DOCKETED	
Docket Number:	22-RENEW-01
Project Title:	Reliability Reserve Incentive Programs
TN #:	255115
Document Title:	Vehicle-Grid Integration Council Comments on DEBA DER GFO Draft Solicitation Concept
Description:	N/A
Filer:	System
Organization:	Vehicle-Grid Integration Council
Submitter Role:	Public
Submission Date:	3/15/2024 4:36:47 PM
Docketed Date:	3/15/2024

Comment Received From: Vehicle-Grid Integration Council
Submitted On: 3/15/2024
Docket Number: 22-RENEW-01

VGIC's Comments on DEBA DER GFO Draft Solicitation Concept

Additional submitted attachment is included below.

March 15, 2024

Email to: docket@energy.ca.gov
Docket Number: 22-RENEW-01
Subject: DEBA DER GFO Solicitation Concept

Re: Comments of the Vehicle Grid Integration Council on the Proposed Draft DEBA DER GFO Solicitation Concept

Dear Sir or Madam:

The Vehicle Grid Integration Council ("VGIC") appreciates the opportunity to comment on the California Energy Commission's ("CEC") Proposed Draft Distributed Electricity Backup Assets ("DEBA") Distributed Energy Resources ("DER") Grant Funding Opportunity ("GFO") Solicitation Concept ("Draft DEBA GFO"). VGIC commends the CEC for its efforts to bolster grid reliability in the face of increased risk of extreme weather events.

I. INTRODUCTION AND SUMMARY.

The Vehicle Grid Integration Council is a 501(c)(6) membership-based trade association focused on accelerating the role of smart electric vehicle ("EV") charging and discharging through policy development, education, outreach, and research. VGIC supports the transition to a decarbonized transportation and electric sector by ensuring the value from EV deployments and flexible EV charging and discharging is recognized and compensated in support of a more reliable, affordable, and efficient electric grid.

VGIC strongly believes that DEBA is key to deploying equipment capable of unlocking real-world load reductions and exports that will meaningfully support the grid during emergencies. To accomplish this, the Draft DEBA GFO should be modified as summarized below:

- The DEBA program should transition toward a third-party-administered block grant program offering rather than using a Grant Funding Opportunity ("GFO") approach to project selection and fund distribution.
- Dual participation should be permitted across multiple Pathways to further support the deployment of equipment that will help support the grid during emergencies.
- CEC should modify the Draft DEBA GFO to include software costs as eligible project costs in Group 2.
- The CEC should consider reducing the minimum aggregation size, which is unreasonably high for emerging technologies and will limit the installation of certain low-cost, high-benefit emergency resources.

- To reduce eligibility barriers for V2X equipment, the CEC should clarify it does not intend to require UL 1741 SA/SB certification for V2G DC EVSE.

- The CEC should clarify details related to the Technology Readiness Requirement.

II. THE DEBA PROGRAM SHOULD TRANSITION TOWARD A THIRD-PARTY-ADMINISTERED BLOCK GRANT PROGRAM OFFERING RATHER THAN USING A GRANT FUNDING OPPORTUNITY ("GFO") APPROACH TO PROJECT SELECTION AND FUND DISTRIBUTION.

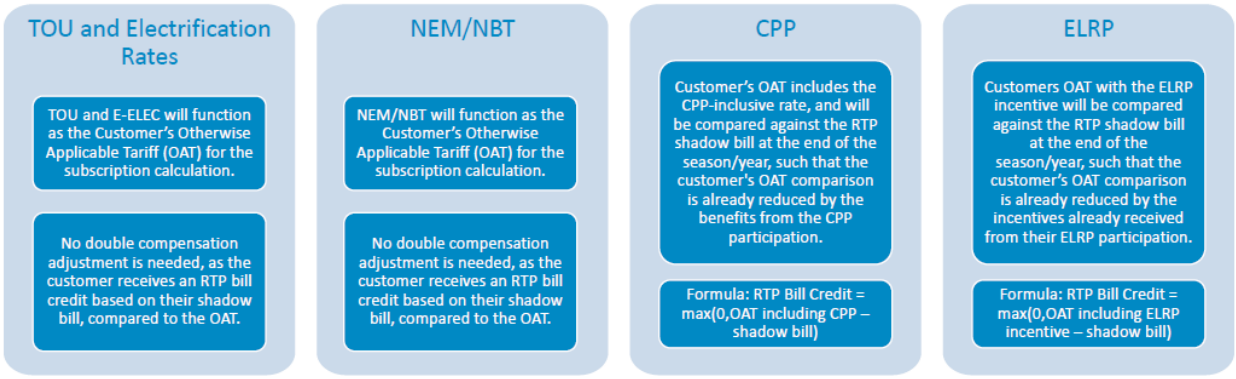
VGIC generally supports the CEC's DEBA draft solicitation concept; however, VGIC is concerned with the CEC's choice to use a GFO approach for project selection and fund distribution. GFOs are particularly ill-suited for projects involving BTM customer-sited resources, as customer acquisition/enrollment cycles may not align well with GFO solicitation timelines. Additionally, GFOs are administratively burdensome for developers/aggregators and represent a risky endeavor made more uncertain by the aforementioned complexity of customer engagement and BTM installation barriers.

The CEC should consider transitioning to a more effective approach. Specifically, the CEC should consider offering a transparent, easily accessible incentive program. Incentive programs administered by third parties, like CALeVIP, EnergIIZE, and the Self-Generation Incentive Program, offer streamlined, accessible funding for customer-sited projects. In stark contrast, the CPUC's Distribution Infrastructure Deferral Framework ("DIDF") solicitations, which are open to both BTM and IFOM DERs, has yielded little-to-no interest from aggregators/developers constructing BTM customer-sited resources. VGIC urges the Commission to transition DEBA to an third-party administered block grant program, like CALeVIP or EnergIIZE, rather than using the GFO framework. Given how far along the CEC is in designing this first DEBA DERs GFO, and given the urgent need to deploy on-call load reduction and supply resources for grid emergencies in summer 2024, VGIC understands that this change is unlikely to occur for the initial DEBA DER GFO and recommends it be considered for future iterations of DEBA DER program funding.

III. DUAL PARTICIPATION SHOULD BE PERMITTED ACROSS MULTIPLE PATHWAYS TO FURTHER SUPPORT THE DEPLOYMENT OF EQUIPMENT THAT WILL HELP SUPPORT THE GRID DURING EMERGENCIES.

Aside from *Pathway 4: Daily Dispatch*, all other Pathways prohibit dual participation in incentive mechanisms that could be "stacked" to support the deployment of resources capable of responding to grid emergencies. The DEBA GFO concept notes that funding can cover up to 50%

of eligible costs for Group 1 and Group 2. For VGI resources requiring relatively high upfront costs, this will likely be insufficient to support real-world deployment. To better support project economics and ensure DEBA results in meaningful incremental emergency load reduction and export capacity, the CEC should consider expanding dual participation for all pathways to include supply-side DR, emergency DR programs like DSGS and ELRP, and dynamic rate pilots and export credits such as the CalFUSE pilots. VGIC recognizes it is critical to avoid double counting these resources to ensure DEBA success can be properly measured and evaluated and to avoid inefficient use of program budgets. Notably, the CPUC hosted a workshop on March 1st to address the issue of double counting/compensation and to discuss methodologies to implement certain types of dual participation. The below graphic demonstrates the methodology developed by PG&E to avoid double counting/compensation between dynamic pricing pilots (i.e., CalFUSE rates) and various other demand-side management measures:



VGIC recommends the CEC permit dual participation for other pathways, not just Pathway 4, to allow for "value stacking" and ensure DEBA funds can be supplemented to unlock the greatest possible amount of incremental emergency capacity.

IV. THE CEC SHOULD MODIFY THE DRAFT DEBA GFO TO INCLUDE SOFTWARE AS ELIGIBLE PROJECT COSTS UNDER GROUP 2.

As detailed in Section III above, the proposed DEBA DER GFO would support up to 50% of eligible project costs for Groups 1 and 2. However, VGIC notes that the list of eligible project costs for Group 2 does not include software costs, which – in the case of VGI – can comprise a significant share of overall deployment costs. As such, VGIC urges the CEC to include software costs as eligible for support within the DEBA DER GFO, as long as awardees are not also receiving other CEC support for these software costs, for example, through the CEC's 2023 REDWDS solicitation.

V. THE CEC SHOULD CONSIDER REDUCING THE MINIMUM AGGREGATION SIZE AS IT IS UNREASONABLY HIGH AND WILL RESULT IN UNNECESSARY BARRIERS.

The proposed DEBA DER GFO poses several challenges unique to BTM customer-sited resources. One such challenge is detailed above in Section II regarding the GFO model itself. Another key challenge is the relatively high minimum aggregation size, which will likely be difficult for many developers/aggregators of small customer-sited resources to achieve. As envisioned by AB 205, constructing cleaner, more efficient distributed energy assets requires promoting the broadest possible set of solutions, many of which will be small, customer-sited resources. As such, the CEC should consider reducing the minimum aggregation size, which it is also exploring doing in the companion AB 205 program: DSGS.[1]

VI. TO REDUCE ELIGIBILITY BARRIERS FOR V2X EQUIPMENT, THE CEC SHOULD CLARIFY IT DOES NOT INTEND TO REQUIRE UL 1741 SA/SB CERTIFICATION FOR V2G DC EVSE.

Since vehicle-to-grid (V2G) exports would be encouraged under the above proposal, the CEC should consider the interactions between DEBA, Rule 21 smart inverter requirements, and available UL-certified bidirectional chargers. There are currently no bidirectional chargers certified to UL 1741 SB, which is required by Rule 21 as of August 29, 2023. Based on our discussions with manufacturers, UL 1741 SB certification for bidirectional chargers is optimistically about 18 months away. As a result, the CPUC has exempted bidirectional chargers participating in ELRP and, by extension, PG&E's VGI Pilots from all UL 1741 SA, SB, and any subsequent smart inverter requirements that the CPUC may set. We urge the CEC to coordinate, to the extent feasible, with the CPUC to extend this treatment to bidirectional chargers participating in DEBA. Without this exemption, many bidirectional EVSE will become stranded assets when they are most needed and available to provide grid flexibility services. DEBA represents a significant near-term opportunity to demonstrate the potential for VGI to provide grid services at scale and be compensated for doing so, particularly for customers of POUs and municipal utilities that are not eligible to participate in ELRP Subgroup A.5/VGI Aggregators. We therefore urge the CEC to make note of the current state of the bidirectional charger market and waive the UL1741-SB requirement to allow customers with UL 1741 and UL1741-SA certified V2G bidirectional chargers to participate in DEBA. Moreover,

[1] March 12, 2024 DSGS Workshop Slides, pg. 20.
https://efiling.energy.ca.gov/GetDocument.aspx?tn=254993&DocumentContentId=90694

the CEC recently proposed not requiring UL 1741 SB certification for participation in Option 3 of DSGS, as detailed in the recent DSGS Workshop.[2]

VII. THE CEC SHOULD CLARIFY DETAILS RELATED TO THE TECHNOLOGY READINESS REQUIREMENT.

The CEC should clarify details related to the technology readiness level ("TRL") 9 requirement. Based on VGIC's understanding of the DEBA DER GFO concept, it is unclear whether the TRL will be assessed at time of application or deployment. Additionally, it is unclear if the CEC or another party would be responsible for assessing the TRL, or if applicants will submit an attestation regarding the TRL of their solutions. VGIC respectfully requests the CEC to clarify these TRL-related GFO elements in the upcoming GFO.

VIII. CONCLUSION.

VGIC appreciates the opportunity to provide these comments on the workshop and looks forward to collaborating with the CEC and other stakeholders in this docket.

Respectfully submitted,

/s/ Zach Woogen
Zach Woogen
Senior Policy Manager
Vehicle Grid Integration Council

Albert Tapia
Policy Analyst
Vehicle Grid Integration Council

vgicregulatory@vgicouncil.org

[2] March 12, 2024 DSGS Workshop Slides, pg. 19.
https://efiling.energy.ca.gov/GetDocument.aspx?tn=254993&DocumentContentId=90694