

DOCKETED	
Docket Number:	22-RENEW-01
Project Title:	Reliability Reserve Incentive Programs
TN #:	262675
Document Title:	Resolution Adopting the Demand Side Grid Support Program Guidelines, Fourth Edition
Description:	N/A
Filer:	Kristine Banaag
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STATE OF CALIFORNIA

**STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION**

**RESOLUTION ADOPTING THE DEMAND SIDE GRID SUPPORT PROGRAM
GUIDELINES, FOURTH 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, as amended by AB 107 (Gabriel, Statutes of 2024, Chapter 22), AB 102 (Ting, Statutes of 2023, Chapter 38), as amended by Senate Bill (SB) 109 (Wiener, Statutes of 2024, Chapter 36), and SB 108 (Wiener, Statutes of 2024, Chapter 35) appropriated an overall program budget of \$127.5 million for the DSGS program to provide incentives and to be used for associated mitigation costs; and

WHEREAS, Public Resources Code section 25792, section 18 of AB 205, section 11 of SB 109, and section 15.14(e) of AB 107 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 and SB 109 provide 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 and SB 109 provide 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, SB 109 provides that “[t]hese funds shall be available for encumbrance or expenditure by the [CEC] until June 30, 2027, and shall be available for liquidation until June 30, 2030;” and

WHEREAS, SB 108 provides that “[t]hese funds shall be available for encumbrance or expenditure by the [CEC] until June 30, 2028, and shall be available for liquidation until June 30, 2032;” 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, the CEC at its May 8, 2024, business meeting adopted the DSGS Program Guidelines, Third Edition, to address lessons learned from summer 2023 program implementation and grow participation from clean resources; and

WHEREAS, CEC staff propose a Fourth Edition of the DSGS Program Guidelines to address lessons learned from the summer 2024 program implementation and continue growing participation from clean resources; and

WHEREAS, the DSGS Program Guidelines, Fourth 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 October 4, 2024; and

WHEREAS, CEC staff conducted a public workshop on October 18, 2024, to solicit stakeholder feedback on the DSGS Program Guidelines, Fourth Edition, and accepted written comments from October 4, 2024, through October 30, 2024; and

WHEREAS, having considered public comments on the draft of the DSGS Program Guidelines, Fourth Edition, on January 14, 2025, CEC staff published a revised draft of the DSGS Program Guidelines, Fourth Edition, to the DSGS program docket (22-RENEW-01) and to the email subscription list Demand Side Grid Support, and accepted written comments from January 14, 2025, through January 28, 2025; and

WHEREAS, CEC staff published a final set of revisions of the Proposed DSGS Program Guidelines, Fourth Edition, to the DSGS program docket (22-RENEW- 01) and to the email subscription list Demand Side Grid Support, which incorporated additional changes based on stakeholder feedback; 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, Section 15061(b)(3); and

THEREFORE, THE CALIFORNIA ENERGY COMMISSION FINDS:

With regard to CEQA:

- The CEC has considered the application of CEQA to the proposed guidelines and concluded that these Guidelines are exempt from CEQA under California Code of Regulations, Title 14, Section 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, Fourth 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 guidelines 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, Fourth Edition, as published on April 8, 2025, 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, section 18 of AB 205, section 11 of SB 109, and section 15.14(e) of AB 107; 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, Fourth 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, Fourth 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 April 10, 2025.

AYE: Hochschild, Gunda, McAllister, Gallardo, Skinner

NAY: NONE

ABSENT: NONE

ABSTAIN: NONE

Dated: April 11, 2025

SIGNED BY:

Kristine Banaag
Secretariat