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22-RENEW-01 California Hydrogen Business Council Comments

Additional submitted attachment is included below.

California Energy Commission
 715 P Street
 Sacramento, CA 95814

February 17, 2023

RE: 22-RENEW-01, "Demand Side Grid Support and Distributed Electricity Backup Assets Program"

Platinum Members
Avantus
Ballard Power Systems
BayoTech
Cummins
Mitsubishi Power Americas
Pacific Gas & Electric
Plug Power
San Diego Gas & Electric
Southern California Gas Company
Gold Members
AC Transit
Air Water America
Bay Area AQMD
Black & Veatch
Bloom Energy
BMW
Chart Industries
City of Lancaster
Clean Energy Fuels
Element Markets
Environmental Resources Management
GHD
Greenberg Traurig
Howden
Hyundai Motor Company
Innergex Renewable Development USA
IRD Fuel Cells
Iwatani
Linde Group
Loop Energy
Mainspring Energy
Nel Hydrogen
Nikola Motor
Orsted
Parsons Corporation
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Robert Bosch LLC
Sacramento Municipality Utility District
Sumitomo Electric
Sunline Transit
Toyota
Trillium
US Gain

I. INTRODUCTION

The California Hydrogen Business Council (CHBC), a trade association made of over 130 companies and agencies involved in the business of hydrogen, is appreciative of the opportunity to comment on the Demand Side Grid Support (DSGS) and Distributed Electricity Backup Assets (DEBA) Program. We recognize the dire need for readily available DSGS and DEBA resources as California faces longer, drier, and hotter summers, and more extreme weather events that strain the State's grid. The CHBC respectfully requests consideration of our responses to the questions posed to stakeholders below.

II. COMMENTS

a. Demand Side Grid Support

- i. *What structure or provisions would best support cost-effective Resource Adequacy procurement while also enabling the development and growth of the Strategic Reliability Reserve to respond to extreme events?*

The CHBC is supportive of allowing eligible Load Reduction (LR) resources like fuel cells and linear generators to enroll directly through the CEC. For the State to fully utilize California's LR resources, all resources should be enrolled and easily identified in one location. We recommend a mechanism within the online enrollment with the CEC that notifies the utilities a LR

resource in their region has enrolled, what the LR resource is, and the anticipated power output of that LR resource.

- ii. How best can the Program unlock untapped DR or other stranded resources under its statutory restraints?*

Enrolling all DR resources into one system within the CEC and making enrollment accessible is key to capturing all resources available.

- iii. Should DSGS be provided to other use-cases in IOU territories? If so, what use-cases and how?*

Yes, DSGS should be provided for fuel cells and linear generators used in microgrids that have a reserve of energy stored as LR resources with a minimum kilowatt.

- iv. What other program modifications should be considered?*

Modification for enrollment should include telecommunication companies and critical facilities—institutions that provide essential community services like schools, libraries, community centers, local government and trial offices, and radio stations. Additionally, cleaner LR resources like fuel cells and linear generators should be eligible for payment and dispatchment prior to less clean resources like diesel generators.

- b. Distributed Electricity Backup Assets**

- i. How best can DEBA invest in assets for emergency load reduction without interfering in the Resource Adequacy Program or creating clean stranded assets? How can it best do both?*

First, DEBA's investments should focus on upgrading existing clean energy assets that are able to be paired with LR resources. Second, CHBC recommends allowing new DEBA eligible assets to also receive DSGS upon deployment to encourage more purchasing of cleaner and more efficient DER assets (including microgrids, combined with multiple assets) and maintenance of these assets for emergency response.

- ii. Are the proposed program frameworks reasonable? What modifications could unlock additional resources for emergency events?*

No, the proposed frameworks should allow for new DEBA eligible assets to also receive DSGS upon deployment. This would encourage more purchasing of cleaner and more efficient DER assets and maintenance of these assets for emergency response.

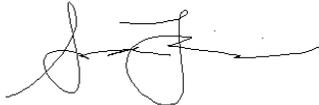
- iii. Are there additional criteria that the CEC should consider when evaluating projects? How should the CEC rank or weight the evaluation criteria?*

Yes, the additional criteria are reasonable and the ranking of DEBA asset payments and deployment is reasonable.

III. CONCLUSION

The CHBC appreciates the opportunity to provide a response to the DSGS and DEBA Program and we look forward to the implementation of this important program. We respectfully request your consideration of our comments.

Sincerely,



Sara Fitzsimon, J.D.
Policy Director
California Hydrogen Business Council