

STATE CAPITOL  
P.O. BOX 942849  
SACRAMENTO, CA 94249-0044  
(916) 319-2042

DISTRICT OFFICE  
223 E THOUSAND OAKS BLVD, #412  
THOUSAND OAKS, CA 91360  
(805) 370-0542

E-MAIL  
Assemblymember.Irwin@assembly.ca.gov



COMMITTEES  
AGRICULTURE  
BUSINESS & PROFESSIONS  
MILITARY & VETERANS AFFAIRS  
PRIVACY & CONSUMER PROTECTION  
RULES  
UTILITIES & ENERGY

JOINT COMMITTEES  
CHAIR: CLIMATE CHANGE POLICIES

SELECT COMMITTEES  
CHAIR: CYBERSECURITY

March 6, 2026

The Honorable Jesse Gabriel  
Chair, Assembly Budget Committee  
1020 "O" Street, Room 8230  
Sacramento, CA 95814

The Honorable Steve Bennett  
Chair, Assembly Budget Subcommittee No. 4  
1020 "O" Street, Room 4710  
Sacramento, CA 95814

**RE: \$75 million to the Demand Side Grid Support (DSGS) Program**

Dear Chairs Gabriel & Bennett,

I along with several of my colleagues respectfully urge the Assembly Budget Committee to allocate \$75 million to the Demand Side Grid Support (DSGS) program at the California Energy Commission (CEC) in the 2026-27 budget. As the nation's largest virtual power plant (VPP) program, DSGS provides significant clean emergency capacity, enabling California's transition away from fossil-fueled peaker plants and generating significant savings for Californians.

The DSGS program was originally authorized by AB 205 (2022), as part of the package of bills that extended the life of Diablo Canyon to 2030. It is the only clean, dispatchable emergency capacity ready to replace fossil units and create a more reliable and affordable grid. Since its launch, the program is a proof of concept that aggregating distributed energy resources as a VPP is achievable, reliable, and cost-effective. In 2025, the program enrolled over 1,100 MW of capacity power,<sup>1</sup> creating the nation's largest VPP to date. Throughout last summer, residential batteries participating in DSGS delivered over 500 megawatts to the grid – roughly half the peak electricity demand of San Francisco.<sup>2</sup>

California is in desperate need to deploy fast, reliable, clean, and affordable power all at once to address the energy crisis. A conflux of energy issues such as large emerging loads, rising electricity costs, extreme weather events, and delays in interconnecting large transmission projects will test the state's grid in the very near future. Given the state of the energy landscape, we cannot afford to leave any solution off the table.

Last year, DSGS did not receive any funding in the state budget, which has led many providers to begin reallocating resources to other states due to uncertainty around California's commitment to DSGS. A further funding delay would leave California with few alternatives, risking both reliability and higher costs for ratepayers.

With the proper framework and funding, the program's distributed storage capacity could double by 2028, while generating an estimated \$206 million in net savings for Californians.<sup>3</sup> Securing at least \$75 million is the minimum step needed to keep the program viable, sustain private investment, and protect Californians from higher bills and unnecessary emissions. We urge the Legislature to allocate funding to this important program in the near term and to sustain it through at least

---

<sup>1</sup> See CEC's Staff Analysis of the DSGS Program, October 15, 2025, available at: <https://www.energy.ca.gov/event/workshop/2025-10/workshop-staffs-analysis-demand-side-grid-support-d-sgs-program-performance>

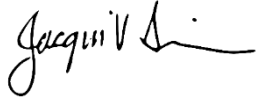
<sup>2</sup> The Brattle Group, December 2025, *The Demand Side Grid Support Program: An Assessment of Scale and Value*, <https://www.brattle.com/wp-content/uploads/2025/12/The-Demand-Side-Grid-Support-Program-An-Assessment-of-Scale-and-Value-December-2025-Update.pdf>

<sup>3</sup> The Brattle Group, *The Demand Side Grid Support Program: An Assessment of Scale and Value*, pp 19

2028, thereby enabling distributed energy resources to continue to support our grid's emergency needs. In parallel, we urge the creation of a viable market-integrated pathway for distributed energy resources to move this established proof of concept into a permanent resource the state can use to address its energy needs.

If you have any questions, please contact Evan Rhoderick at (916) 319-2042 or [Evan.Rhoderick@asm.ca.gov](mailto:Evan.Rhoderick@asm.ca.gov).

Sincerely,



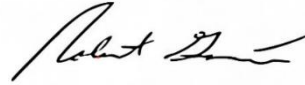
**JACQUI IRWIN**  
Assemblymember, 42<sup>nd</sup> District



**COTTIE PETRIE-NORRIS**  
Assemblymember, 73<sup>rd</sup> District



**PILAR SCHIAVO**  
Assemblymember, 40<sup>th</sup> District



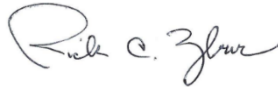
**ROBERT GARCIA**  
Assemblymember, 50<sup>th</sup> District



**ISAAC BRYAN**  
Assemblymember, 55<sup>th</sup> District



**NICK SCHULTZ**  
Assemblymember, 44<sup>th</sup> District



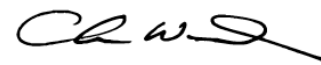
**RICK CHAVEZ ZBUR**  
Assemblymember, 51<sup>st</sup> District



**JOHN HARABEDIAN**  
Assemblymember, 41<sup>st</sup> District



**ASH KALRA**  
Assemblymember, 25<sup>th</sup> District



**CHRIS WARD**  
Assemblymember, 78<sup>th</sup> District



**CHRIS ROGERS**  
Assemblymember, 2<sup>nd</sup> District