



# **Item 11: Distributed Electricity Backup Assets (DEBA) Program Guidelines (22-RENEW-01)**

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# Strategic Reliability Reserve Incentive Programs (Assembly Bills 205 and 209)

	Demand Side Grid Support (DSGS)	Distributed Electricity Backup Assets (DEBA)
Funding	\$314 Million	\$545 Million
Incentivized Activities	Use of load reduction resources during extreme events	Purchase of cleaner and more efficient distributed energy assets that would serve as on-call emergency supply or load reduction
Eligibility	Statewide	Statewide
Program Status	Launched 2022, Expanded for Summer 2023	Under Development



# Benefit to Californians



- Support grid reliability and keep the lights on by enhancing load capacity during extreme events
- Grow the fleet of clean resources supporting the grid
- Diversify the types of resources that are available in times of need



# DEBA Statutory Requirements (AB 205)



## Guidelines

- Developed in consultation with CARB
- Must consider estimated useful life of equipment



## Loading Order

- Demand response and efficiency resources
- Renewable and zero-emission resources
- Conventional resources

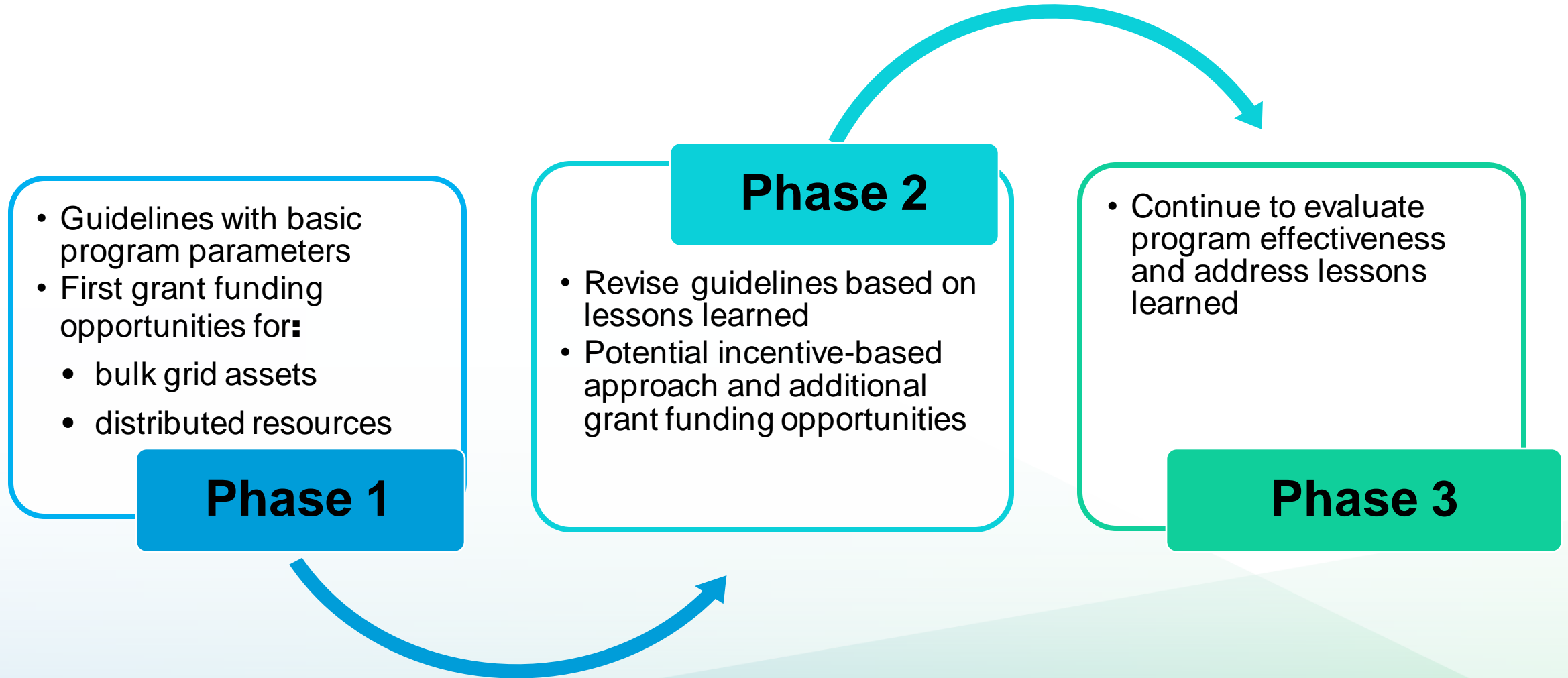


## Funding Conditions

- Must participate as an on-call emergency resource during extreme events
- Power generators must comply with mandatory GHG emissions reporting requirements



# Phased Approach to DEBA Program Development





# DEBA Program Design Overview

## Two project funding categories

- Bulk grid assets
- Distributed resources

## Funding awarded through grant funding opportunities (GFOs)

- Technical scoring criteria will be tailored in each GFO solicitation

## Funding recipients must participate as on-call emergency resources during extreme events

- Requirements will be tailored in each GFO solicitation



# Examples of Eligible Technologies

## Bulk Grid Assets

**Efficiency upgrades, maintenance, and capacity additions to existing power generators**

- Equipment upgrades
- Clean back-up generation or storage
- Waste heat to power

## Distributed Resources

**New zero- or low-emission technologies at existing or new facilities**

- Load flexibility controls, SCADA systems, demand-response aggregation software
- Fuel cells
- Energy storage
- Linear generators
- Microgrids
- Microturbines
- Vehicle-to-grid integration
- Pumped hydroelectric storage
- Combined heat and power systems

## Ineligible

**The following technologies are ineligible for DEBA Program funding:**

- Diesel backup generators, including diesel, biodiesel, and renewable diesel
- Standalone variable renewable resources without paired storage (e.g., solar and wind)



# Anticipated DEBA Funding Allocation

Category	Initial Budget
Bulk Grid Assets	Up to \$100M
Distributed Resources	Up to \$445M
Total	\$545M

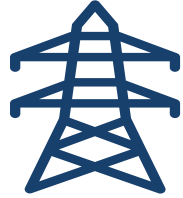


- At least 25% of funding to projects in publicly owned utility territories
- At least 50% of distributed resources funding to projects located in or benefiting disadvantaged communities





# Example Technical Scoring Criteria



## Bulk Grid Assets

- Applicant and project eligibility
- Anticipated useful life of the resource
- Project capacity and availability
- Cost-effectiveness
- Project readiness







## Distributed Resources

- Applicant and project eligibility
- Loading order
- Anticipated useful life
- Project capacity and availability
- Cost-effectiveness
- Project readiness
- Equity
- Resiliency co-benefits
- Resource portfolio diversity



# Public Stakeholder Engagement

	Date*	Milestone
	Winter 2022–2023	<ul style="list-style-type: none"><li>• Request for Information on potential program design</li><li>• Initial public scoping workshop</li><li>• Consideration of public comments</li></ul>
	August–September 2023	<ul style="list-style-type: none"><li>• Draft guidelines released</li><li>• Public workshop on draft guidelines</li><li>• Public comment period</li></ul>
	October 2023	<ul style="list-style-type: none"><li>• Final proposed guidelines posted</li><li>• CEC consideration of adopting proposed guidelines</li></ul>
	November–December 2023	<ul style="list-style-type: none"><li>• Bulk grid assets GFO released</li><li>• Draft distributed resources GFO released for comment</li></ul>
	First Quarter 2024	<ul style="list-style-type: none"><li>• Notice of proposed awards for bulk grid asset GFO</li><li>• Final distributed resources GFO released</li></ul>

\*Future dates are tentative and subject to change



# Stakeholder Feedback

Comment	Staff Recommendation
Include more details in guidelines	<ul style="list-style-type: none"><li>• Specific details to be included in GFOs to provide more nuanced requirements for the different types of projects</li></ul>
Clarify difference between bulk grid assets and distributed resources	<ul style="list-style-type: none"><li>• Addressed in proposed guidelines</li></ul>
Develop a standardized incentive program	<ul style="list-style-type: none"><li>• Focus resources on initial GFOs</li><li>• Consider programmatic approach in distributed resources GFO or subsequent guideline development</li></ul>
Direct all funding to clean resources benefiting disadvantaged communities	<ul style="list-style-type: none"><li>• Increase funding target for disadvantaged communities to 50%</li><li>• Not restrict investments to provide flexibility needed to address grid constraints</li></ul>



# Staff Recommendation

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- Adopt determination this action is exempt from CEQA
- Approve DEBA Program Guidelines, First Edition