

DOCKETED	
Docket Number:	22-RENEW-01
Project Title:	Reliability Reserve Incentive Programs
TN #:	258244
Document Title:	Michaels Energy Comments - SB 108 - for DSGS DEBA
Description:	N/A
Filer:	System
Organization:	Michaels Energy
Submitter Role:	Public
Submission Date:	7/31/2024 2:25:55 PM
Docketed Date:	7/31/2024

*Comment Received From: Michaels Energy
Submitted On: 7/31/2024
Docket Number: 22-RENEW-01*

SB 108 funding comments for DSGS DEBA

Additional submitted attachment is included below.



MichaelsEnergy

July 31, 2024

California Energy Commission
715 P Street
Sacramento, CA 95814

Subject: Allocation of \$75 Million Appropriation under SB 108 – Advocacy for DEBA Program Prioritization

Dear Commission Members and Staff:

Michaels Energy appreciates the opportunity to comment on the allocation of \$75 million appropriation under SB 108 and advocates for DEBA Program Prioritization. Michaels Energy manufactures thermal energy storage (TES) systems in California for use in refrigerated storage applications. When refrigeration equipment in TES-equipped facilities is controlled in response to a demand response signal or a peak period, thermal energy storage systems can yield megawatts of energy storage for eight to ten hours. TES solutions utilize food-safe materials and, unlike Li-ion batteries and other electrical storage technologies, does not present a fire hazard or require an additional grid connection.

In the following pages, Michaels prioritizes the allocation of \$75 million for DEBA Program. We firmly believe that investing these funds in the DEBA Program will yield more significant benefits for California's energy landscape, grid stability, and long-term sustainability.

1. Promotion of Distributed Energy Resources (DERs):

The DEBA Program is designed to support the deployment of distributed energy resources (DERs), which are critical for enhancing grid resilience and reliability. DERs, including solar panels, energy storage systems, and demand response technologies, can provide localized energy generation and consumption balancing, reducing the strain on centralized power plants and transmission infrastructure.

2. Grid Resilience and Stability:

By allocating more funds to the DEBA Program, California can better support the integration of DERs that enhance grid stability. During peak demand periods or unforeseen disruptions, DERs can act as a buffer, providing critical support to the grid and preventing blackouts or service interruptions. This localized support is particularly vital given the increasing frequency of extreme weather events driven by climate change.



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3. Economic and Environmental Benefits:

Investing in the DEBA Program promotes the adoption of renewable energy technologies and energy storage, which contribute to reducing greenhouse gas emissions and dependency on fossil fuels. Additionally, it creates economic opportunities by fostering innovation and job creation in the clean energy sector.

4. Empowering Local Communities:

The DEBA Program has the potential to empower local communities by providing them with the tools and resources to generate and manage their own energy. This decentralization of energy resources not only enhances community resilience but also encourages participation in the clean energy transition, ensuring that the benefits of renewable energy are widely distributed.

Identified Projects with High Impact

Michaels Energy has been actively recruiting sites for the DEBA program and has identified 20 sites, totaling approximately 26MW of load. These projects are all located in disadvantaged communities, underscoring our commitment to equitable energy solutions and the support of vulnerable populations. By funding these projects, the CEC will directly contribute to the economic and environmental benefit of these communities.

Prioritizing DEBA

While both the DSGS and DEBA are key programs supporting grid reliability, prioritizing resources for the DEBA program in the near-term yields more strategic benefit for California.

1. Immediate vs. Long-term Benefits:

While the DSGS Program addresses immediate grid needs for the upcoming summer, the DEBA Program focuses on long-term solutions that provide sustained benefits. Investing in DERs through the DEBA Program ensures that the grid is not only prepared for short-term demands but is also resilient and adaptive to future challenges.

2. Scope and Impact:

The DSGS Program primarily aims to manage demand response and grid support during critical periods. In contrast, the DEBA Program supports a broader range of initiatives, including the integration of renewable energy resources, energy storage, and demand response, which collectively enhance the overall energy ecosystem. This



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comprehensive approach aligns with California's ambitious energy goals and ensures a holistic improvement in grid stability and sustainability.

3. Economic and Community Benefits:

The DEBA Program's focus on distributed energy resources directly benefits local communities, especially disadvantaged ones. DEBA fosters economic development, job creation, and greater energy independence. The DSGS Program, while important, does not provide the same level of community empowerment and long-term economic benefits.

4. Comprehensive Energy Strategy:

A balanced and forward-thinking energy strategy should include robust support for DERs. The DEBA Program aligns with California's long-term energy goals, including achieving carbon neutrality by 2045. By prioritizing funding to DEBA, the CEC can ensure that the state's energy infrastructure evolves to meet these ambitious targets. Lessons gained from the existing funded DSGS operations can be used to optimize a follow-on funding cycle in the future.

In conclusion, the \$75 million appropriation should be directed towards the DEBA Program to maximize its impact on California's energy future. This investment will enhance grid resilience, promote renewable energy adoption, and support economic growth. I urge the California Energy Commission to prioritize the DEBA Program in its funding decisions.

Thank you for considering my perspective. I look forward to the continued progress and success of California's clean energy initiatives.

Sincerely,

Stan Nabozny

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