



Item 11: Demand Side Grid Support (DSGS) Program Guidelines (Docket No. 22-RENEW-01)

May 8, 2024, Business Meeting

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CEC Reliability Reserve Incentive Programs (AB 205 and AB 209)

| | Demand Side Grid Support (DSGS) | Distributed Electricity Backup Assets (DEBA) |
|--------------------------------|--|---|
| Funding | \$314 million | \$495 million* |
| Incentivized Activities | Use of existing 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 |

**Based on January 2024 proposed budget*



Benefits to Californians



- Support grid reliability by enhancing load capacity during extreme events
- Increase visibility into resource capacity
- Prioritize dispatch of clean resources first



DSGS Development Roadmap





Summer 2023 Program Activity

| | Option #1 | Option #2 | Option #3 |
|-----------------------|----------------------------|---|--|
| Incentive Type | Standby and Energy Payment | Incremental Market-Integrated Demand Response Pilot | Market-Aware Battery Storage VPP Pilot |
| Enrolled Providers | 8 | 4 | 10 |
| Participants Enrolled | 27 | TBD | 1,296 |
| Capacity Enrolled | 132.1 MW | TBD | 10.4 MW |



Revised Guidelines: Incorporating Lessons Learned



- Grow participation from cleaner resources, including demand response
- Refine and clarify requirements to improve user experience
- Continue to simplify operational complexities



Changes to Grow Participation from Clean Resources

- Extend 30% incentive bonus through 2026
- Accommodate day-ahead resources
- Incentive Option 2 minimum dispatch targeting hotter months
- Incorporate V2X eligibility in Incentive Option 3



Administrative Changes to Refine and Simplify Program

- Establish a deadline for submitting claims
- Timely reporting required for compensation
- Add estimated capacity to Option 2 reporting requirements
- Limit personal identifying information reported to CEC



Public Stakeholder Engagement

| 2024 | Milestone |
|--------------------|---|
| Jan 23 | Public workshop on the Demand Side Grid Support (DSGS) program |
| Jan 12 - Feb 5 | Public comment period |
| Feb - March | Staff consideration of public comments |
| March 12 | Public workshop on proposed modifications to the program guidelines |
| March 6 - March 22 | Public comment period |
| March - April | Staff consideration of public comments |
| April 26 | Post final guidelines for consideration for adoption by the CEC |
| May 8 | CEC consideration of guidelines adoption at business meeting |
| | DSGS Phase 3: Program launch |
| Summer 2024 | Continue stakeholder process for potential changes for summer 2025 |



Recommendation

- Approve DSGS Program Guidelines, Third Edition
- Adopt determination that approval of the DSGS Program Guidelines, 3rd Edition, is exempt from CEQA