



**California Energy Commission
April 27, 2026, Business Meeting
Backup Materials for Demand Side Grid Support (DSGS) Program Guidelines**

The following backup materials for the above-referenced agenda item are available as described below:

1. Proposed Resolution, attached below.
2. [Proposed Commission Guidelines](https://efiling.energy.ca.gov/GetDocument.aspx?tn=269521&DocumentContentId=106613), as published on April 17, 2026, available at <https://efiling.energy.ca.gov/GetDocument.aspx?tn=269521&DocumentContentId=106613>
3. CEQA Memo, attached below.

For the complete record, please visit: [California Energy Commission: Docket Log: 22-RENEW-01](https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=22-RENEW-01) at <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=22-RENEW-01>.

To stay informed about this project and receive documents as they are filed, please subscribe to the Demand Side Grid Support (DSGS) Topic, which can be accessed at the [California Energy Commission Subscriptions page](#) at: <https://www.energy.ca.gov/subscriptions>. The Topic sends out email notifications and direct links when documents are filed in the proceeding docket.

CALIFORNIA ENERGY COMMISSION
**PROPOSED RESOLUTION: ADOPTING THE DEMAND SIDE GRID SUPPORT
PROGRAM GUIDELINES, FIFTH EDITION (22-RENEW-01)**
RESOLUTION NO: 26-0427-XX

WHEREAS, that the State Energy Resources Conservation and Development Commission (CEC) adopts the staff California Environmental Quality Act (CEQA) findings that these Guidelines are exempt from CEQA under California Code of Regulations, Title 14, Sections 15307, 15308, and 15061(b)(3); and

WHEREAS, the Demand Side Grid Support Program Guidelines, Fifth Edition, clarify program requirements and incorporate lessons learned for the 2026 season, while aligning the program with the estimated funding level projected to be available after the 2025 compensation payout; and

WHEREAS, Assembly Bill (AB) 205 (Ting, Statutes of 2022, Chapter 61), added, among other statutes, Public Resources Code section 25792, which directs the California Energy Commission (CEC) to implement and administer the Demand Side Grid Support (DSGS) program to incentivize dispatchable customer load reduction and backup generation operation as on-call emergency supply and load reduction for the state's electrical grid during extreme events using moneys appropriated therefor; and

WHEREAS, AB 205, as amended by AB 107 (Gabriel, Statutes of 2024, Chapter 22), AB 102 (Ting, Statutes of 2023, Chapter 38), as amended by Senate Bill (SB) 109 (Wiener, Statutes of 2024, Chapter 36) and SB 101 (Wiener, Statutes of 2025, Chapter 4), and SB 108 (Wiener, Statutes of 2024, Chapter 35), as amended by AB 157 (Gabriel, Statutes 2024, Chapter 994), appropriated an overall program budget of \$109.5 million for the DSGS program to provide incentives and to be used for associated mitigation costs; and

WHEREAS, Public Resources Code section 25792, section 18 of AB 205, section 11 of SB 109, and section 15.14(e) of AB 107 provide that the CEC shall develop and adopt regulations, guidelines, or other standards for the program in consultation with California balancing authorities and the California Air Resource Board (CARB) and that the Administrative Procedure Act (commencing with Government Code section 11340) does not apply to regulations, guidelines, or other standards for the program adopted at a CEC business meeting; and

WHEREAS, the CEC has consulted with the Public Utilities Commission, California balancing authorities, and CARB in developing these guidelines; and

WHEREAS, Public Resources Code section 25792 directs the CEC to "allocate moneys to develop a new statewide program that provides incentives to reduce customer net load during extreme events with upfront capacity commitments and for per-unit reductions in net load"; and

WHEREAS, section 18 of AB 205 and SB 109 provide that the CEC may “[u]se any type of third- party block grant or contract with incentive program implementers for the purposes of implementing the program”; and

WHEREAS, section 18 of AB 205 and SB 109 provide that “[c]ontracts, grants, or loans entered into with these funds shall not require the review, consent, or approval of the Department of General Services or any other state department or agency and do not need to comply with requirements under the State Contracting Manual, the Public Contract Code, or the contracting requirements of Article 4 (commencing with Section 19130) of Chapter 5 of Part 2 of Division 5 of Title 2 of the Government Code;” and

WHEREAS, section 18 of AB 205 provides that “[t]hese funds shall be available for encumbrance or expenditure by the [CEC] until June 30, 2026, and shall be available for liquidation until June 30, 2030;” and

WHEREAS, SB 109 provides that “[t]hese funds shall be available for encumbrance or expenditure by the [CEC] until June 30, 2027, and shall be available for liquidation until June 30, 2030;” and

WHEREAS, SB 108 provides that “[t]hese funds shall be available for encumbrance or expenditure by the [CEC] until June 30, 2028, and shall be available for liquidation until June 30, 2032;” and

WHEREAS, the CEC at its August 10, 2022, business meeting adopted the DSGS Program Guidelines, First Edition; and

WHEREAS, AB 209 (Ting, Statutes of 2022, Chapter 251) amended Public Resources Code section 25792 to expand DSGS program eligibility to include “all energy customers in the state, except those enrolled in demand response or emergency load reduction programs offered by entities under the jurisdiction of the Public Utilities Commission;” and

WHEREAS, Public Resources Code section 25792, as amended by AB 209, provides that the CEC, in consultation with the Public Utilities Commission, may adopt additional participation requirements or limitations; and

WHEREAS, the CEC at its July 26, 2023, business meeting adopted the DSGS Program Guidelines, Second Edition, to expand program eligibility consistent with the requirements of AB 209 and address lessons learned from the initial program implementation; and

WHEREAS, the CEC at its May 8, 2024, business meeting adopted the DSGS Program Guidelines, Third Edition, to address lessons learned from summer 2023 program implementation and grow participation from clean resources; and

WHEREAS, the CEC at its April 10, 2025, business meeting adopted the DSGS Program Guidelines, Fourth Edition, to refine and clarify requirements to improve program effectiveness and add provisions to expand participation from clean resources; and

WHEREAS, the DSGS Program Guidelines, Fifth Edition, were informed by stakeholder feedback and were published in draft form to the DSGS program docket (22-RENEW-01) and emailed to the email subscription list, Demand Side Grid Support, on February 18, 2026; and

WHEREAS, a revised draft DSGS Program Guidelines, Fifth Edition, was published to the DSGS program docket (22-RENEW-01) and emailed to the email subscription list, Demand Side Grid Support, on February 27, 2026; and

WHEREAS, CEC staff conducted a public workshop on March 9, 2026, to solicit stakeholder feedback on the draft DSGS Program Guidelines, Fifth Edition, and accepted written comments from February 18, 2026, through March 16, 2026; and

WHEREAS, CEC staff published a final set of revisions of the Proposed DSGS Program Guidelines, Fifth Edition, to the DSGS program docket (22-RENEW- 01) and to the email subscription list Demand Side Grid Support, which incorporated additional changes based on stakeholder feedback; and

WHEREAS, the CEC's staff has considered the application of the California Environmental Quality Act (CEQA) to the CEC's adoption of the DSGS Program Guidelines, Fifth Edition, and concludes that these Guidelines are exempt from CEQA under California Code of Regulations, Title 14, Sections 15307, 15308, and 15061(b)(3); and

THEREFORE, THE CALIFORNIA ENERGY COMMISSION FINDS:

With regard to CEQA:

- The CEC has considered the application of CEQA to the proposed regulations and concluded that these Guidelines are exempt from CEQA under California Code of Regulations, Title 14, Sections 15307, 15308, and 15061(b)(3).

With regard to the Administrative Procedure Act:

- Section 18(b)(1) of AB 205, section 11 of SB 109, and section 15.14(e) of AB 107 provide that the Administrative Procedure Act (commencing with Government Code section 11340) does not apply to regulations, guidelines, or other standards for the program adopted at a CEC business meeting;

THEREFORE, BE IT RESOLVED, the CEC has considered the application of the California Environmental Quality Act (CEQA) to the proposed DSGS Program Guidelines, Fifth Edition, and finds that its adoption is exempt from CEQA under California Code of Regulations, Title 14, Sections 15307, 15308, and 15061(b)(3); and

FURTHER BE IT RESOLVED, that, after considering all comments received, and based on the entire record of this proceeding, the CEC hereby adopts the DSGS Program Guidelines, Fifth Edition, as published on April 17, 2026, and incorporating

any changes presented and adopted today along with any non-substantive changes such as correction of typographical errors. We take this action under the authority of sections 25213 and 25218(e) of the Public Resources Code, section 18(b)(1) of AB 205, section 11 of SB 109, and section 15.14(e) of AB 107; and

FURTHER BE IT RESOLVED, that the CEC delegates the authority and directs CEC staff to take, on behalf of the CEC, all actions reasonably necessary to implement the DSGS program as specified in the DSGS Program Guidelines, Fifth Edition, including entering into contracts for the disbursement of money in accordance with the Guidelines and verifying compliance with program and contract requirements and, if necessary, making grammatical or other non-substantive changes to the DSGS Program Guidelines, Fifth Edition.

FURTHER BE IT RESOLVED, that documents and other materials that constitute the record can be found at the CEC, 715 P Street, Sacramento, California, 95814 in the custody of the Docket Unit and online in [Docket Number 22-RENEW-01](https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=22-RENEW-01), <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=22-RENEW-01>.

APPROVED AND ADOPTED this 27th day of April 2026, by the following vote:

AYE:

NAY:

ABSENT:

ABSTAIN:

CERTIFICATION

The undersigned Secretariat to the CEC does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly approved and adopted by the affirmative vote of the CEC at a meeting held on April 27, 2026.

Kim Todd
Secretariat

Docket Memorandum

To: Docket 22-RENEW-01

From: **Ashley Emery, Program Manager**
Reliability Reserve Incentives
Branch
California Energy Commission
715 P Street
Sacramento, California 95814

Date: April 17, 2026

Subject: **CEQA Compliance for Revisions to Demand Side Grid Support Program Guidelines**

I. Introduction.

This memo addresses the application of the California Environmental Quality Act (CEQA) (Pub. Resources Code, §21000 et seq.; see also CEQA Guidelines, Cal. Code Regs., tit. 14, §15000 et seq.) to the California Energy Commission’s (CEC) proposed adoption of revisions to program guidelines for the Demand Side Grid Support (DSGS) Program. For the reasons discussed herein, the proposed guideline revisions are exempt from CEQA under the California Code of Regulations, Title 14, sections 15307, 15308, and 15061(b)(3).

II. The CEC’s Demand Side Grid Support Program

The Warren-Alquist Act establishes the California Energy Commission (CEC) as California’s primary energy policy and planning agency. AB 205 (Ting, Stats. 2022, Ch.61) directed the CEC to implement and administer the DSGS Program to incentivize dispatchable customer load reduction and back-up generation as on-call emergency supply and load reduction for the state’s electrical grid during extreme events. (Public Resources Code, § 25792 et seq.) The Legislature declared that “California must ensure electricity reliability during this period of heightened risk, which includes extraordinary near-term measures and substantive changes to mid-term energy policy, while also ensuring the multifaceted California electrical grid is best positioned to sustainably and equitably achieve California’s clean energy future, climate targets, and air quality requirements.” (Public Resources Code, § 25790)

III. Demand Side Grid Support Program Guidelines

The CEC, at its August 10, 2022, business meeting adopted the First Edition Guidelines for the DSGS Program. The CEC considered the application of CEQA and made findings when it approved the First Edition Guidelines. On September 6, 2022, Governor Newsom signed AB 209 (Ting, Stats. 2022, Ch.251) expanding DSGS Program eligibility to more entities than were contemplated in the first edition of the DSGS Guidelines. The CEC, at its July 26, 2023, business meeting adopted the Demand Side Grid Support Program Guidelines, Second Edition, (Second Edition Guidelines) to adjust program enrollment and other requirements in response to the expanded program eligibility, consistent with AB 209 (Ting, Statutes of 2022, Chapter 251), and streamline and simplify participation to address lessons learned from

summer 2022 program implementation. At its May 8, 2024, business meeting, the CEC adopted the DSGS Program Guidelines, Third Edition (Third Edition Guidelines), to streamline and simplify participation to address lessons learned from summer 2023 program implementation. At its April 10, 2025, business meeting, the CEC adopted the DSGS Program Guidelines, Fourth Edition (Fourth Edition Guidelines), to refine and clarify requirements to improve program effectiveness and add provisions to expand participation from clean resources. The CEC also considered the application of CEQA and made findings when it approved revisions to the program guidelines.

IV. The Proposed Action.

Following a public workshop held on March 9, 2026, to solicit feedback on the proposed Revised Draft DSGS Program Guidelines, Fifth Edition, CEC staff now propose a Fifth Edition of the DSGS Program Guidelines (Fifth Edition Guidelines) for adoption at the April 27, 2026, CEC business meeting. CEC staff seek to adjust rules for DSGS program participation including eligibility requirements, participation processes, and incentive structures, consistent with AB 205 and AB 209, and to align the program with the estimated funding level projected to be available after the 2025 compensation payout. The Fifth Edition Guidelines do not add any substantive requirements above those adopted by the Legislature and will not result in any impact to the environment beyond those already considered.

V. Exemption from CEQA.

California Code of Regulations, title 14, sections 15307 and 15308 exempt actions taken by a regulatory agency pursuant to state law to “assure the maintenance, restoration, or enhancement of a natural resource” and actions taken to “assure the maintenance, restoration, enhancement, or protection of the environment” where the regulatory process involves procedures for protection of the environment. The Fifth Edition Guidelines will incentivize customer load reduction and on-call emergency supply for the state’s electrical grid during extreme events to ensure grid reliability and help California meet its clean energy and climate goals, and air quality requirements.

The development and adoption of these Fifth Edition Guidelines are also exempt from CEQA under the common sense exemption. CEQA only applies to discretionary projects that have the potential for causing a significant effect on the environment. (Cal. Code Regs., tit. 14, §15002(i) and §15061(b)(3).) A significant effect on the environment is defined as a substantial, or a potentially substantial, adverse change in the environment, and does not include an economic change by itself. (Pub. Resources Code, §21068; Cal. Code Regs., tit. 14, §15382.)

The goal of the proposed Fifth Edition Guidelines is to implement, through efficient procedures and auditing requirements, the programmatic use of existing resources, including reduction in use as feasible, directed by the Legislature. These Fifth Edition Guidelines do not add to the use of energy generating resources established by AB 205 and AB 209. Therefore, these Fifth Edition Guidelines have no impact on the environment that is additional to the legislative impact or otherwise discretionary and, thus, subject to CEQA. No significant adverse impacts to the environment have been identified as resulting from this action. For these reasons, adoption of the amendments to the DSGS Program guidelines would not be subject to CEQA under the common sense exemption of CEQA Guidelines section 15061(b)(3).

Furthermore, none of the exceptions to exemptions listed in CEQA Guidelines section 15300.2 apply to this project. Additionally, there is no reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances. For these reasons, this project is exempt from CEQA.

VI. Conclusion.

As shown above, the proposed adoption of the Demand Side Grid Support Program Guidelines, Fifth Edition, is a regulatory action that would implement the payment for identified demand reduction and emergency response activities as directed in AB 205 and AB 209. As such, it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment and, therefore, this project is exempt under sections 15307, 15308, and 15061(b)(3) of the CEQA Guidelines.