

DOCKETED

Docket Number:	22-RENEW-01
Project Title:	Reliability Reserve Incentive Programs
TN #:	255233
Document Title:	Sunrun's Comments on Draft DSGS Guidelines, Third Edition
Description:	N/A
Filer:	System
Organization:	Sunrun, Inc.
Submitter Role:	Public
Submission Date:	3/22/2024 3:23:15 PM
Docketed Date:	3/22/2024

*Comment Received From: Sunrun, Inc.
Submitted On: 3/22/2024
Docket Number: 22-RENEW-01*

Sunrun's Comments on Draft DSGS Guidelines, Third Edition

Additional submitted attachment is included below.

March 22, 2024

California Energy Commission
Docket No. 22-RENEW-01
715 P Street
Sacramento, California 95814

RE: Sunrun Comments on the Demand Side Grid Support (DSGS) Program Proposed Draft Guidelines, Third Edition

Sunrun Inc. (Sunrun) respectfully submits these comments responding to the Demand Side Grid Support (DSGS) Program Proposed Draft Guidelines, Third Edition. Sunrun looks forward to participating in DSGS in 2024 and beyond. We believe that DSGS provides a valuable model for California to build on to unlock additional value from distributed energy resources (DERs).

Sunrun appreciates California Energy Commission (CEC) Staff for their work on developing and refining DSGS. We recognize Staff's efforts to engage stakeholders, provide venues for feedback, and thoughtfully consider improvements to the program. We appreciate these collaborative efforts and believe they will directly contribute to the success of DSGS.

While Sunrun is disappointed that Option 3 payment levels have not been raised, we do appreciate the CEC's consideration and support many of the proposed modifications in the Draft Third Edition Guidelines. In fact, Sunrun largely supports the comments on the Draft Guidelines submitted by the California Energy Storage Alliance (CESA) and the California Solar and Storage Association (CALSSA). We also offer individual Sunrun comments below.

Sunrun Supports Many of the Proposed Modifications

The Draft Third Edition Guidelines keep the structures and spirit of the current guidelines but contain many improvements to streamline the program. Sunrun supports many of these modifications including updated Option 3 eligibility verification processes and the addition of a deadline for incentive claim submissions. We hope these streamlining efforts will encourage timely customer enrollment and payment processing at the end of the DSGS season.

Sunrun also supports the addition of electric vehicle (EV) discharge (V2X) into DSGS Option 3. This integration allows for EV participation while maintaining the participation pathway for stationary batteries. We encourage the CEC to work directly with the California Public Utilities Commission (CPUC) to ensure that these resources are granted UL 1741-B waivers to interconnect and participate in the program.

On the other hand, Sunrun cautions against adding day-of Energy Emergency Alerts (EEA) as event triggers for DSGS Option 3. We agree with CALSSA that this will add additional operational complexity, increasing costs and decreasing participation. We support the CEC's proposal to defer this for consideration in 2025.

Sunrun Supports the Extension of the 30% Bonus for Capacity Payments, but Payment Levels Should Be Increased Further

Sunrun appreciates the extension of the 30% payment bonus through 2025. We believe that this will help to encourage additional customer participation by creating certainty around higher compensation levels through 2025. We encourage the CEC to further extend the bonus through 2027 to ensure that customers will continue to participate in DSGS throughout the program's duration.

We are disappointed that the CEC did not adopt higher payment levels, as outlined in a proposal from CESA and supported by other stakeholders. We encourage the CEC to adopt CESA's proposed Option 3 payment levels of \$160 / kW-season for a 4-hour resource, \$144 / kW-season for a 3-hour resource, and \$120 / kW-season for a 2-hour resource to drive significant customer participation, address near-term reliability risks, and have compensation levels that reflect market conditions. As outlined in Sunrun's previous comments, as well as a variety of stakeholder comments, higher payment levels are needed to unlock additional customer participation. Higher payment levels are also supported by the estimated value of distributed resources from the CPUC's Avoided Cost Calculator (ACC), higher payment levels from comparable grid services programs in California and other states, and the ongoing risk of electric reliability events and rolling blackouts.

Conclusion

Sunrun appreciates the CEC's consideration of these comments. Thank you for your time, and we look forward to continuing to collaborate with CEC staff on this important program.

Respectfully submitted,

/s/ Chris Rauscher

Chris Rauscher

Head of Grid Services

Sunrun Inc.

chris.rauscher@sunrun.com