

DOCKETED

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Project Title:	Reliability Reserve Incentive Programs
TN #:	262620
Document Title:	Notice of Consideration to Adopt Second Revision of Proposed Demand Side Grid Support Program Guidelines, Fourth Edition
Description:	Notice of consideration to adopt the Second Revision of Proposed Demand Side Grid Support (DSGS) Program Guidelines, Fourth Edition at the April 10, 2025 Business Meeting.
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Organization:	California Energy Commission
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CALIFORNIA ENERGY COMMISSION

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CEC-70 (Revised 7/22)

**IN THE MATTER OF:**

*Second Revision of Proposed Demand
Side Grid Support Program Guidelines,
Fourth Edition*

DOCKET NO. 22-RENEW-01

NOTICE OF CONSIDERATION TO ADOPT

RE: *Second Revision of Proposed Demand
Side Grid Support Program Guidelines,
Fourth Edition*

Notice of Consideration to Adopt Second Revision of Proposed Demand Side Grid Support Program Guidelines, Fourth Edition, on April 10, 2025

The California Energy Commission (CEC) plans to consider for adoption the *Second Revision of Proposed Demand Side Grid Support (DSGS) Program Guidelines, Fourth Edition*, at the April 10, 2025, business meeting.

For a detailed agenda with instructions on how to participate in the business meeting, please visit the [event page](https://www.energy.ca.gov/event/meeting/2025-04/energy-commission-business-meeting) at <https://www.energy.ca.gov/event/meeting/2025-04/energy-commission-business-meeting>.

Background

Assembly Bill (AB) 205 (Ting, Chapter 61, Statutes of 2022) created the DSGS Program as part of the Strategic Reliability Reserve. As part of the state's Strategic Reliability Reserve established under AB 205, the DSGS Program aims to support electric grid reliability beyond normal planning standards by providing incremental load reduction during extreme events, such as heat waves. The DSGS Program provides incentives to reduce customer net load during extreme events with performance-based capacity payments and for per-unit reductions in net load achieved through reduced usage, use of backup generation, or both.

On August 10, 2022, the CEC adopted the *Demand Side Grid Support (DSGS) Program Guidelines, First Edition*, to implement the DSGS Program. Participants enrolled 315 megawatts in the program to help meet grid needs during the September 2022 heatwave. On July 27, 2023, the CEC adopted the *DSGS Program Guidelines, Second Edition*, to address lessons learned from the summer 2022 program implementation and to bring on more non-combustion resources with expanded and streamlined participation. On March 8, 2024, the CEC adopted the *Demand Side Grid Support (DSGS) Program Guidelines, Third Edition*, to refine and clarify program requirements, reduce operational complexities, and scale and grow participation from clean resources.

On October 4, 2024, CEC program staff released for public comment the initial DSGS Program Draft Guidelines, Fourth Edition. On October 18, 2024, CEC program staff conducted a workshop on the initial DSGS Program Draft Guidelines, Fourth Edition, to solicit input from stakeholders and interested members of the public. The public comment period closed on October 30, 2024. CEC program staff reviewed public comments and prepared a modified DSGS Program Draft Guidelines, Fourth Edition, that was released for additional public comment on January 14, 2025.

Based on public feedback, CEC program staff prepared a *Proposed Demand Side Grid Support (DSGS) Program Guidelines, Fourth Edition*, that was released on March 6, 2025, for consideration at the March 17, 2025, Business Meeting. After the California Public Utilities Commission (CPUC) docketed a letter on March 17, 2025, raising concerns about the potential impact of the proposed DSGS Incentive Option 4 (referred to as Emergency Load Flexibility VPP Pilot) on the new Pacific Gas and Electric Company's (PG&E) Automated Response Technology (ART) Program, the CEC removed consideration of the *Proposed Demand Side Grid Support (DSGS) Program Guidelines, Fourth Edition*, from the March 17th Business Meeting agenda. The *Second Revision of Proposed Demand Side Grid Support (DSGS) Program Guidelines, Fourth Edition*, includes all modifications contained in the *Proposed Demand Side Grid Support (DSGS) Program Guidelines, Fourth Edition*, published on March 6, 2025, but excludes PG&E distribution service customers from participation in Incentive Option 4.

The *Second Revision of Proposed DSGS Program Guidelines, Fourth Edition*, seek to improve program effectiveness and to continue to grow participation from clean resources. Currently, the state's Strategic Reliability Reserve is largely supported by 3 GW of fossil-fueled resources that are anticipated to retire in 2026 and 2027. Additionally, in 2023, the CEC developed a statewide load flexibility goal of 7,000 MW by 2030. As California transitions to 100 percent clean energy, the modifications to the DSGS Program guidelines seek to test concepts to grow the number of clean resources supporting the Strategic Reliability Reserve that can reliably respond during both slow-moving and sudden-onset grid emergencies.

The *Second Revision of Proposed DSGS Program Guidelines, Fourth Edition*, are available at [Docket No. 22-RENEW-01](https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=22-RENEW-01), at <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=22-RENEW-01>.

To assist parties in their review, two versions of the proposed guidelines are available:

1. The first document presents the clean version of the *Second Revision of Proposed DSGS Program Guidelines, Fourth Edition*, without highlighting text changes relative to earlier versions. This document is identified as TN# 262612. This is the version that is proposed for consideration and adoption at the April 10, 2025, CEC business meeting.
2. The second document shows changes relative to the *DSGS Program Guidelines, Third Edition*, adopted on March 08, 2024 (TN# 256254), in underline/strikeout, with new text

underlined and deleted text in ~~strikeout~~ (for example, underline/~~strikeout~~). This document is identified as TN# 262618.

Public Comment: Comments will be accepted at the April 10, 2025, CEC business meeting. Public comments may be limited to two minutes or less per speaker and one person per organization. Further instructions can be found in the business meeting agenda. If you need assistance making a comment at the business meeting, please contact the CEC's Public Advisor at the email or phone number below.

Public Advisor: The CEC's Public Advisor assists the public with participation in CEC proceedings. To request assistance, interpreting services, or reasonable modifications and accommodations, call (916) 957-7910 or email publicadvisor@energy.ca.gov as soon as possible but at least five days in advance. The CEC will work diligently to meet all requests based on availability.

Media Inquiries: Email mediaoffice@energy.ca.gov.

Technical Subject and General Inquiries: Email DSGS@energy.ca.gov

Availability of Documents: Notices, documents, and presentations for this proceeding are available at [Docket No. 22-RENEW-01](https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=22-RENEW-01), at <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=22-RENEW-01>.

When new information is posted, an email will be sent to those subscribed to the Demand Side Grid Support (DSGS) subscription topic. To receive these notices or notices of other email subscription topics, visit [Subscriptions](https://www.energy.ca.gov/subscriptions), at <https://www.energy.ca.gov/subscriptions>.

Dated: April 8, 2025, at Sacramento, California.

Aloke Gupta
Deputy Director of the Reliability, Renewable Energy & Decarbonization Incentives Division

Subscriptions: Demand Side Grid Support (DSGS)