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Fermata Energy's Comments on DSGS Proposed Draft Guidelines, 4th Edition

Additional submitted attachment is included below.

October 30, 2024

CEC Commissioners and Staff
California Energy Commission
Research and Development Division
1516 Ninth Street
Sacramento, CA 95814

Via: CEC Docket #22-RENEW-01

Re: Fermata Energy Comments on Demand Side Grid Support Program Proposed Draft Guidelines, Fourth Edition, CEC Docket #22-RENEW-01

Dear California Energy Commission,

Fermata Energy is pleased to submit comments in response to the California Energy Commission's ("CEC's") Demand Side Grid Support ("DSGS") Program Proposed Draft Guidelines, Fourth Edition, and the October 18, 2024, Workshop CEC hosted to review the proposed modifications to the DSGS Program Draft Guidelines.

Background

Founded in 2010, Fermata Energy is a leading Vehicle-to-Everything ("V2X") bidirectional charging services provider. Fermata Energy designs, supplies, and operates the technologies required to integrate electric vehicles ("EVs") into homes, buildings, and the electric grid. Fermata Energy's V2X platform incorporates multiple connector types in a bidirectional charger and management software platform that connects the EV and electricity user to the grid. Fermata Energy's V2X platform extends the value of an EV and allows the vehicle to act as a dispatchable energy storage resource when the vehicle is not in use.

Fermata Energy's customers today are earning thousands of dollars per EV and EVSE pair through Vehicle-to-Grid ("V2G") and Vehicle-to-Building ("V2B") programs nationwide. The company's bidirectional EV charging system is the first to be certified by UL Solutions in North America to UL 9741, the Standard for Bidirectional EV Charging System Equipment and is the first to earn approval in the U.S. from a major OEM for battery warranty. In addition to developing the hardware and software required to perform V2X activities, Fermata Energy has spent over 10 years studying how V2X can unlock additional value streams from EVs, including those that are commercially viable today without regulatory intervention and how to best monetize these value streams. Fermata Energy has extensive experience with analyzing use cases, monetization mechanisms, and business models to maximize the benefits of V2X technologies.

Fermata Energy Recommendations

Fermata Energy strongly supports the DSGS program and its goals of expanding demand flexibility opportunities, similar to ELRP, to customers of publicly owned utilities, municipal utilities, and other load serving entities that cannot currently participate in ELRP. We commend the CPUC for including V2X as an eligible technology in DSGS and creating an additional pathway for V2X export compensation. We also greatly appreciate the revised guidelines' recognition of V2X services providers as eligible Option 3 aggregators. To build on the success of the program's 2024 season, we recommend the following:

- 1. To ensure that the V2X can meet its full potential as a mobile, dispatchable resource to help support grid resilience, reliability, and affordability, we recommend that the 100 kW minimum aggregation size should be maintained for V2X resources in Option 3 Market-Aware Virtual Power Plant ("VPP").** Fermata Energy opposes the proposal to increase the minimum aggregation size for V2X resources in Option 3 and agrees with the Vehicle Grid Integration Council (VGIC) that increasing the minimum aggregation size for all Option 3 resources from 100 kW to 500 kW would substantially reduce the number of V2X resources able to participate in DSGS. The proposed minimum aggregation size of 500 kW will act as a barrier to VGI services providers. This requirement could discourage new entrants from bringing VGI charging solutions to market, especially for new and emerging use cases such as residential bidirectional charging. Changes such as this can introduce uncertainty for new market entrants and can complicate the business case for small V2X projects. For the initial program years, maintaining the 100 kW minimum aggregation size for Option 3 would allow VGI services providers to access DSGS revenue while in the process of building out their customer pipelines and increasing their capacity under management. Several new V2X hardware solutions and bidirectional EVs are expected to come to market in 2025, making the technology more widely available. Until then, an increase in the minimum aggregation size for V2X could risk stranding flexible assets simply because they do not meet the 0.5 MW minimum size threshold.

In closing, Fermata Energy greatly appreciates the work of the Commission and staff in organizing and leading this workshop and appreciates the opportunity to provide feedback on the CEC's efforts to support grid reliability through the DSGS program. As discussions on these topics continue, Fermata Energy is happy to provide staff with additional feedback on these and other issues related to V2X adoption in California. As a V2X services provider with active projects in California and nationwide, Fermata Energy has years of expertise monetizing and studying V2X use cases, and we look forward to sharing our resources and knowledge on this subject with staff to help develop these programs.



Respectfully submitted,

/s/ Anna Bella Korbatov

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