

**DOCKETED**

<b>Docket Number:</b>	22-RENEW-01
<b>Project Title:</b>	Reliability Reserve Incentive Programs
<b>TN #:</b>	258568
<b>Document Title:</b>	Scale Microgrids Comments - Scale Microgrid Comments on DEBA DSGS Budget Allocation
<b>Description:</b>	N/A
<b>Filer:</b>	System
<b>Organization:</b>	Scale Microgrids
<b>Submitter Role:</b>	Public
<b>Submission Date:</b>	8/19/2024 3:10:03 PM
<b>Docketed Date:</b>	8/19/2024

*Comment Received From: Scale Microgrids*  
*Submitted On: 8/19/2024*  
*Docket Number: 22-RENEW-01*

## **Scale Microgrid Comments on DEBA DSGS Budget Allocation**

*Additional submitted attachment is included below.*



August 19, 2024

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

**RE: Scale Microgrid Comments on budget distribution between Distributed Electricity Backup Assets (DEBA) and Demand Side Grid Support (DSGS) programs**

Scale Microgrids (Scale) is submitting these comments to the California Energy Commission (CEC) on the pending budget distribution that the CEC will make to the Distributed Electricity Backup Assets Program (DEBA) and Demand Side Grid Support (DSGS) programs. Scale understands that the CEC has discretion to allocate \$75 million from the 2024-2025 budget between the two programs.

Multiple stakeholders in this docket have commented in support of allocating the full \$75 million to DSGS. Most generally cite the fact that DSGS as a program is already operational and allowing customer enrollment. There is significant customer participation in 2024, with 175 MW enrolled in Option 3 this year.<sup>1</sup> Participation is expected to continue into 2025 and beyond. Scale agrees that DSGS is a valuable program that should be maintained and funded to provide much needed capacity during emergency reliability events.

**At the same time, Scale does believe that the CEC should fund DEBA to meaningful levels and launch the Distributed Energy Resources (DER) for Reliability Solicitation.** We offer additional comments below.

**About Scale**

Scale is a vertically integrated distributed energy platform, with a core focus on designing, building, financing, owning, and operating cutting-edge distributed energy assets that offer cheaper, cleaner, and more resilient power. Our team of energy and financing experts accelerates the adoption of sophisticated distributed energy assets while also directly helping large energy-consuming customers future-proof their businesses. We build the world's most cutting-edge advanced microgrids that are the fundamental building blocks of a clean, resilient, and equitable 21st-century electric grid.

---

<sup>1</sup> California Solar & Storage Association (CALSSA) Comments on DSGS and DEBA funding at footnote 2.

## **DEBA adds new resources to California's DER fleet and provides unique benefits**

DEBA is not solely an emergency demand response program, unlike DSGS, and will fund new, physical generation and storage resources. These resources will add MWs of capacity to the grid that otherwise would not exist at all. These resources can then respond to a variety of economic signals to provide value to the grid during and outside of emergency events.

DEBA will ensure that resources do respond to grid emergencies, similar to DSGS. The CEC envisioned ensuring performance by disbursing the DEBA award along a performance payment schedule, with 50% available upfront and 50% paid over 5 years if performance is achieved. DEBA's ability to provide funding upfront during project development allows projects to be developed that would have otherwise been unable to find other capital or access funding. This is especially true for projects in disadvantaged communities and projects for public and community organizations that provide community benefits.

DEBA resources will also continue to operate in the longer-term. DER solar + battery storage projects have an expected lifetime of twenty years. After the 5-year performance period, projects will continue to respond to signals, such as the Net Billing Tariff (NBT) that encourage customers to provide energy during the net peak hours, especially during summertime. Projects could also be enrolled in other demand response programs, likely requiring lower payment to participate given the DEBA award. Overall, DEBA is an investment in capacity that will be available in the long-term, not only the next few years.

Lastly, while resilience is not explicitly targeted by DEBA, the DER solicitation can provide valuable resilience benefits. Microgrids are explicitly eligible for DEBA and Scale anticipates that many projects would be microgrids or have other islanding capabilities. Since DEBA is funding the physical resources, they can be used to provide backup power, which is usually needed not due to system wide reliability events but local distribution outages. Maintaining resilience enables businesses to uphold their commitments to customers, employees, and stakeholders, and contributes to overall community resilience by reducing the strain on emergency services and enhancing the ability to recover swiftly from adverse events.

## **DEBA would be utilized if properly funded**

While DEBA has not been fully utilized to date, this is because the CEC has not released the DER solicitation, not due to a lack of interest or projects that require support. Over 25 different entities have submitted comments on the Draft Solicitation, clearly demonstrating widespread interest and the critical role DEBA could play if properly funded. Scale believes that the vision set out in the Draft Solicitation released in February would create a successful program and support projects. With proper funding and the official release of the solicitation, DEBA is poised to become a vital instrument in driving forward DER projects that align with California's needs and goals.

## Conclusion

Scale is fully committed to helping California advance energy and decarbonization technologies to support electrical grid reliability and reduce GHG emissions. We support the CEC using the additional \$75 million to provide funding to both DSGS and DEBA to ensure future reliability. While other stakeholders have proposed providing funding solely to DSGS, we believe that DEBA will drive investments in new DERs that will provide value to California's both near and long-term goals.

Sincerely,

/s/ Erica Dahl

Erica Dahl

Vice President of Policy

Scale Microgrids