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**Comments of Voltus, Inc, in Response to Proposed DSGS
Guidelines, Fourth Edition**

Additional submitted attachment is included below.

**Comments of Voltus, Inc., in Response to
October 4, 2024, Proposed Modifications to DSGS Program Guidelines**

These comments address the program updates in the Proposed Demand Side Grid Support (DSGS) Program Guidelines, Fourth Edition (Guidelines). Voltus thanks the California Energy Commission (CEC) for its continued work on the DSGS program and for this opportunity to comment.

DSGS is an innovative, thoughtfully-designed program that has provided resource owners and aggregators a valuable revenue stream to monetize demand reduction in support of grid reliability. Voltus applauds the CEC for developing and standing up this program and continuing to improve it, even in the face of state budget uncertainty. Voltus greatly appreciates the DSGS team's solicitation of and responsiveness to stakeholder feedback. The introduction of incentive Option 4 is a characteristic example of the CEC's collaborative approach to stakeholder ideas.

The remainder of these comments suggest a handful of modifications to the proposed Guidelines updates.

I. Option 2's Dispatch Reporting Requirement is Onerous and Duplicative

Under the new dispatch reporting requirement,

Option 2 providers must submit to the CEC a weekly report summarizing the total expected energy (MWh) by Resource ID for each day and hour. If no eligible dispatches occurred (sic) in the previous week, the report may be skipped.

Weekly reporting of all dispatches adds significant administrative burden to aggregator participation and duplicates existing data sources. Voltus believes it would be more effective and efficient for the CEC and the California Independent System Operator (CAISO) to work directly to obtain this data with the Scheduling Coordinator's consent. Voltus requests that the reporting requirement be relaxed such that dispatch data need only be reported upon specific CEC request, for instance to cross reference CAISO data. Alternatively, a monthly reporting requirement would be more reasonable and consistent with Option 3's reporting cadence.

II. Option 3's Performance Reporting Deadline Should Be Extended

The three business day window to submit end-of-month performance reports under Option 3 is overly restrictive, and represents, in Voltus' experience, an unusually tight timeline for this type of reporting. The requested performance data is granular and requires a reasonable window to collate and verify across data, operational, and program teams. There may be factors outside of the aggregator's control, such as delays in the communication of interval data between the aggregator and the asset owner/participant, that require time for diagnosing and backfilling of data gaps. If a data gap occurs towards the end of the month, providing complete and accurate data within three days of month's end becomes infeasible. Voltus recommends at least a ten business or fifteen calendar day reporting window to allow for data quality control and assurance.

III. Adding Optionality to Option 2's Testing Requirement Would Increase Participation

Following the proposed Second Edition guidelines, Voltus and others requested that the new requirement of at least one three-hour dispatch be delayed until 2025 to ease the transition for already committed customers. Voltus greatly appreciates that this request was granted.

However, residential customers and others who are willing and able to dispatch for up to two hours but not three should have sufficient pathways to bring emergency capacity to the grid.

DSGS Option 2 could be one such pathway, and a proving ground for the reliability value of two-hour capable aggregations. Voltus believes that there is significant value in such aggregations that is not recognized by the current testing methodology. For example, during the September 2022 heat wave, shorter-duration demand response dispatches helped prevent blackouts.

With this in mind, Voltus recommends that the Guidelines include an additional testing methodology to unlock these aggregation types while ensuring reliability of the portfolio. The following redline provides an example:

Each DR aggregation must receive at least one dispatch resulting in a BNLI value per month from July through September and one BNLI value per month on average to be awarded a demonstrated capacity value for the season. In the case of a single dispatch for participation

in a single month, the non-weather-sensitive capacity formula shall be applied. Regardless of participation duration, each aggregation must receive at least one dispatch resulting in three consecutive BNLI values. Alternatively, each aggregation must receive at least three dispatches resulting in two consecutive BNLI values each. Aggregators should identify the subset of aggregations that will be subject to the latter methodology.

Voltus is of the opinion that an aggregation that repeatedly shows up for two-hour dispatches under this suggested testing requirement offers comparable reliability value to a resource that meets the current testing requirement. Other testing requirements could be considered that assure reliability while capturing the capacity value of customers with strong performance in the first two hours of a dispatch.

IV. Option 3's Increased Minimum Power Rating Is Onerous for New Market Entrants

Voltus understands that the minimum power rating applies individually to each partner company with which the DSGS aggregator works. Increasing this minimum rating from 100 to 500 kW—a 5x increase—potentially bars new market entrants and rules out an important subset of partner companies that wish to pilot DSGS participation with a smaller portfolio of assets.

On the other hand, the original minimum size of 100 kW encourages early adoption and a diversity of partner and device types, increasing the reliability value of DSGS Option 3 and achieving the goal of encouraging the market for aggregated storage. The 100 kW minimum also maintains consistency with CAISO Proxy Demand Resource (PDR) and Base Interruptible Program (BIP) minimums. Voltus recommends that the 100 kW minimum be maintained.

V. Option 3's New Emergency Trigger Risks Eroding Earning Potential and Deterring Customers

Voltus concurs with other commentators at the October 18 workshop that the new Emergency Trigger under Option 3 introduces significant challenges. Storage technologies are use-limited, and if a resource that has been scheduled day-ahead receives a day-of trigger that does not align with the day-ahead

dispatch, the resource may underperform against one of its obligations due to charge depletion while serving the competing obligation.

Voltus recommends that aggregators be afforded the option to omit Emergency Trigger events from the seasonal performance evaluation and forego the associated ten percent incentive bonus. Providing this optionality would allow aggregators to manage the benefits and risks of Emergency Trigger events.

VI. The CEC Should Publish Monthly DSGS Program Enrollment Data to Promote Transparency

Finally, to aid in assessment of program dynamics and remaining program budget, Voltus requests that the CEC publish monthly data on total DSGS enrolled megawatts, disaggregated by incentive option.

Thank you for your time and consideration.

Respectfully submitted,

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