

**Questions and Answers  
Distributed Electricity Backup Assets (DEBA) Program**

**Distributed Energy Resources for Reliability –  
Draft Solicitation Concept Workshop**

**March 5, 2024. 1:00-4:00 PM PST**

**Overview:** The following questions were submitted to the Zoom Q&A function during the Distributed Electricity Backup Assets (DEBA) Program Distributed Energy Resources for Reliability Draft Solicitation Concept Workshop on March 5, 2024.

The transcript from the Zoom Q&A function is being provided to support stakeholders in developing their comments. For questions that were answered live, answers have been transcribed and simplified where appropriate.

**Note: These are provisional responses provided during the workshop and may not accurately reflect the draft solicitation concept for the solicitation that is under development. Please do not draft or submit proposals in response to the information included here or in the draft solicitation concept.**

**Q1: Is there a minimum number (or MW) of sites that must have new equipment for Group 3? (Naor Deleanu)**

A1: No, not currently. Staff are open to suggestions if stakeholders think that would be beneficial.

**Q2: Do the installed technologies need to be new install or can they be existing assets? (Anonymous)**

A2: It is unclear what Project Group this question is referring to. For Groups 1 and 2, reimbursable costs are for the new installed equipment or technology.

**Q3: Is solar PV ineligible when it is standalone and variable, while being eligible paired with storage that makes it dispatchable? (Kate Unger)**

A3: The current proposal is that solar PV costs would not be eligible for cost reimbursement, even if paired with storage; only the storage component would be eligible.

**Q4: Is there a bid price cap for Pathway 1? (Lee Ewing)**

A4: No, resources are expected to comply with existing bid cap rules. These resources are expected to be dispatchable in real-time. Therefore, there is less of a concern if, for example, the resource is not dispatched day-ahead.

**Q5: Why are FTM Group 1 projects ineligible for the market aware pathway? These projects have significant barriers to wholesale market participation, including but not limited to interconnection/WDAT. If eligible for market aware, this program would provide an important bridge for these resources. (Rachel McMahon)**

A5: It would be helpful if you could describe more details of the use case you have in mind perhaps in comments.

**Q6: Group 1 allows for FTM. Are multi-unit Virtual Net Energy Metering/Virtual Net Billing Tariff (VNEM/VNBT) systems eligible for Group 1? (Scott Bechler)**

A6: Staff will need to understand more specifics of the use case you have in mind and the interest in VPP for FTM projects. Please follow up post-workshop, in written questions or comments to the docket.

**Q7: Group 2 is BTM only. Could you share the rationale for why FTM are not eligible? Would you consider FTM to allow VNEM/VNBT systems to participate? (Scott Bechler)**

A7: Staff will need to understand more specifics of the use case you have in mind and the interest in VPP for FTM projects. Please follow up post-workshop, in written questions or comments to the docket.

**Q8: Just wanted to clarify here - for Group 3, is it required that there is a combination of both new AND existing resources or would aggregating only existing resources meet the project requirement? (Paul Sayour (Baringa))**

A8: The draft solicitation concept calls for a load flexibility aggregation program that provides 15 MWs or more capacity of load flexibility with the eligible technologies. There is currently no requirement for percentage of new or existing resources that the aggregation must be comprised of, but to be eligible, a project must involve using or installing some new eligible load flexibility equipment as defined in draft concept. Comments are welcome.

**Q9: Can you please explain why Group 3 is not eligible for Performance Pathway 4 (daily dispatch)? Thank you! (Jana Kopyciok-Lande)**

A9: The assumption is that those resources would not want to dispatch daily. If this is a pathway stakeholders would like for the program to open, staff may consider this. Additionally, more information may be needed for staff to understand the scenario, such as in what circumstances the daily dispatch would be of interest. In general, the load flexibility aggregations staff are typically aware of are event-driven.

**Q10: Please explain the rationale for the 6MW minimum capacity for Group 1 projects. With the 100KW minimum DER size, a Group 1 project may need up to 60 installations to meet that minimum capacity. This becomes untenable for Applicants to have pre-identified at least 40 sites. The combination of these thresholds precludes participation from Applicants deploying 100KW DERs. (Ted Ko)**

A10: Staff elected to set a 100kW minimum size for Group 1 projects to open a pathway for individual installations of that size, but it was not expected that the most competitive Group 1 projects would consist solely of single-site installations of that size. The 6MW minimum capacity was intended to incentivize larger-scale projects to apply. We welcome comments on the proposed minimum capacity requirements for all project groups.

**Q11: A previous participant asked about this, but can a bidirectional EV charger be eligible for Group 3? Group 3 says that managed charging is eligible, but does not speak to bidirectional chargers. If a bidirectional charger can provide managed charging in addition to V2B/V2G discharge, would it be eligible under Group 3? (Anna Bella Korbatov)**

A11: Yes, bidirectional chargers are an eligible technology.

**Q12: Is there going to be a 3rd version of the DEBA grant? I know for myself and many others the hope is that they grant would address escalating electricity costs for CA public K-12. Most are too small to meet Group 1. With NEM 3.0 equity for smaller districts has disappeared. Will this grant have another version that can assist smaller projects? And can Public K-12 in Group 1 possibly receive an exception to the 50% match. Goal here is to help our schools. (Jennifer Butler)**

A12: Depending on available program funding, there may be a third solicitation offered under the DEBA Program. Staff welcome your written public comments on the draft solicitation concept staff have reviewed today.

**Q13: In early discussions regarding DEBA and DSGS, the general thinking was that DEBA would provide technology incentives and resources would participate in DSGS (or another program) to ensure performance during grid events. This structure is quite different. What is the thinking behind embedding a new program for resource dispatch within DEBA, when programs like DSGS, ELRP, etc., already exist? (Rachel McMahon)**

A13: The proposed structure was developed to respond to a few different stakeholder and policy concerns, including stakeholder concerns over the availability of DSGS funds, DSGS' voluntary nature, upfront costs for new equipment, and ensuring that the strategic reliability reserve can provide real time relief to any grid emergencies. The CEC welcomes comments and feedback on the proposed structure and seeks stakeholder feedback.

**Q14: For Pathway 1 - Market-integrated performance demonstration, can you confirm that resources are required to dispatch for at least 100 hours per program year? (Jared Satrom – Voltus)**

A14: Yes.

**Q15: Are there penalties for not meeting requirements and deployment targets, beyond the adjustments to the annual payments described on pages 22-23 of the draft solicitation concept and discussed by Erik in slides 39-41? (Kate Unger)**

A15: The draft solicitation concept includes a disclaimer that CEC may cancel an award for "poorly" executing projects.

**Q16: The Draft Solicitation Concept Project Readiness section shows that "Proposed projects must be completed and online no later than May 1, 2027." In this presentation as well as earlier in the Draft Solicitation Concept, staff notes that projects are expected to begin deploying DERs by Summer 2025. Can you please provide clarification around these dates, especially as it relates to Group 1? Thank you. (Tyler Cicero (White Pine))**

**A16:** Yes, the May 1, 2027, is the latest date a project can begin operation. For multiphase projects, staff expect deployment to begin by Summer 2025. For single-

site Group 1 projects, the expectation would be for construction to begin as soon as possible and come online by no later than May 1, 2027.

**Q17: For total DEBA award level, assuming a 30% ITC, does 'net 50%' mean a 20% DEBA award, or a 35% award (i.e. half of remaining 70%)? Does 'gross 50%' mean an additional 50% award such that  $50\%+30\% = 80\%$  of total costs? (Sam Maslin)**

A17: For the first question on the ITC, Yes; the total award would be approximately 35% of total costs assuming 30% ITC. To the second question, the answer is no. For "gross", it would mean that the ITC would not be netted out, so a potential maximum award of 50% of total costs.

**Q18: How might Groups 2 and/or 3 meet the requirement that the projects "provide new capacity that is incremental to the state's resource adequacy supplies and existing strategic reliability reserves..." if they consist solely of procurement of load flexibility aggregation software? (Angela Kent)**

A18: Not understanding the premise of the question. Group 2 consists of storage and DG providing new capacity.

**Q19: Is there a different in how performance is calculated for a 2-hour battery VPP vs. a 4-hour battery VPP? (Katharine Larson)**

A19: When staff review applications, shorter duration resources will be normalized to 4 hours. For purposes of performance, staff are looking at nominal capacity over the resource duration a resource is capable of. Therefore, a 2-hour battery resource is plausible and would come in as half the capacity of a 4-hour battery. But for purposes of performance, staff will be looking at performance during the 2 hours.

**Q20: To clarify, are multi-site Group 1 projects mandated to be multiphase (and therefore required to begin deployment by Summer 2025) or can these be bundled and still come online no later than May 1, 2027 together? I ask because developers now more than ever are faced with long interconnection queues, and while we would certainly like to get projects online ASAP, timelines are more often than not in the hands of the IOUs. (Tyler Cicero (White Pine))**

A20: Staff have a minimum deployment schedule that would be expected from multiphase or multisite deployments, but any comment on the reasonableness of

these expectations are welcomed. Staff do not currently propose requiring that Group 1 projects are multiphase. Staff look forward to receiving more information from you in your written public comments.

**Q21: For purposes of M&V for bidirectional EV charges, can those resources submit device level data/charger telemetry? (Anna Bella Korbatov)**

A21: Yes.

**Q22: As in DSGS, is there a requirement to coordinate different performance pathways with the host POU/BAA, particularly for the market-aware dispatch pathway? (Katharine Larson)**

A22: Staff are open to allowing POU's/other BAAs to come up with dispatch signals (e.g. during peak net load) if interested, so please let us know if so. But like DSGS, the pathway is primarily designed around ISO function.

**Q23: For Group 3, is existing energy storage eligible to participate as an aggregation? The cost will not include the purchase of the system? (Yang Yu)**

A23: No. DSGS would be an option for this case.

**Q24: For Groups 2 and 3, pertaining to the 'purchase and deploy' stipulation, would SAAS products procured through contracting be eligible costs? (Angela Kent)**

A24: Staff will need think about this. We welcome comments on examples and rationale for including it.

**Q25: For the 1st Project Group, does the project need to have 6MW in year 1 or could you scale the project over multiple years to meet / exceed 6MW in years 2, 3, etc.? I assume the 6MW would be 6MW of committed capacity to DEBA, not installed capacity. Is that correct? (Kevin M)**

A25: 1. There is expected deployment schedule noted in draft doc: 25%/50%/100% over 3 years. 2. Yes, capacity committed to DEBA.

**Q26: HI, I have three questions around Pathway 2 Market Award Dispatch, 1) I want to confirm that the this would be day ahead DLAP Pricing +EEA? (Ted Tayavibul)**

A26: Yes, this is correct.

**Q27: What is the difference for the Group 3 with the \$100 MWh or \$300 MWh? (Ted Tayavibul)**

A27: Functionally, \$100 MWh and \$300 MWh work the same way and are just options made available to Applicants. For example, if an Applicant does not want to dispatch resources frequently, they may choose the higher number. Conversely, if an Applicant would like to dispatch more frequently, they may choose the lower \$100 MWh threshold.

**Q28: Can you clarify or provide an example of the Relative Trigger? (Ted Tayavibul)**

A28: The relative trigger limits the dispatch window to the duration of the resource. For example, if an Applicant has a 4-hour resource, it is evaluated to check if they are the top 4 hours by locational marginal price. This mechanism checks that the dispatch window matches the resource capability.

**Q29: Why is dual participation (such as in ELRP or DSGS) prohibited for Pathways 1, 2, 3, and 5? (Anna Bella Korbatov)**

A29: ELRP and DSGS are focused on existing equipment. DEBA is intended for new equipment.

**Q30: Is the 6 MW minimum in Group 1 in MWdc or MWac? (James McGarry)**

A30: MWac. Please submit comments if this is problematic.

**Q31: Is the 6MW ac or dc? (Julee Meltzer)**

A31: MWac. Staff will make sure to clarify this in the final Grant Funding Opportunity (GFO) language.

**Q32: If you have a multiple site project that has some sites in DAC zones, and some in non-DAC, which application window should this project submit to? Can CEC consider scoring/funding DAC sites as part of general application vs. a separate DAC submittal? (Sam Maslin)**

A32: To the first question, projects sited in DAC zones would still be eligible to apply to the first application window. Staff welcome your feedback on the second question.

**Q33: Are Group 1 and Group 2 performance based on counterfactual baselines at the device level, or is performance based on energy/capacity delivered during events regardless of energy/capacity delivered during non event days? (Jonathan Hart)**

A33: No counterfactual baselines will be used to calculate event-level performance for Group 1 and Group 2 resources.

**Q34: In page 12, for Group 3, it's said that eligible technologies including using either new eligible load flexibility equipment or a combination of both new and existing load flexibility equipment, why existing assets such as energy storage would be ineligible for group 3? (Yang Yu)**

A34: Group 3 is specifically for load flexibility, as opposed to Group 2 which is designed for VPPs including storage/generation assets.

**Q35: The guidelines indicate projects cannot dual participate unless Pathway 4 is selected. Is the Base Interruptible Program (BIP) among the programs that are included in "another load reduction program"? In other words, can a BIP customer project also participate in DEBA, assuming adherence to Pathway 4? (Emma Marshall-Torres)**

A35: DEBA is for resources incremental to RA. BIP is counted in RA.

**Q36: Will the CEC release an individual subcriteria weighting? (Scott Lipton)**

A36: The CEC welcomes stakeholder feedback on this issue.

**Q37: Can you expand on the "Cost Effectiveness" element in Item 4. Is there a calculation or a reference as to methodology to score this element? (Tony Pastore)**

A37: The draft solicitation concept notes that applications will be evaluated, in part, on the degree to which the proposed project's budget minimizes the amount of DEBA funding requested relative to the incremental rated capacity provided by the project (\$/MW-year). Staff welcome your comments on this point.



**Q38: Our focus is school districts so we will have DSA involved on projects. With the CEC Business Meeting in October of 2024 we will not have approvals in time to meet the May 1, 2025, 25% Capacity Installed target. Will there be a pathway for School District DSA projects? (Rob Hudson)**

A38: The CEC welcomes suggestions on a reasonable timetable that is able to both accommodate School District DSA projects and meet the state's goal to quickly build the strategic reliability reserve.

**Q39: What are the minimum match funding requirements per group? (Kali Mitchell-Silbaugh)**

A39: Project Groups 1 and 2 can receive an award of up to 50% of the total eligible project costs net of tax credits. Group 3 projects would be eligible for an award of up to 100% of the requested budget for eligible project proposals, and there is thus no minimum match share requirement.

**Q40: Will this Q&A be published prior to the 3/15 comment deadline? (James MacGarry)**

A40: Yes. Staff will download and clean up the Q&A transcript and publish it to the Docket for visibility and edification.

**Q41: For Group 1 behind-the-meter projects if there are multiple sites but limitations to bring the sites online by May 2025, would demonstrating 25% overall progress for all sites by May 2025 to meet the 25% completion requirement? (Mirazun Mitu)**

A41: Yes, as currently written. Although progress will be measured in percentage of total committed capacity (MW), rather than number of sites.

**Q42: The draft solicitation concept list of evaluation criteria include under project readiness and workplan that the evaluation will include whether the project is located FTM or BTM. How would that aspect play into evaluation? Would FTM be scored lower or higher, for example? (Kate Unger)**

A42: That is not the intent. We will need to look at the language.

**Q43: Can the slides presented today be shared with attendees since they were publicly presented? (Mike Petouhoff)**

A43: The meeting presentation and recording will be posted here:  
<https://www.energy.ca.gov/event/workshop/2024-03/public-workshop-distributed-electricity-backup-assets-deba-program>

**Q44: It looks like the link just goes to the web site for this event. Will a link be added? (Mike Petouhoff)**

A44: Yes, the link will be added after the workshop.

**Q45: As these projects are projects for school districts that require DSA approval, could the progress be able to be measured through project completion, not MW online? If not, these schools will not be able to participate (Mirazun Mitu)**

A45: Projects will be evaluated based on a number of criteria outlined in the proposal, including the statutory obligation to provide MW capacity under the Strategic Reliability Reserve. Specific to schools, you may also be interested in the ECAA program <https://www.energy.ca.gov/programs-and-topics/programs/energy-conservation-assistance-act>, or the IBank's Infrastructure State Revolving Loan Fund.

**Q46: How was the 100 hour requirement for dispatches for each of the pathways determined (to be that number of hours)? (Emily Fisher)**

A46: Reliability concerns tend to be concentrated in a very small number of hours. 100 hours is typically sufficient to capture all these hours while mitigating risk of evaluating capacity in a very small number of hours per year (e.g., 10).

**Q47: Are sites in DEBA (besides Pathway 1) also barred from participating in CAISO Energy and Ancillary Services? For example, can a site funded through DEBA also gain revenue through DAM energy performances, Operating Reserves, Frequency Regulation, etc. (Jay Raju)**

A47: DEBA resources participating through market integration (or other BA dispatch) can also receive revenue from energy and ancillary services. If they are not in Pathway 1, they will not be market integrated and will not be able to earn energy and ancillary service revenue.

**Q48: ELRP and the PG&E And SCE Dynamic Rate pilots allow DC V2G EVSE to interconnect without UL 1741-SA or SB certification. Does CEC staff plan**

**to make a similar exemption for DC V2G EVSE that plant to participate in DEBA? The exact language is: ""Any direct current (DC) vehicle-to-grid (V2G) EVSE that has UL 1741 certification (but not UL 1741 SA certification), any subsequent UL 1741 supplement certification required in Rule 21, or Smart Inverter Working Group-recommended smart inverter functions may interconnect initially for the purpose of participating in the expanded pilots, subject to all other Rule 21 interconnection requirements." (Anna Bella Korbatov)**

A48: These exemptions were granted by the CPUC, which had the jurisdictional authority to do so.

**Q49: Will you consider breaking apart the funding for the 3 different programs? Otherwise it seems like the 3rd path can soak up 2/3 of the available funding. (Meredith Alexander)**

A49: The text of the draft solicitation concept states on pg. 5: "The CEC expects to award at least one project in each Project Group." However, staff welcome any feedback on proposed Available Funding amounts for each Project Group.

**Q50: Are all multi-site applications deemed 'multi-phase' and therefore have a requirement to begin deploying in 2025? (Sam Maslin)**

A50: The language on pg. 12 of the draft solicitation concept describes "projects that are multi-phase involving multiple installations or customer sign-ups," which staff intended to only pertain to Group 2 and Group 3 projects. For multiphase projects, staff expect deployment to begin by Summer 2025. For single-site or multi-site Group 1 projects, the expectation would be for construction to begin as soon as possible and come online by no later than May 1, 2027.

**Q51: Can you clarify how the load impact is expected to be measured for the dynamic pricing option? (Naor Deleanu)**

A51: Staff welcome creative proposals on this topic. For CalFUSE pilots, utilities have defined some methodologies for measuring load impacts in response to dynamic rates, so that may be a place to start.

**Q52: How does this program relate to the DOE GRIP Grant? We encourage coordination of the application processes? (Mike Petouhoff)**

A52: The CEC is a state energy financing institution. It can utilize these funds to leverage Federal funding. Staff understand that the GRIP application process is going on concurrently, and that DEBA funds could potentially be used as match funding. Staff have done the best of their abilities to align State administrative processes with that Federal deadline and will continue that effort.