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Leap Comments on Modified DSGS Fourth Edition Guidelines

Additional submitted attachment is included below.

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January 28, 2025

California Energy Commission Docket Unit, MS-4 715 P Street Sacramento, CA 95814

Re: Leap Comments on Modified DSGS Draft Guidelines, Fourth Edition

INTRODUCTION

Leapfrog Power, Inc. ("Leap") is a demand response provider (DRP) founded in 2017 and headquartered in California. The company provides Demand Response (DR) services to residential, commercial, industrial, and agricultural customers throughout the state of California. Through its technology platform, Leap enables distributed energy resource (DER) providers in California to provide grid flexibility, delivering revenue for their customers and integrating additional demand-side resources into the California electricity system. Leap is a registered DRP, as well as a registered Scheduling Coordinator, with the California Independent System Operator Corporation (CAISO).

Leap is broadly supportive of the changes that the California Energy Commission (CEC) has made in its Modified DSGS Draft Guidelines ("Modified Guidelines"), and it appreciates the CEC's continued willingness to incorporate feedback from industry on its DR programs. However, there are a few items in the Modified Guidelines that Leap has provided additional comments on below.

REPORTING REQUIREMENTS

The initial DSGS Fourth Edition Draft Guidelines included a new requirement that Option 3 providers submit sub-meter data to the CEC within three business days of each month during a program season, as well as a requirement that Option 4 providers submit device data within five business days of each month. Leap's last comments expressed concerns that this turnaround time was too tight to be workable for many companies participating in DSGS today, and it recommended extending this submission deadline to 30 days after the end of each month. The Modified Guidelines have revised this requirement so that sub-meter data for both Options must be submitted to the CEC within 10 business days after the end of each month.

Leap is grateful that the Modified Guidelines provide more time for DSGS participants to submit sub-meter data to the CEC, but a 10-day turnaround is still tight enough to be challenging for many participants. If the CEC would like to ensure that they receive sub-meter data for DSGS participation within the month following that participation,

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then a deadline of 15 business days would be a more appropriate requirement for them to put in place for this coming participation year.

OPTION 4 ENROLLMENT

Leap was disappointed to see the CEC remove its requirement that Option 4 providers also give their customers a pathway to enroll in market-integrated DR. Leap has long maintained that market integration offers a more sustainable revenue source for virtual power plants (VPPs), as it is funded by load-serving entities (LSEs) through resource adequacy (RA) purchases rather than government budgets. The CAISO wholesale market is also the most efficient platform for energy resource coordination, and VPP participation enhances CAISO's visibility into DERs to support better planning at the wholesale level.

Because direct market integration provides the most efficient and scalable way to incorporate demand flexibility into the state's energy system, Leap supported the requirement for Option 4 providers to offer pathways for market-integrated DR enrollment. As the DSGS pilot funding concludes, participants in Option 4 will need to transition to market-integrated DR programs (or similar programs) to maintain their participation in grid services. By not prompting customers to complete the data authorization process for market-integrated DR when they enroll in Option 4, the CEC will be losing an opportunity to connect customers with a more viable long-term DR program at the time that they are most engaged.

CONCLUSION

Leap values the opportunity to comment on the Modified Fourth Edition Draft Guidelines for the DSGS program and appreciates the CEC's ongoing commitment to stakeholder engagement as the program evolves. Leap looks forward to participating in DSGS in 2025 and believes its proposed suggestions will help ensure the program's long-term success.

Respectfully submitted,

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