, to solicit further stakeholder feedback on the DSGS Program Guidelines, Third Edition, and accepted written comments from March 6, 2024, through March 22, 2024; and

**WHEREAS**, having considered public comments on the draft of the DSGS Program Guidelines, Third Edition, on April 26, 2024, CEC staff published a revised draft of the DSGS Program Guidelines, Third Edition, to the DSGS program docket (21-RENEW-01) and to the email subscription list Demand Side Grid Support; and

**WHEREAS**, the CEC’s staff has considered the application of the California Environmental Quality Act (CEQA) to the CEC’s adoption of the DSGS Program Guidelines, Third Edition, and concludes that these Guidelines are exempt from CEQA under California Code of Regulations, title 14, sections 15061(b)(3).

**THEREFORE, BE IT RESOLVED**, the CEC has considered the application of the California Environmental Quality Act (CEQA) to the proposed DSGS Program Guidelines, Third Edition, and finds that its adoption is exempt from CEQA requirements pursuant to the “common sense” exemption (CEQA Guidelines, § 15061, subd. (b)(3)) because there is no possibility that the proposed regulations may have a significant effect on the environment, and nothing in the record suggests otherwise; and

**FURTHER BE IT RESOLVED**, that, after considering all comments received, and based on the entire record of this proceeding, the CEC hereby adopts the DSGS Program Guidelines, Third Edition, as published on April 26, 2024, and incorporating any changes presented and adopted today along with any non-substantive changes such as correction of typographical errors. We take this action under the authority of sections 25213 and 25218(e) of the Public Resources Code and Section 18 of AB 205; and

**FURTHER BE IT RESOLVED**, that the CEC delegates the authority and directs CEC staff to take, on behalf of the CEC, all actions reasonably necessary to implement the DSGS program as specified in the DSGS Program Guidelines, Third Edition, including entering into contracts for the disbursement of money in accordance with the Guidelines and verifying compliance with program and contract requirements and, if necessary, making grammatical or other non-substantive changes to the DSGS Program Guidelines, Third Edition.

### **CERTIFICATION**

The undersigned Secretariat to the CEC does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the CEC held on May 8, 2024.

AYE: Hochschild, Gunda, McAllister, Monahan, Gallardo

NAY: NONE

ABSENT: NONE

ABSTAIN: NONE

Dated: May 9, 2024

**SIGNED BY:**

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Kristine  
Banaag  
Secretariat