



# Demand Side Grid Support Program

*2024 Season Kickoff: Option 2 Providers*

June 21, 2024

# Agenda

- 1 Introduction
- 2 Eligibility and Enrollment Reporting
- 3 Participation Requirements
- 4 Incentives and Claims
- 5 Q&A

# INTRODUCTION

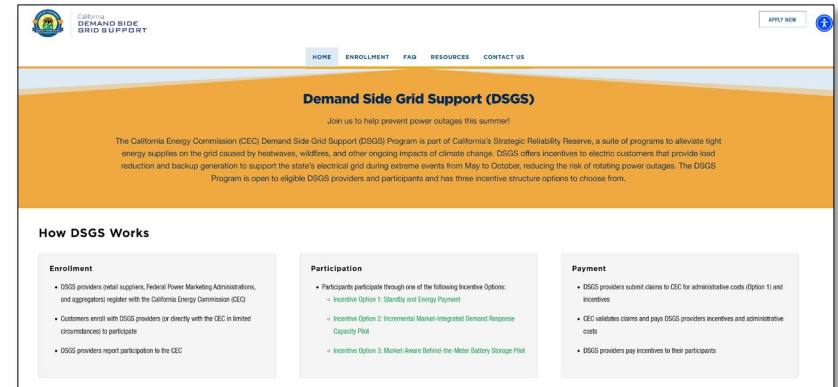
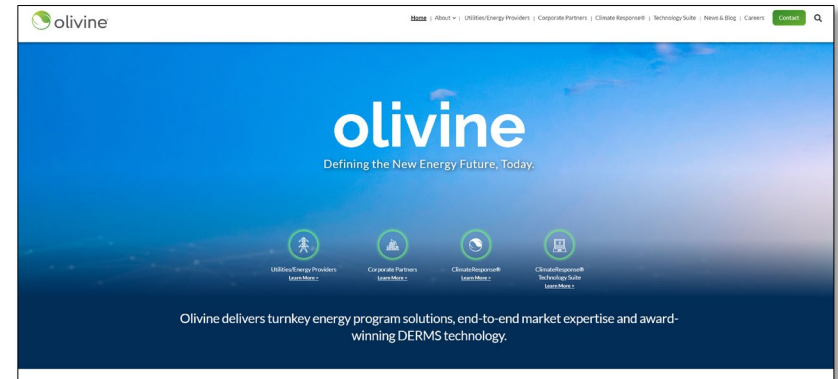
# Olivine Introduction & Role in DSGS

## About Olivine, Inc.

- California-based company focused on helping the state meet its renewable energy and GHG reduction goals
- Learn more at [www.olivineinc.com](http://www.olivineinc.com)

## Role in DSGS

- Implementing DSGS on behalf of CEC
- Responsible for providing program management and infrastructure to support enrollment, communications, reporting and performance monitoring



# DSGS Program Overview

DSGS provides incentives to reduce customer net-energy load during extreme events with upfront capacity commitments and per-unit reductions in net load.

## Program Development:

- **Phase 1 (2022):** Expedited development and launch
- **Phase 2 (2023):** Streamline, simplify, expand eligibility, pilot new approaches
- **Phase 3 (2024):** Scale up

## 2024 Program Objectives:

- Refine and clarify requirements to improve user experience
- Continue to find solutions for operational complexities across multiple utilities, programs, and balancing authorities
- Scale and grow participation from clean resources

### Option 2 Program Parameters

Option 2 Program Parameters			
<b>Availability</b>	May – October, 7 days a week, 4-10 PM		
<b>Incentive Rate</b>	<b>Month</b>	<b>Every Day</b>	<b>Non-Holiday Weekdays</b>
	May	\$9,000	\$7,200
	June	\$9,300	\$7,440
	July	\$16,800	\$13,440
	August	\$18,000	\$14,400
	September	\$19,200	\$15,360
	October	\$10,500	\$8,400
<b>Participant Eligibility</b>	Customers of POU, FPMAs, tribal utilities, CCAs, energy service providers and electrical corporations who are enrolled in a Proxy Demand Resource (PDR) within CAISO		

# Overview of Key Changes to Option 2 Guidelines

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Section	Changes for 2024
Eligibility	<ul style="list-style-type: none"><li>• Customers of tribal utilities now able to participate</li></ul>
Participant Enrollment Reports	<ul style="list-style-type: none"><li>• Every Resource ID must be included in a Participant Report to receive payment</li><li>• Must provide incremental capacity estimates</li></ul>
Participation Requirements	<ul style="list-style-type: none"><li>• Day-ahead bidding handled differently in settlement calculation</li><li>• More flexible minimum dispatch requirement to target hotter summer months</li></ul>
Incentives	<ul style="list-style-type: none"><li>• Added new incentive tier for weekends/holidays, must commit in advance</li><li>• 30% bonus extended through 2026</li></ul>
Claim Deadline	<ul style="list-style-type: none"><li>• 2024 claims due February 28, 2025</li></ul>

# ELIGIBILITY & ENROLLMENT

# DSGS Participant Eligibility

## Eligible Participants

- All customers of POUs
- All customers of federal power marketing administrations (e.g., WAPA)
- **[NEW] All customers of tribal utilities**
- The following customers of CCAs, energy service providers, and electrical corporations:
  - Customers participating with backup generators
  - Customers participating through incentive Option 2 or Option 3
  - Water agencies, which include water utilities, wastewater facilities, and irrigation districts.

## A participant is *not eligible* if the participant's load reduction resource is:

- Enrolled in the Emergency Load Reduction Program or the Base Interruptible Program
- Receiving payment or accounting for the same reduction in use of electricity, including energy export, through any other utility, CCA, or state program, **[NEW] except critical peak pricing**
- A cogeneration facility with a power purchase agreement
- **[NEW] Sites with a renewables PPA can still participate even if they have a cogeneration facility on-site, as long as the cogeneration facility does not also have a PPA.**



# Participant Eligibility – Additional Option 2 Requirements

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- DR providers operating within the California ISO balancing authority area must have at least one proxy demand resource (PDR) registered to participate under the incremental market-integrated DR capacity pathway.
- Eligible participants must be enrolled in a PDR within the California ISO.
- DR providers must collect and retain participant information, which may be reviewed by the CEC in an audit.

# Participant Enrollment Report

## Changes for 2024:

- [NEW] Every Resource ID must now be included in a Participation Report prior to an event to be included in performance calculations for that event.
- New field added for Estimated Incremental Capacity (kW)
- New field to designate Weekday and/or Weekend election. Providers must commit in advance (for the whole season) through the Participation Enrollment Report.
- [New Template on Program Website.](#)
- Providers must utilize the new template starting in July.

	A	B	C	D	E	F
1	Business or Entity Name	DRP ID	CAISO Resource ID	Number of Locations	Customer Type	Estimated Incremental Capacity (kW)
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12	<b>Field Name</b>		<b>Description</b>			
13	Business or Entity Name		(required) The name of the DRP or POU participating in the program			
14	DRP ID		(required) The CAISO DRP ID associated with the resources participating in the program			
15	CAISO Resource ID		(required) California ISO Resource ID(s) for all resources under the aggregator enrolled in DSGS			
16	Number of Locations		(required) The number of end-use service accounts participating in the CAISO resource. If this number changes throughout the reporting month, provide the number of locations at the start of the month.			
17	Customer Type		(required) Customer class, sector, or load type of customers for each Resource ID			
18	Estimated Incremental Capacity		Possible values: Com/Ind, Agg, Res, Mixed (required) Estimated incremental capacity not shown on any supply plan or other resource adequacy commitment in kW			

## Participant Enrollment Report (Cont.)

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- Participation reports must be submitted correctly 3 business days before the first day of each month.
- If a Resource ID is not included in a participation report, that Resource may not be included in performance calculations for that month.

# Estimated Incremental Capacity

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- Option 2 providers are now required to provide estimated **incremental capacity not shown on any supply plan or other resource adequacy (RA) commitment** for each participating resource
- This should represent capacity that is either not already captured in RA or is non-economical (i.e. Only accessible in emergencies)

# PARTICIPATION REQUIREMENTS

# Participation Requirements

## Key Requirements

- Provider must bid or self schedule for three consecutive hours at least once during the season
- Providers must show demonstrated capacity from July to September, with at least one Offer during program hours
- Additionally, providers must average one event per program month across the full season (6+ events)
- Unlike the must-offer obligation under the RA program, DSGS does not require offering any minimum amount (MW). Instead, the DR provider may determine the appropriate amount to offer

	May	June	July	Aug	Sep	Oct
2023	1	1	1	1	1	1
2024	0	0	1	2	2	1

At least one 3+  
hour dispatch

# Rule Changes: Excluded Intervals and Consecutive Hours

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**Excluded intervals** are intervals that will not affect the overall capacity calculation. Intervals with Bid Normalized Impacts (BNLI) of zero will reduce the overall capacity of the provider *unless* they meet the criteria to be excluded intervals.

## 2023 Rules / Impacts:

- More complex requirements for mandatory Offer hours and days led to many intervals with BNLI of zero affecting final capacity
- Lack of RTM bids and dispatches led to diminished demonstrated capacity of zero

## Updated 2024 Rules / Impacts:

- Intervals are *excluded* from capacity calculation if:
  - Offer = 0 and the DAM LMP < \$600, or
  - $TEE < 0.2 * Offer$
- The consecutive hour requirements *is waived* for the 2024 season. However:
  - Aggregators must still receive at least one dispatch during the season that produces 3 consecutive hours of non-zero BNLI.
- Providers can select if they want to include weekends and holidays or not for a higher settlement price

# Example of 2024 Changes on Seasonal Performance

**Situation:** On Sunday, no bids or self schedules are offered into the market. Day Ahead LMP prices for Sunday are under \$600/MWh for relevant resources

## 2023 Guideline Results

- In 2023 rules, three consecutive hours would need to be offered in this situation
- As none are, three intervals of zero will be added to the season long demonstrated capacity calculation
- Seasonal performance will be negatively impacted

## 2024 Guideline Results

1. If desired, a provider can opt to only have non holiday weekdays count towards their yearly performance. In that case, this situation on a Sunday is irrelevant
2. If opted in for the 'Every Day' settlement structure, the Offer value would be 0, and these intervals would be excluded. Therefore, this situation would not impact overall performance



# INCENTIVES AND CLAIMS

## Option 2 Incentives

- The DSGS incremental DR capacity prices vary by month and availability requirement.
- **[NEW] Aggregations may participate on nonholiday weekdays only, or all days including weekends and holidays for a higher incentive.**
- **To receive the higher incentive level for weekends, Providers must commit in advance (for the whole season) through the Participation Enrollment Report.**
- Incentive payments are based on demonstrated capacity incremental to any resource adequacy capacity commitments
- Demonstrated capacity is measured based on resource availability and energy delivered during awarded event hours in the defined daily availability window (4-10pm)
- Additional 30 percent bonus applied through 2026

**Incremental Capacity Prices by Month and Availability Requirement (\$/MW)**

Month	Every Day	Non-Holiday Weekdays
May	\$9,000	\$7,200
June	\$9,300	\$7,440
July	\$16,800	\$13,440
August	\$18,000	\$14,400
September	\$19,200	\$15,360
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# Claims Process Overview

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## Gather Documents for Claim Package

- Option 2 Claim form
  - DSGS Attestation and current STD 204
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## Upload Claim Package to Program Website: <https://dsgs.olivineinc.com/upload/>

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3

## DSGS Program Team Calculations, Review, and Approval

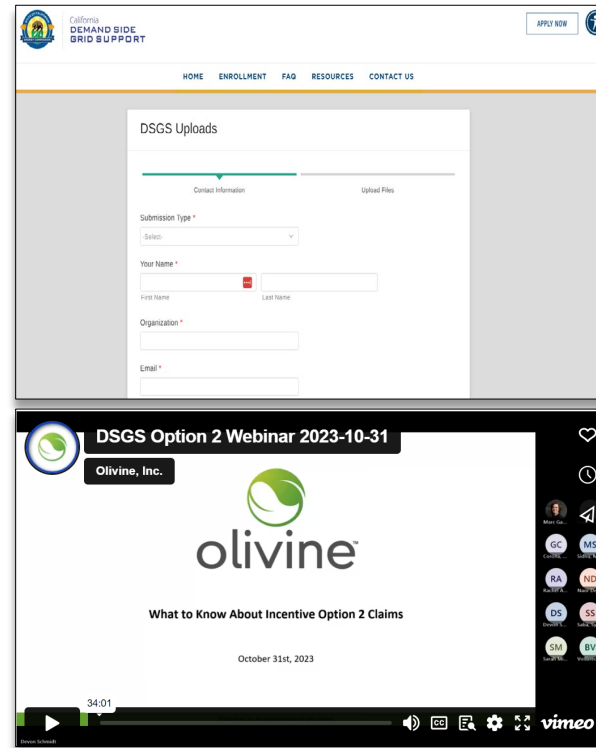
- Calculations are based on data requested from CAISO
  - Checks include completeness of documents and agreement between participant reports and claim form.
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## Incentive Summary sent to Provider for Approval

## Claims (cont.)

- **[NEW] Option 2 Providers must submit Claim Package by February 28, 2025 for all aggregations they have enrolled in DSGS.**
- For support with claim package or performance calculations see [Provider Claim Webinar](#) on program website.
- More information will be provided about claims later in the season.



# Performance Calculations Impact on Incentives

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- Reminder about Weather Sensitive versus Non-Weather Sensitive calculation options:
  - Weather Sensitive:
    - Weighted Linear Regression for the full season
    - Consider this option if you have weather sensitive resources
  - Non-Weather Sensitive:
    - Weighted average across the season
  
- If you have RA obligations:
  - Failure to follow RA requirements will lead to BNLI values of zero being used in calculations
  - Overall demonstrated capacity will be calculated by subtracting the highest month's RA capacity from the calculated demonstrated capacity value

# NEXT STEPS

## Next Steps

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- CEC will begin stakeholder process later this summer for Program Guidelines Fourth Edition (changes for 2025 program season).
- July participation reports are due next Wednesday, June 26<sup>th</sup> in the new format

# Q&A





For more information,  
please contact:

DSGS Support  
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(866) 208-6352

THANK YOU!