

**DEMAND RESPONSE AUCTION MECHANISM (DRAM) RFO BIDDER'S CONFERENCE:
QUESTIONS AND ANSWERS**

October 6, 2015

Purchase Agreement

1. When are credits due?
 - Please read each IOU's RFO document and/or Purchase Agreement (PA) for the prescriptive details on how Credit is handled.
 - [SDG&E] Credit is due within 10 days of being notified of being a DRAM winner.
[PG&E] Any credit required is due within ten (10)
2. Does a DR provider agreement need to be executed by October 26th or can it be executed afterwards upon award?
 - Assuming "DR Provider agreement" means an agreement with CAISO to be a DRP, then no, but it does need to be signed prior to registering customers and participating in the CAISO market.
3. Do DRP agreements need to be signed prior to the solicitation?
 - The agreements with the DRP would need to be signed prior to the CPUC registration, but do not need to be signed prior to the DRAM solicitation.

Back-up Generators

4. It was mentioned that no fossil fuel backup generation be provided; does that include geothermal?
 - No. Geothermal is a renewable resource so that is ok.
5. Concerning backup generation; would putting storage on a microgrid be precluded?
 - There is no answer at this point; those questions are being handled in the backup generation proceedings.

CAISO Registration

6. Will each IOU have specific "Add" forms pertaining to the DRAM or will it be standard CISR forms?
 - There is no "Add" form. The CISR form is how customer enrollment is communicated with the IOUs. A DRP will need to directly register a customer with the CAISO. Setting up the DRP is a separate process.
7. Are registrations service accounts or PDRs or something different?

- Registrations are service accounts that would be required to support a bid. PDR is a group of registrations (or a single registration) in a given sublap.

CISR-DRP

8. What is the turnaround time for CISR processing?
 - There is no guaranteed turnaround time for processing CISR forms. There is a ten business day timeframe per Rule 24/32 to review all Resource Registrations submitted by a DRP to the CAISO's DRS.
9. How do we get meter data from IOUs in a way that we can settle with the CAISO as it pertains to residential customers? When are the forms accepted?
 - That is the Rule 24 or Rule 32 process. You need to fill out the authorization form (CISR). The form is available on the IOU web sites and will be accepted starting January 1, 2016.

Capacity Demonstration and Must Offer Obligation

10. For upfront showing for RA purposes; the NQC would be at contract capacity for that point and demonstrated capacity would be pursuant to the contract?
 - Yes that is correct.
11. In the Business Practice Manual there are specified Must Offer Obligations or bid hours and those are different than the CPUC's specified hours. Which of those obligations would the Seller have to honor?
 - The Seller would have to honor whichever is the more stringent requirement of the two.
12. Can you elaborate on the 3 ways a Seller can demonstrate capacity?
 - The information is contained within Article 1.6 of the Purchase Agreement.

Customer Eligibility

13. Are ADR customers eligible for the DRAM RFO?
 - Yes.
14. In relation to the customer migration information that was published there is reference to the event-based Demand Response programs. Is there a list of what the event-based programs are?
 - Yes there is a matrix with all of the event programs which are posted on the IOUs' web pages. SDGE's list is posted on the RFO website.

RFO

15. Will the number of registrations be considered in the evaluation process?
 - Yes and no. It is not an evaluation factor, but expected registrations may limit the number of offers taken. Please read each IOU's RFO document for the prescriptive details on how

registrations will be considered.

16. Is there any chance the customer registration ceilings will be increased?

- The number of registrants for the 2016 DRAM is not subject to change at this point and is set by Rule 24/32.

17. Can you confirm that the Resource Adequacy (RA) capacity weighting is based on 2012 data?

- [PG&E] Yes it will be 2012 data, which is in the Offer Sheet and the DRAM RFO Protocol.
- [SCE/SDG&E] N/A

18. Does the RA weighting apply to all of the IOUs?

- Each IOU is using weighting; however, the exact method and values differ.
- [SCE/SDG&E] Use a proprietary weighting that is not being released.
- [PG&E] Using the values listed in their Offer Form.

19. What is the weighting being used for? Is it against other bids or applying the capacity waiting?

- The weighting is the amount value applied to capacity during a year. This provides a relative value of one month of RA vs. another.

20. Are the variations by offer price quantity stacking or incremental?

- They are variations to the bid which could be stacking. Each one is its own bid, but it depends on how you want to stack it.

21. Is the budget shown DRAM in the presentation total costs for running the program and procuring capacity?

- It includes both running the solicitation and the costs of the contracts.

22. What does “Enabling Technology” mean? SDG&E has provided some sort of weighting but SCE and PG&E have not; should we expect some similar weighting for PG&E and SCE?

- The definition of “Enabling Technology” can be found on page 11 of SDG&E’s RFO description. In regards to the weightings for the other IOUs, SDG&E is the only utility that is going to use those qualitative elements in the bid selection process; SCE and PG&E will only use the quantitative elements.

23. What is meant by the minimum of 100 kW/month?

- 100 kW is the minimum that will be accepted to be allowed to bid into the CAISO. No matter what is bid, the payment is correlated to the kW that are demonstrated, up to the contracted capacity.

24. Are all bids accepted as priced?

- Yes. All bids will be accepted as priced and are binding, there will be no negotiation.

25. What level of detail is required for the organization chart?

- The organization chart should provide the bidding entity all the way up to the parent company with as much detail as possible.

26. SCE has 12:00 pm for the offer submittal deadline and SDG&E and PG&E has 4:00 pm as the deadline; is that by design?

- [SCE] The 12:00 pm offer deadline is just a preference.

27. Are the Sellers required to email their Offers to the Independent Evaluator (in addition to going through Power Advocate)?

- The Independent Evaluator has access to Power Advocate so they can access bids without them being forwarded. Not all IOUs are using Power Advocate (SDGE and PG&E are).

Scheduling Coordinator (SC)

28. Does the bidder have to determine the SC before bidding?

- No it is not required prior to bidding into the RFO, but is it required prior to bidding into the CAISO markets.

29. Can scheduling cost estimates be refined at a later date?

- No they cannot. They are not estimates they are capacity bids in \$/month which are contractually binding and would become part of the payment the IOU would provide to the Seller.

Supply Plan

30. When is Seller's Supply Plan due?

Buyer's Monthly Supply Plans are due to the CAISO 45 calendar days before the Showing Month. Seller's Notice to Buyer which includes Seller's Supply Plan for such Showing Month (i.e. Exhibit D) is due 10 business days prior.

31. Is the DRAM Conference presentation available?

- Yes the presentation is available on each IOU's DRAM web page.