

**DOCKETED**

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## **DSGS and DEBA Objective Evaluator Requirements**

*Additional submitted attachment is included below.*



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Based on the March 12<sup>th</sup> Staff Workshop on Proposed Modifications to the Demand Side Grid Support Program Guidelines, the CEC has allocated over \$800 million to Reliability Reserve Incentive Programs (under AB 205 and AB 209), including Demand Side Grid Support (DSGS) and Distributed Electricity Backup Assets (DEBA).

As the evaluation report for the Demand Response Auction Mechanism (DRAM) has shown,<sup>1</sup> these types of load reduction resources and on-call emergency supply have not delivered reliable performance in the California market. In a recent proposed decision<sup>2</sup> on March 1<sup>st</sup>, the CPUC agrees with the evaluation report's "well-studied and reasoned conclusions that it could not affirmatively find that DRAM has successfully met all six criteria, and that it could not do so particularly in the areas of performance and reliability." As a result, the CPUC ordered PG&E, SCE and SDG&E to shut down (or "sunset") DRAM by December 31, 2024.

As the DRAM experience has also shown, these performance and reliability issues persist and are exacerbated when they are not evaluated in an objective manner with high quality data that is readily available to proactively monitor performance and adjust accordingly. Therefore, the DSGS and DEBA programs should set aside at least 5% of the overall budget<sup>3</sup> for objective third-party evaluators that have experience conducting evaluations of DRAM and other load reduction resources that are integrated with the CAISO market. The evaluators should also have deep experience with large-scale DR data integration from multiple DR providers for the purposes of evaluating and monitoring DR performance. The CEC should issue a separate solicitation and proposed guidelines to discuss with these objective third-party evaluators.

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<sup>1</sup> California's Demand Response Mechanism evaluation:  
<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M502/K977/502977264.PDF>

<sup>2</sup> CPUC Proposed Decision to sunset DRAM (by December 31, 2024):  
<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M526/K553/526553947.PDF>

<sup>3</sup> California utilities and the CPUC have historically allocated around 2% to 3% toward objective third-party evaluation for established programs, but new pilots and initiatives benefit from a slightly higher allocation due to the need to set up data integration processes, identify key leading indicators of success or failure, and finalize evaluation methodologies based on the available data.