Grant Program Title: Virtual Power Plant Approaches for Demand Flexibility (VPP-FLEX) EPIC Program
Funding Agency: CA Energy Commission
Brief Description: This solicitation supports the Electric Program Investment Charge 2021-2025 Investment Plan’s (EPIC 4 Investment Plan) strategic objective to “Increase the Value Proposition of Distributed Energy Resources to Customers and the Grid.” The purpose of this solicitation is to fund demonstrations of community-based virtual power plant (VPP) approaches and demonstrations of innovative energy management systems (EMS) in commercial buildings with the goal of increasing demand flexibility.
Award Amount: $21,000,000

<table>
<thead>
<tr>
<th>Project Group</th>
<th>Available CEC Funding</th>
<th>Minimum CEC award</th>
<th>Maximum CEC award</th>
<th>Minimum Match Funding (% of CEC funds requested)</th>
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</thead>
<tbody>
<tr>
<td>Group 1: Community Virtual Power Plant Approaches for Demand Flexibility</td>
<td>$15,000,000</td>
<td>$1,000,000</td>
<td>$5,000,000</td>
<td>20%</td>
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<tr>
<td>Group 2: Interoperable Energy Management Systems for Commercial Buildings</td>
<td>$6,000,000</td>
<td>$1,000,000</td>
<td>$2,000,000</td>
<td>20%</td>
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Eligibility: This solicitation is open to all public and private entities with the exception of local publicly owned electric utilities. In accordance with CPUC Decision 12-05-037, funds administered by the CEC may not be used for any purposes associated with local publicly owned electric utility activities.
Eligible Project Types: Projects will be funded in two groups:
Group 1: Virtual Power Plants: Demonstrations that showcase community-based demand flexibility programs as a long-term (10 or more years) grid resource. Project teams must partner with local governments or non-profits to facilitate customer participation and smart device installations. Projects must evaluate the benefits and cost-effectiveness of community based VPP approaches that use state-of-the-art DER management software (DERMS). The primary research questions for Group 1 projects are the following:
1. How can community-based and automated demand flexibility increase customer participation and engagement?
2. How can California’s load serving entities (LSEs) rely on VPPs as a cost-effective and long-term reliable grid resource?
3. How can DERMS platforms reduce data integration issues between customers and their utilities?
4. What are the current regulatory barriers to VPPs, and what are solutions to address them and expand the grid benefits from customer DER?

**Group 2:** Commercial Building Energy Management in Low-Income or Disadvantaged Communities: Demonstrations of innovative EMS in commercial buildings focused on specific characteristics such as interoperability and adherence to open-source standards. Demonstrations require participation in electric investor-owned utility (IOU) or third-party DR programs and partnerships with device and original equipment manufacturers (OEMs). These projects must showcase the latest advancements in energy management in the commercial sector and ensure technology adaptability, efficiency, and collaboration within the broader energy landscape.

The primary research questions for Group 2 projects are the following:

1. How will the research improve the effectiveness and cost-to-benefit ratio of load shifting and load shedding with commercial building EMS?
2. What specific interoperability challenges and regulatory obstacles hinder the widespread adoption and standardization of building EMS, and how will the research address and resolve them?
3. How will the research enhance system interoperability and contribute to the increased adoption and performance of demand flexibility in commercial buildings?
4. How will the research address open interoperability standards to mitigate a broad range of barriers associated with the adoption of EMS in commercial buildings such as financial, cybersecurity, technical, operational, and social/cultural factors?

**Prospective applicants looking for partnering opportunities for this funding opportunity should register on the California Energy Commission’s Empower Innovation website at [www.empowerinnovation.net](http://www.empowerinnovation.net)**

**Match Funding Requirement:** Match funding is required in the amount of at least 20% of the requested CEC funds.

**Application Open Date:** 03/01/24

**Questions Deadline:** April 04, 2024, 5:00 pm

**Application Deadline:** 7/1/24 23:59

**Period of Performance**:
- Anticipated Agreement Start Date December 2024
- Anticipated Agreement End Date March 30, 2029

**For details regarding Evaluation/Scoring Criteria, please reference pages [47-53].**


**Program Contact Information**
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Pre-Application Workshop - GFO-23
309 - Virtual Power Plant Approaches for Demand Flexibility (VPP-FLEX):
https://www.energy.ca.gov/event/funding-workshop/2024-03/pre-application-workshop-gfo-23-309-virtual-power-plant-approaches