

RA Procurement

1. Are the IOUs to procure a minimum of 22 MW in *each* delivery month? So, in the specific case of SCE, is SCE required to procure a minimum of 10 MW system RA capacity from supply-side DR resources during each delivery month (June 2016 - December 2016)?
 - The IOUs interpret the 22 MW target as being for the peak month (August). For example, if we procure 22 MW for August 2016 and 20 MW for other months, we have met our target.
2. What is the anticipated target for residential MW?
 - The 20% residential set-aside is first based on DRAM minimums, for a total of 4.4 MWs across all three IOUs, based on each IOU's pro rata share of DRAM capacity. This translates as a minimum residential set-aside procurement target of 2 MWs each for SCE and PG&E and 400 kW for SDG&E. Residential MWs will be at least 20% of all MWs taken, so the total may exceed the minimums depending on budgets and registrations available.

Proxy Demand Response (PDR)

1. My understanding is Joint PDRs can be formed by combining two (or more) DRAM contracts belonging to two (or more) *different* Sellers. However, could a Joint PDR also be formed by combining two or more DRAM contracts belonging to the same Seller? As a simple example, suppose that for a given delivery month, a Seller has two contracts with SCE: one for q1 MW at price p1/MW-month, and the other for q2 MW at price p2/MW-month. I presume this Seller can construct a Joint PDR with total load curtailment potential of q1 + q2 MW?
3. No, the purpose of joint PDRs is for the situation where an individual seller cannot meet the 100 kW CAISO minimum load reduction in a sub-lap. Please see the definition of a joint PDR under Exhibit A of the Purchase Agreement.
2. Is there a tool to check SubLAPs for the three utilities?
4. Final determination of a service account's SubLAP is handled through the CISR form process. A general guide for each IOU:
 - a. SCE has a tool available at the following website: <http://on.sce.com/mapview>. You can enter an address under "block view" or else select all the blocks for a general breakdown of the six SubLAPs in SCE territory. SCE blocks are synonymous with SLAPs.
 - b. PG&E has a map available (www.pge.com/dram) to provide a general breakdown of the 16 SubLAPs in the PG&E territory. An Excel file with a zip code to SubLAP mapping is also available on the website. For customer-specific information, you would need to fill out a CISR-DRP form, as the release of information related to the SubLAP of individual service accounts is private and requires customer consent for release to a third party under [Rule 24.1.d.\(1\)](#).
 - c. SDG&E has only one SubLAP in its territory.
3. What do you mean by "at least 100 kW per month per PDR bid?"
5. Each PDR must have a minimum of 100 kW of load reduction, per CAISO.
<http://www.aiso.com/Documents/DemandResponseUserGuide.pdf>

Request for Offer (RFO)

1. In the simplest case, a Seller's bid specifies a capacity quantity and capacity price for just a single delivery month. However, a bid can also specify quantities and prices for multiple delivery months (and these quantities and prices can differ across months). Will a multi-month bid be either accepted or rejected in its entirety? Suppose a Seller submits the following multi-month bid to SCE: $\{(q_{\text{June}}, p_{\text{June}}), (q_{\text{July}}, p_{\text{July}})\}$. Is it possible that SCE would accept the June component $(q_{\text{June}}, p_{\text{June}})$ but reject the July component $(q_{\text{July}}, p_{\text{July}})$? Or will SCE either accept or reject *both* the June and July components?
 - Each final bid will be accepted or rejected in its entirety. To submit a monthly offer, or a subset of the full term, submit a unique offer for each month as a single delivery or subsets of the full term.

2. I understand that Sellers are to separate their capacity costs from their SC costs in their DRAM bids. However, it's not clear to me how the bid-in SC costs will factor into the IOUs' determinations of which Sellers are awarded DRAM contracts.
 - For bid evaluation purposes, all costs are added together. Please read each IOU's RFO document for the prescriptive details on how bids will be evaluated.

3. Can a PDR Seller submit both residential and not residential PDRs for the same showing month?
 - Each bid must either be a residential bid or a non-residential bid. Offeror must submit two separate Offers for the same showing month for the different types of PDRs.
 - Will selected offers always be taken in full? I.E. a single offer cannot be split up and only have some months selected. If multiple offers are entered in a bid should they be cumulative or independent? In the same concept will only one offer per bid be accepted or could multiples be accepted
 - Each of the 20 potential Offers from an Offeror shall be mutually exclusive of all other Offers and will be shortlisted as a single independent Offer in its entirety. The bids will not be split up by month. If the Offeror wishes to Offer single months as an option, those should be submitted as additional Offers for each month and will count towards the 20 Offer limit.
 - SDGE: SDG&E's Offer Form requires each Offer to have a minimum and expected number of registrations. SDG&E reserves the right to shortlist a bid if necessary by using any number of registrations between the minimum number and expected number.

CISR-DRP

1. Will there be an electronic version of the CISR-DRP that a customer can populate online (as opposed to filling out a PDF)?

- [SCE] Yes, the CISR-DRP will be available as a web form that captures the data electronically. The traditional PDF approach is still available, although, it is not the preferred method.
- [SDGE and PG&E] No, only a PDF version is available at this time.

Customer Eligibility

1. Are Automated Demand Response (ADR) customers eligible for DRAM?
 - Yes, an ADR customer can participate in DRAM; however, event participation during the DRAM period will be factored, along with any previous utility event-based DR performance, into the 40% incentive payment calculation, if the customer has not completed their first year on the ADR program. DRAM event participation information in this case needs to be provided to the IOUs by the Seller. As DRAM customers cannot be dual enrolled on a utility event-based DR program, de-enrolling in said programs must occur before an ADR customer may participate in DRAM.
 - The DRAM period will also count towards the ADR's 36 month compliance period if that has not been met. The ADR Customer remains responsible for fulfilling its obligations under the Buyer's ADR program while it is in the Seller's DRAM program. The ADR Customer is required to participate in a qualified DR program upon the conclusion of Seller's 2016 DRAM program if the 36 months requirement has not been met.
2. Are Self-Generation Incentive Program (SGIP) customers eligible for DRAM?
 - Yes, an SGIP customer participating in DRAM can continue on the SGIP program provided the customer continues to satisfy the requirements of the SGIP program, including continuing to provide the data and information required. Participating in DR events may affect their Performance Based Incentives (PBI). However, if changes are made in the SGIP proceeding to prohibit participation in utility DR programs, it would also apply to DRAM.

Scheduling Coordinators

1. Can a Scheduling Coordinator that did not respond to the RFI for SCs still provide SC services for the DRAM?
 - Yes.

Capacity Demonstrations

1. How will Net Qualifying Capacity (NQC) for joint PDRs be demonstrated (e.g., event verification)?
 - See Section 1.6 of the DRAM Purchase Agreement.
2. Are there any restrictions regarding participation of assets that will come online after the beginning of the DRAM? I understand that the number of unique meters must be listed as a part of the initial RFO response, and that a Qualified Capacity Test will be run before the DRAM begins. If the "late" meters are included in the original bid, and the Qualified Capacity can be

achieved without the late meters participating, could these assets then be used in the later months of the DRAM? (For example, this could be reflected by an increasing kW nomination over the course of each subsequent DRAM month).

- Offerors are not expected to have customers/service accounts/registrations under contract when the Offer is submitted. Offerors are expected to submit binding bids for Qualified Capacity each month that they expect to be able to achieve. RA payments will be made on a month by month basis and are capped at the contracted capacity or the demonstrated capacity, whichever is less. Offerors are not allowed to make up a shortfall in one month by having extra in another month.
3. Can a resource re-test its Qualified Capacity to increase the maximum possible bid after the pilot begins?
 - No, Capacity size per month is binding and not subject to increase after the Offer is accepted. Bids in the CAISO market can exceed the contract capacity, but the RA payment
 4. How do you calculate the bid size? (From Sam Min – sent email 10/8/2015 from SCE for clarification).
 - The bid size is whatever is listed in the Offer Form. A bid of 1 MW for all months from June to December 2016 is a 1 MW bid. The maximum bid size (10 MW for SCE and PG&E, 2 MW for SDG&E) is the maximum in any month.

Must Offer Obligation (MOO)

1. Are the MOO hours inclusive of most day-time hours? If not, what limitations on the MOO hours are permissible?
 - Seller, through its designated SC, is required to bid into the CAISO Day-Ahead Market the contracted MW during the Availability Assessment Hours, as required by the CAISO Tariff and Business Practice Manual for DR resources to meet their RA obligation. Outside of those hours, there would be no CAISO bidding requirements unless required by the CAISO tariff or CPUC rules.

Per CAISO's Fifth Replacement Tariff, published December 1, 2014, section 40.8.1.13, Proxy Demand Resources must be available at least four (4) hours per month in which they are eligible to provide RA Capacity and must be dispatchable for a minimum of thirty (30) minutes per event within each of those months. Per section 40.9.3, the CAISO also establishes Availability Assessment Hours applicable for each month of each RA Compliance Year, to assess the extent to which each RA Resource has met the Availability Standards. The CAISO annually determines the five hour range for the Availability Assessment Hours for each month and shall specify them in its Business Practice Manual.

The CAISO Board of Governors recently approved the Reliability Services Initiative (RSI), under which Proxy Demand Resources shall have the following minimum availability requirements starting 2016:

- Able to be dispatched for at least 24 hours per month,
- Able to be dispatched for at least three consecutive days, and
- At least four hours per dispatch

Proxy Demand Resources must offer into the CAISO energy markets in the following hours

1:00 p.m. – 6:00 p.m., April-October

4:00 p.m. – 9:00 p.m., November-March

2. If most day-time hours are included, does the applicable Net Benefits Test require the bidding of an economic value with a significant chance of clearing in each of the subject hours? If the NBT does not require a bid with a realistic chance of clearing in each hour, what controls the number of hours when such a realistic bid is required?
 - Most day-time hours are not included in the Must Offer Obligation. The Net Benefits Test value is a minimum bid value, the Seller is free to choose the price to offer load reductions to the CAISO above that value (up to the maximum) so as to maximize the economic benefits derived from participation in the CAISO energy market.
3. If there is a significant risk of dispatch during many hours in each day, is it realistic to expect the participating PDRs in this DRAM to be aggregations of customers without any alternative energy source to use during the potentially dispatchable hours?
 - Back-up generation cannot be used for Demand Response load reduction under the DRAM purchase agreement. Please see section 7.2.b.v and the definition of “Back-up Generation” in the Purchase Agreement.