Pre-Bid (Bidders) Web Conference

March 15, 2016
Presentation will begin at 10:00 a.m. (PDT)
Agenda

- Introduction & Overview: 10:00 am – 10:40 am
  - Anna Chung, SCE

- Bid Valuation and Selection: 10:40 am – 11:10 am
  - Evan Bierman, SDG&E

- DRAM Request for Offer (RFO) Bid Materials: 11:10 am – 11:30 am
  - Dana Ostfeld, PG&E

- Walk-Through of IOU DRAM RFO Offer Forms: 11:30 am – 11:55 am
  - Dana Ostfeld, Anna Chung, Evan Bierman

- Closing Remarks: 11:55 am – Noon
  - Dana Ostfeld
Introduction & Overview

Conference Scope/Logistics

Scope: Focus on 2017 DRAM Pilot Request For Offer (RFO)

Out of Scope: We will not discuss other DR programs or other utility procurement programs

Housekeeping Items:
• Please remain on mute; do not put us on hold. If you need to leave, drop off the call. This conference is being moderated by an operator. There will be opportunities for Q&A throughout this presentation. Please follow the operator’s instructions to ask a question.
Legal Disclaimers: Anti-Trust Guidelines & Document Conflict

Anti-Trust Guidelines
All participants in today’s meeting shall comply with anti-trust guidelines. These guidelines direct meeting participants to avoid discussions of topics or behavior that would result in anti-competitive behavior, including restraint of trade and conspiracy to create unfair or deceptive business practices or discrimination, allocation of production, imposition of boycotts and exclusive dealing arrangements.

Document Conflict
This presentation is intended to be a summary level discussion of the information and requirements established in the 2017 DRAM Materials. To the extent that there are any inconsistencies between the information provided in this presentation and the requirements in the RFO Materials, the RFO Materials shall govern.
General Q&A Guidance

• We have posted (and will continue to post) questions and answers on the DRAM RFO websites:
  • PG&E: http://www.pge.com/dram
  • SCE: http://www.on.sce.com/DRAM
  • SDG&E: http://www.sdge.com/2017DRAMRFO

• Q&A’s that apply to all three IOUs are included on all three sites, but IOU-specific questions are only on the associated IOU’s site.
• Questions and answers from today’s conference will be documented on the sites.
• Questions can be submitted via email at any time until the question submittal deadline as follows:
  • DRAMRFO@pge.com
  • DRAMRFO@sce.com
  • DRAMRFO@semprautilities.com
  and MUST cc the Independent Evaluator (IE):
  • waynejoliver@aol.com
• Questions received (and answers) will be posted to the website periodically
• Deadline to submit questions: Monday, March 28, 2016, and we will post the final set of answers no later than Thursday, March 31, 2016 (offers are due on April 4, 2016).
Overview

Anna Chung
Southern California Edison
DR Program & Contract Management
What is the DRAM RFO Pilot?

Originated as a California Public Utility Commission (CPUC) staff proposal in the demand response (DR) OIR (R.13-09-011); changed to a pilot by D.14-12-024.

Envisioned as new supply-side DR approach for third-parties
- Provides a capacity, also referred to as resource adequacy (RA), payment for DR aggregators
- DR aggregators participate directly in the California Independent Operator System (CAISO) markets with customers in the IOU service area
- An alternative to bilateral Aggregator Managed Portfolio (AMP) contracts and other Investor Owned Utility (IOU) DR offerings
- A vehicle to encourage new participants in the DR market
- Standard contract for RA; no bilateral negotiations of the contract
- Capacity may vary by month for delivery during one or more months from Jan to Dec 2017

Procurement Targets:
- At least 10 MW each for PG&E and SCE, 2 MW for SDG&E; subject to available Rule 24 registrations, budget limitations, and receiving adequate bids with reasonable costs that are not clear outliers with evidence of market manipulation.
- At least 20 percent of the total procured DRAM bids by each IOU must be residential (in MW terms)
What is **NEW** in the DRAM RFO Pilot for 2017?

<table>
<thead>
<tr>
<th>Items</th>
<th>2016 DRAM</th>
<th>2017 DRAM</th>
</tr>
</thead>
<tbody>
<tr>
<td>RA (Capacity) Products</td>
<td>System</td>
<td>System, Local and Flexible Capacity (refer to Article 1 of 2017 Pro Forma)*</td>
</tr>
<tr>
<td>Load Curtailment Type</td>
<td>Proxy Demand Resource (PDR) - Day Ahead Market, minimum 100 kW</td>
<td><strong>PDR</strong> – Day Ahead and Real Time, minimum 100 kW Reliability Demand Response Resource (<strong>RDRR</strong>) – Real Time; minimum 500 kW</td>
</tr>
<tr>
<td>Showing (Operating) Months</td>
<td>June – December 2016</td>
<td>January – December 2017</td>
</tr>
<tr>
<td>Budget</td>
<td>$4 million each for PG&amp;E and SCE, $1 million for SDG&amp;E</td>
<td>$6 million each for PG&amp;E and SCE; $1.5 million for SDG&amp;E</td>
</tr>
<tr>
<td>Rule 24/32 Registration Cap</td>
<td>14,000 SCE, 10,000 PG&amp;E, 7,000 SDG&amp;E</td>
<td>TBD – pending CPUC approval of [Rule 24/32] Testimony for Intermediate Implementation Step</td>
</tr>
</tbody>
</table>

**System Capacity:** IOU-wide, can be bid into market as PDR or RDRR resource. Must bid/self-schedule per CAISO must-offer obligation in day ahead or real-time market.

**Local Capacity:** must be located in Local Capacity Areas (LCAs). For SCE, covers the LA Basin and Big Creek/Ventura Substations; for PGE, Local Capacity Product must be within one of PG&E’s seven LCAs listed in Appendix A - Offer Form, and Exhibit F of the Purchase Agreement; SDG&E, entire service area. Same must-offer obligation as System.

**Flexible Capacity (category 2 or 3):** Bids in to Day Ahead and Real Time Energy market, able to ramp and sustain energy output for a minimum of three hours, must be a PDR resource. Addresses variability and unpredictability created by intermittent resources. Must bid per CAISO must-offer obligation for flexible resources.
What is the DRAM RFO Pilot? (Cont’d)

- To qualify as Residential bid, DRAM resource must be composed of at least 90% residential customers and no more than 10% small commercial customers (based on registrations)
- General bid can have any type of customer included
- Customers can use onsite renewable generation or energy storage to provide load reductions
- Customers can have back-up fossil generation, but cannot use it for DRAM load reductions. Seller is responsible for enforcing this requirement (see Article 7 of Pro Forma).
- Funding of the DRAM pilot is from IOUs’ Demand Response program budgets
Direct Participation and Resource Adequacy Illustration

**Third Party Direct Participation**
- Seller aggregates customers for DRAM Resource
- Seller participates (bids) directly in the CAISO market through SC
- Dispatches and settlements are between CAISO and Seller’s SC
- All earnings in CAISO markets go to Seller and Seller’s customers; no IOU involvement

**RA**
- Seller provides Supply Plan to IOU roughly 60 days prior to month
- Seller provides demonstrated capacity through SC to IOU at end of the month
Roles & Responsibilities

CAISO
- Receives product registration from DRP
- Receives bidding and scheduling activity from SC
- Operates market and dispatches resources
- Determines performance and settlement in conjunction with SC

Scheduling Coordinator (SC)
- Can act as a DRP
- To bid PDR or RDRR into the CAISO market, Sellers will be required to use a CAISO-qualified SC to conduct market and business transactions with the CAISO
  - Facilitates DRP scheduling and bidding activity with CAISO
  - Facilitates settlement and calculation of baselines and performance
  - The SC will handle business relationships and transactions with CAISO
- Provides information should there be an IOU audit of demonstrated capacity
- SC Request for Information (RFI) information is posted at http://www.pge.com/scrfi and on IOU DRAM RFO websites.
Roles & Responsibilities (Cont’d)

Wholesale Demand Response Provider (DRP) or Aggregator

- Submits resource registration to CAISO consisting of unique customers
- Submits Customer Information Service Request/Demand Response Provider (CISR-DRP) for each service account to authorize IOU to release customer data
- Meets CAISO’s minimum per PDR or RDRR

Seller

- Abides by all provisions of the DRAM Purchase Agreement:
  - Provides required security posting to Buyer per contract
  - Submits Supply Plan roughly 60 days prior to delivery month
  - Works with SC to provide demonstrated capacity
  - Works with SC if there is an audit of demonstrated capacity
  - Provides required registration data for Residential DRAM resource
- Works with customers or Aggregators to provide load reduction
- Works with SC to bid DRAM resources via appropriate CAISO product and market and comply with the CAISO Must Offer Obligation
- Receives meter data for settlement from IOU (per authorization provide in CISR-DRP)
- Settles with customers and SC and retains earnings from market participation
Roles & Responsibilities (Cont’d)

Buyer (IOU) abides by the provisions of the DRAM Purchase Agreement

◦ Claims RA credit for DR resource provided by Seller
◦ Not involved in CAISO market settlements
◦ Pays Seller for DR capacity after delivery month upon receipt of demonstrated capacity by Seller
◦ Right to audit capacity delivered under “demonstrated capacity” contract provisions
◦ Receives product registration from Seller if it is bidding a DRAM Residential resource

Customer Data Provision by IOU (firewalled from Buyer)

◦ Validates customer eligibility upon receipt of CISR-DRP from Aggregator/DRP
◦ Provides meter data to Aggregator/DRP per conditions of CISR-DRP and Rule 24/32
Independent Evaluator (IE)

- Merrimack Energy Group is the IE for this solicitation
  - Wayne Oliver – lead and key contact

- Role of the IE is to ensure reasonable and uniform treatment of all potential counterparties by:
  - Monitoring IOU solicitation and discussion processes
  - Monitoring IOU valuation methodologies and selection processes
  - Reviewing bids to assure competitive process and no market collusion or market manipulation by some Sellers
  - Reporting to the Commission on the auction process

- The IE is privy to all offers, invited to participate in all discussions, reviews all bids, reviews bid scoring and selection, and must be copied on all correspondence between each IOU and their bidders

Bidders **MUST** cc waynejoliver@aol.com on all emails and correspondences with the IOUs
Questions
Valuation and Selection

Evan Bierman
San Diego Gas & Electric
Origination & Portfolio Design
Supplier Diversity

The IOUs encourage Women, Minority, Disabled Veteran, Lesbian, Gay, Bisexual and Transgender Business Enterprises (“Diverse Business Enterprises” or “DBE”s) to participate in the DRAM RFO

General Order (GO) 156

- Adopted by the CPUC in 1986, with electric procurement added in 2012
- Promote greater competition among utility suppliers by expanding the available supplier base and to encourage greater economic opportunity for Diverse Business Enterprises historically left out of utility procurement.
- Sets the rules governing the development of programs to increase participation of DBEs in procurement of contracts from utilities as required by CPUC Code

Only SDG&E and PG&E will use this information in the valuation process strictly according to the scoring matrix.

For additional information, please visit or contact:

- SCE: [www.sce.com/SD](http://www.sce.com/SD); guidance is also available at [www.sce.com/EnergyProcurement](http://www.sce.com/EnergyProcurement) under the heading “Help & Guidance”
- SDG&E: [http://www.sempra.com/about/supplier-diversity](http://www.sempra.com/about/supplier-diversity) or Erica Beale, Program Manager, Supplier Diversity & Supplier Relations SDG&E, EBeale@semprautilities.com, 858-636-5538
Diverse Supplier Certification*

To be eligible for considering under GO 156, a DBE firm must have the following requirements for certification:

1) A business enterprise:
   a) that is at least 51% owned by a minority or service disabled veteran individual or group(s) or
   b) if a publically owned business, at least 51% of the stock of which is owned by one or more minority groups and
2) Whose management and daily business operations are controlled by one or more of those individuals

Minority, Women or LGBT owned companies
   ◦ California Public Utilities Commission (CPUC) Supplier Clearinghouse (free)

Service Disabled Veteran Business
   ◦ California Department of General Services-Office of Small Business & Disabled Veteran Business Enterprise Services (OSDS)

NMSDC
   ◦ Regional affiliates of the National Minority Supplier Development Council (NMSDC)

Others
   ◦ Small Business Administration 8(a) (SBA)
   ◦ Women Business Enterprise Council (WBEC-WEST)
   ◦ State and municipal government agencies

*Certification does not guarantee any business enterprise the right to bid or receive a contract.
Valuation and Selection Processes

Bids MUST comply with all the requirements of the RFO

- Any bids with conformance issues will be discussed with the IE
- The goal is to ensure all bidders are treated in a fair manner
- There will be a “cure” period from April 7 to April 12
  - During this period bidders will only be allowed to change fields that the IOU has stated require revision(s). No changes will be allowed to any other fields.
  - Bidders will not be allowed to correct pricing level unless specifically requested by IOU during the cure period. It is the responsibility and duty of the seller to accept full risk for pricing and developing their project.
  - Failure to respond to inquiries by the IOUs regarding incomplete or incorrect information could result in disqualification from the RFO.

The IE will review and validate methods of processing the bid information and evaluating offers to ensure that the evaluation is done fairly with no preferential treatment to any bidder.

Affiliate bids will be closely examined during the evaluation offer process to ensure the offer is evaluated in the same manner as the other offers.

All communications and negotiations will be closely monitored and assessed by the IE to ensure no preferential terms and conditions are included in the offer.
Valuation and Selection Processes (Cont’d)

The California Public Utilities Commission has prescribed a different valuation and selection process than the normal IOU RFO process of “Least-Cost Best-Fit.” The DRAM valuation is entirely quantitative with unique requirements for taking Residential bids. The following are the factors that will be considered:

- Residential or General bid
- System, Local, or Flex Capacity
- Capacity price ($ per kW-month)
- SC costs ($ per month)
- Monthly weighting of the value of capacity
- Qualitative Scoring Matrix (PG&E and SDG&E; see next slide)
- Expected Registrations

Lowest cost bids based on the factors above will be selected to meet the program’s MW target (10MW for SCE/PG&E, 2 MW for SDG&E) unless bids are rejected as “clear outliers or where there is evidence of market manipulation”.
## Qualitative Scoring Matrix (PG&E and SDG&E)

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Score</th>
<th>Weight</th>
<th>Weighted Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have you (the Seller) participated in a DR program or DR market anywhere as an aggregator?</td>
<td>Yes/No</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No</td>
<td>0%</td>
</tr>
<tr>
<td>Will your DRAM Resource require any permits, interconnection agreements, environmental studies, or additional land rights prior to operation?</td>
<td>Yes/No</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No</td>
<td>1</td>
</tr>
<tr>
<td>Is there any ongoing investigation or an investigation that has occurred within the last five years with respect to any alleged violation of any rule, regulation, or law associated with any commodity, securities, environmental, or financial market regarding any DR services you were/are providing?</td>
<td>Yes/No</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No</td>
<td>1</td>
</tr>
<tr>
<td>Diverse Business Enterprise (DBE)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do you have, or will you obtain before the program begins, DBE status?</td>
<td>Yes/No</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No</td>
<td>0</td>
</tr>
<tr>
<td>Project Diversity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are you going to use enabling technology with at least 90% of your PDR customers?</td>
<td>Yes/No</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No</td>
<td>0</td>
</tr>
</tbody>
</table>
Procurement Review Group (PRG) and IE Report

The PRG includes the CPUC Energy Division, ORA, TURN, and other interveners.
The PRG oversees the procurement process of all three IOUs.
During the course of this RFO, the IE will be reporting on the progress and any issues on this RFO to the PRG.
Public and confidential IE reports will follow the required IE template guidelines.
These reports are filed at the CPUC with the requests for contracts approval from the CPUC.
Questions
DRAM RFO Materials

Dana Ostfeld
Pacific Gas & Electric
Demand Response Core Programs
### DRAM RFO Schedule

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
<th>Day</th>
</tr>
</thead>
<tbody>
<tr>
<td>IOUs issue the 2017 DRAM RFO</td>
<td>3/3/16</td>
<td>Thursday</td>
</tr>
<tr>
<td>DRAM Bidders’ Webinar</td>
<td>3/15/16</td>
<td>Tuesday</td>
</tr>
<tr>
<td>Deadline to submit any questions to the IOUs</td>
<td>3/28/16</td>
<td>Monday</td>
</tr>
<tr>
<td>Answers to all questions posted on the IOUs’ DRAM websites</td>
<td>3/31/16</td>
<td>Thursday</td>
</tr>
<tr>
<td>Deadline for RFO bid submissions</td>
<td>4/4/16</td>
<td>Monday</td>
</tr>
<tr>
<td>IOUs notify non-conforming Bidders (request to “cure”)</td>
<td>4/7/16</td>
<td>Thursday</td>
</tr>
<tr>
<td>Bidder “cure” period concludes</td>
<td>4/12/16</td>
<td>Tuesday</td>
</tr>
<tr>
<td>Notice to Bidders of selection</td>
<td>5/6/16</td>
<td>Friday</td>
</tr>
<tr>
<td>IOUs file Tier 1 Advice Letter for CPUC contract approval</td>
<td>6/10/16</td>
<td>Friday</td>
</tr>
<tr>
<td>CPUC contract approval</td>
<td>8/9/16</td>
<td>Tuesday</td>
</tr>
</tbody>
</table>
Keys to a Successful Offer

- Read, understand, and follow instructions in each of the IOU’s RFO Protocols
- Know deadlines and what is expected at each deadline
- Review all documents on each of the IOUs’ DRAM RFO websites, as referenced in Slide 5
- Refer to the Frequently Asked Questions, which will be posted on each of the IOU’s DRAM websites
- If you have any questions after fully reviewing the DRAM websites, email all three DRAM RFO teams at:
  - DRAMRFO@pge.com
  - DRAMRFO@sce.com
  - DRAMRFO@semprautilities.com

When emailing any of the DRAM RFO teams, also CC Wayne Oliver, the Independent Evaluator, at waynejoliver@aol.com
Purchase Agreement Highlights

Article 1 – Transaction
  • Type of Products
    • Residential/Non-Residential
    • System, Local, Flexible Capacity

Article 3 – Seller Obligations
  • Supply Plan (example in Exhibit D) – due roughly 60 days prior to the delivery month
  • RA Obligations

Article 4 – Payment and Billing
  • Invoicing (should include Demonstrated Capacity, in a form similar to Exhibits C1, C2)

Article 5 – Credit and Collateral
  • Due within 10 days after contract execution

Article 7 – Representations, Warranties and Covenant
  • Back-Up Generation*

Exhibit C1 – Notice of Demonstrated Capacity (QC)
Exhibit C2 – Notice of Demonstrated Capacity (EFC)
Exhibit D – Notice of Showing Month Supply Plan

*If the Commission approves a policy and/or requirement dictating an approach for regulating the usage of generation or storage during demand response events on or before the date on which the Agreement is signed by the Parties, then that policy and/or requirement shall apply, and the Agreement shall be modified as directed by the Commission or its staff.
### EXHIBIT C1 - Notice of Demonstrated Capacity (QC)

#### Demand Response Auction Mechanism (DRAM)

- **Total "Monthly Quantity" (MW):**
- **Total "Demonstrated Capacity" (MW):** 0.08 MW

Therefore, in Delivered Capacity Payment formula, B = 0.08 MW and D =

<table>
<thead>
<tr>
<th>PDRs and/or RDRRs in the DRAM Resource</th>
<th>CAISO Resource ID</th>
<th>Assigned NGC (MW)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAISO Resource ID</td>
<td>0.08 MW</td>
<td></td>
</tr>
<tr>
<td>PDR / RDRR Resource Name</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assigned Capacity</td>
<td>0.00 MW</td>
<td></td>
</tr>
<tr>
<td>Must-Offer Obligation (MCO)</td>
<td>0.00 MW</td>
<td></td>
</tr>
<tr>
<td>Dispatch Results</td>
<td>0.00 MW</td>
<td></td>
</tr>
<tr>
<td>Joint Resource Adjustment</td>
<td>0.00 MW</td>
<td></td>
</tr>
<tr>
<td>Residential Product Delivery</td>
<td>0.00 MW</td>
<td></td>
</tr>
<tr>
<td>Local Capacity Product Delivery</td>
<td>0.00 MW</td>
<td></td>
</tr>
</tbody>
</table>

**Demonstrated Capacity:**

- 0.08 MW

**Notes:**

1. "Monthly Quantity" is from the quantity & pricing Table in Exhibit E.
3. If using Joint Resources, report Service Account information (not only for the portion used).
4. Each capacity test must be at least two (2) consecutive hours long.
5. Only include bids submitted in compliance with the MCO hours.
6. Should be calculated using the PDR / RDRR Capacity Baseline.
7. Only bids into the DayAhead Market.
8. Should be calculated using the PDR / RDRR Capacity Baseline.

**Percent Residential Accounts:** 0%

**Percent Local Accounts:** 0%
## EXHIBIT C2 - Notice of Demonstrated Capacity (EFC)

**For use with Flexible Capacity Product**

<table>
<thead>
<tr>
<th>PDR Resource Name</th>
<th>CAISO Resource ID</th>
<th>Assigned EFC (MW)*</th>
<th>Flexible Category (1, 2, or 3)</th>
<th>Demonstrated Capacity (MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Important Notes:**
- "Monthly Quantity" is from the quantity & pricing table is Exhibit E.
- In case of a Joint Resource, report full PDR EFC here.
- "If using a Joint Resource, report Service Account information (count) only for the portion used.

### Monthly Capacity Test
- Average hourly load reduction during capacity test conducted by Seller's SO during Showing Month

### Most Offer Obligation (MOO)
- Average capacity amount Seller bids into CAISO during Showing Month

### Dispatch Results
- Average hourly load reduction resulting from Dispatch during Showing Month

### MV Claimed
- This section is only required if delivering Residential Product

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**Total "Monthly Quantity" (MW):** 0.00 MW

**Total "Demonstrated Capacity" (MW):** 0.00 MW

**Residential Product (Yes / No):**

Therefore in Deliverable Capacity Payment formula, "B" = **Yes** and "D" = **No**.
# Exhibit D

## Form of Notice of Showing Month Supply Plan

### Sample Counterparty Monthly Supply Plan Template

<table>
<thead>
<tr>
<th>Contact Information</th>
<th>Supply Plan Information for Resources under DRAM Purchase Agreement to [insert 401 name]</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contact Person</strong></td>
<td><strong>Seller or Seller’s agent</strong></td>
</tr>
<tr>
<td>---------------------</td>
<td>-------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td><strong>Contact Person</strong></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The information provided by seller in this monthly supply plan template is required by Section 1.4 of the DRAM Resources Purchase Agreement with buyer.

(Relavent to LOA to be inserted in final form)
## Comparison Between IOUs’ Offer Forms, Evaluations, and Submission Requirements

<table>
<thead>
<tr>
<th>RFO Requirements</th>
<th>PG&amp;E</th>
<th>SCE</th>
<th>SDG&amp;E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offer Submittal Platform</td>
<td>Power Advocate</td>
<td>Email <a href="mailto:DRAMRFO@sce.com">DRAMRFO@sce.com</a></td>
<td>Power Advocate</td>
</tr>
<tr>
<td>Offer Deadline time on April 4, 2016</td>
<td>1 pm PPT</td>
<td>12 pm PPT</td>
<td>4 pm PPT</td>
</tr>
<tr>
<td>SC Cost Format in the Offer Form</td>
<td>$/year</td>
<td>$/month</td>
<td>$/month</td>
</tr>
<tr>
<td>Qualitative Factors:</td>
<td>Supplier Diversity</td>
<td>None</td>
<td>Several</td>
</tr>
<tr>
<td>Adder included in evaluation score, based on qualitative factors</td>
<td>Supplier Diversity status only</td>
<td>None</td>
<td>Several</td>
</tr>
<tr>
<td>Eligibility Requirements:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of bids/variations allowed</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Maximum bid size per month</td>
<td>10 MW</td>
<td>10 MW</td>
<td>2 MW</td>
</tr>
<tr>
<td>Min bid size for PDR/RDRR per month, if not 0 kW</td>
<td>100 kW/500 kW</td>
<td>100 kW/500 kW</td>
<td>100 kW/500 kW</td>
</tr>
<tr>
<td>August Capacity &gt; 0 kW required</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Min bid size required for all months for Local Capacity</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Offer Forms – Offer Information highlights

- **Offer Products**
  - Local, Flex, or System Capacity
  - PDR or RDRR resources (SDG&E and PG&E only)
  - Residential or non-residential customers

- **Expected number of Rule 24 service accounts expected per Offer**
  - Bidders must specify how many customers/Offer would require *new* Rule 24 service accounts, and how many customers already have Rule 24 service accounts. (PG&E and SDG&E only)

- **Indication of which bids are Exclusive or Inclusive**
  - Exclusive – offers are exclusive of each other, if two or more offers cannot both be awarded contracts in this RFO (e.g., Offers 1 and 4 cannot both be shortlisted, as customers are the same). SDG&E calls Exclusive Offers “variations.”
  - Inclusive – offers that are inclusive of each other means that they all must be awarded contracts together (e.g., Offer 2 must be selected with Offer 4). (SCE only)
Walk-Through: IOU DRAM Offer Forms

Dana Ostfeld – PG&E

Anna Chung - SCE

Evan Bierman – SDG&E
PG&E-Specific Offer Form Instructions

• You must submit an **Excel** Offer Form – no other formats will be accepted.

• Each Participant should only submit one Offer Form.

• If you need more rows on your Offer Form, please contact us at [DRAMRFO@pge.com](mailto:DRAMRFO@pge.com), and we will reformat your Offer Form to enable more rows.

• Enable macros when opening the Offer Form. This can be done in two ways:
  a. Enable macros on the “Microsoft Excel Security Notice” that is displayed before the form opens...

  ![Enable Macros](enable_macros.png)

  b. Enable macros by clicking the “Enable Content” button that is often displayed at the top of the screen when the form first opens:

  ![Security Warning](security_warning.png)
You must select “Yes” for each of the Acknowledgement, Participant, Attestation, and Affirmation of ability to perform sections.

<table>
<thead>
<tr>
<th>Acknowledgement of Protocol</th>
</tr>
</thead>
<tbody>
<tr>
<td>By selecting “Yes”, the participant hereby agrees to the terms of the Solicitation Protocol. The participant acknowledges that any costs incurred to become eligible or remain eligible for the solicitation, and any costs incurred to prepare an offer for this RFO are solely the responsibility of the participant. Section VI: Participant will abide by the confidentiality terms and conditions. Section IX: The participant knowingly and voluntarily waives all remedies or damages at law or in equity concerning or related in any way to the Solicitation.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Participant Authorization</th>
</tr>
</thead>
<tbody>
<tr>
<td>By selecting “Yes”, the participant hereby confirms that they are a duly authorized representative of the participant.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Attestation</th>
</tr>
</thead>
<tbody>
<tr>
<td>By providing the electronic signature below, the participant hereby attests that all information provided in this Offer Form and in response to this DRAM RFO is true and correct to the best of the participant’s knowledge as of the date such information is provided.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Affirmation of ability to perform all obligations under the PA</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have read and understand the PA and attest that we are able to perform all obligations under the PA and Protocol.</td>
</tr>
</tbody>
</table>
These 2 offers are exclusive of each other (i.e., they can’t both be shortlisted, it’s one or the other). SDG&E calls offers that are exclusive of each other variations of the same offer.

Flexible RA Product cannot be RDRR.

For August, you must provide at least 100 kW for PDRs and 500 kW for RDRRs.

To provide Product for a specific LCA such as “Greater Bay,” the service accounts must be physically located in that LCA.

Cells are peach when incomplete, and turn to a mint green color once you enter a value.

You can have different Products for the same Offer on multiple rows. These rows are, in effect, “inclusive” of each other.
If your business is certified by more than one agency and one of those agencies is the CPUC, please select CPUC.

Make sure you provide information on any diverse business entity subcontractors that you use here.
Walk-Through: SCE DRAM Offer Form

Anna Chung - SCE
Offer form is “protected” with the exception of these color-coded INPUT areas (orange and yellow).
SCE Offer Form – “Front Page” tab

Seller Name must match Non Disclosure Agreement exactly

Must be S&P, Moody’s or Fitch credit ratings only
SCE Offer Form – “RA Offers” tab

<table>
<thead>
<tr>
<th>Offer Name</th>
<th>Offer Type</th>
<th>Product</th>
<th>Start Exercise Date</th>
<th>End Exercise Date</th>
<th>Residential Customer Product in Section 1.1.c (Vendor)</th>
<th>Monthly Quantity (MW for each day of Showing Month)</th>
</tr>
</thead>
<tbody>
<tr>
<td>201-TBD-Mo-a-System-000</td>
<td>000</td>
<td>a-System</td>
<td>Monthly</td>
<td>1/1/2017</td>
<td>11/30/2017</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Jan-17: 1.00, Feb-17: 0.00, Mar-17: 0.00, Apr-17: 1.00, May-17: 0.00, Jun-17: 1.00, Jul-17: 1.00, Aug-17: 1.00, Sep-17: 1.00, Oct-17: 1.00, Nov-17: 1.00, Dec-17: 0.00</td>
</tr>
</tbody>
</table>

Example/Sample Offer is Above, Actual Offers Must be entered Below (Columns C, G, H through S, V through AS and A1). Modify AS and A1 only if needed for inclusivity.

<table>
<thead>
<tr>
<th>Offer Name</th>
<th>Offer Type</th>
<th>Product</th>
<th>Start Exercise Date</th>
<th>End Exercise Date</th>
<th>Residential Customer Product in Section 1.1.c (Vendor)</th>
<th>Contract Price ($/kW-month). Section 4.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>A-System</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Jan-17: 3.00, Feb-17: 0.00, Mar-17: 3.00, Apr-17: 3.00, May-17: 3.00, Jun-17: 3.00, Jul-17: 3.00, Aug-17: 3.00, Sep-17: 3.00, Oct-17: 3.00, Nov-17: 0.00, Dec-17: 3.00</td>
</tr>
</tbody>
</table>

Check validation message

Modify only if required for exclusivity or inclusivity with other offer(s) – e.g., “Exclusive with Offer 002”
Walk-Through: SDG&E DRAM Offer Form

Evan Bierman – SDG&E
Walk-Through: SDG&E DRAM Offer Form

SDGE may only select one variation per Offer

<table>
<thead>
<tr>
<th>Legal Entity Name</th>
<th>Offer Number</th>
<th>Variation Number</th>
<th>Street Address 1</th>
<th>Street Address 2</th>
<th>City</th>
<th>State</th>
<th>Zip</th>
<th>Primary Contact First Name</th>
<th>Primary Contact Last Name</th>
<th>Title</th>
<th>Email Address</th>
<th>Office Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>DR Inc</td>
<td>1</td>
<td>1</td>
<td>123 Lane</td>
<td></td>
<td>San Diego</td>
<td>CA</td>
<td>92222</td>
<td>Bob</td>
<td>Jones</td>
<td>VP</td>
<td><a href="mailto:BobJones@sdinc.com">BobJones@sdinc.com</a></td>
<td>1234567890</td>
</tr>
<tr>
<td>DR Inc</td>
<td>2</td>
<td>2</td>
<td>123 Lane</td>
<td></td>
<td>San Diego</td>
<td>CA</td>
<td>92222</td>
<td>Bob</td>
<td>Jones</td>
<td>VP</td>
<td><a href="mailto:BobJones@sdinc.com">BobJones@sdinc.com</a></td>
<td>1234567890</td>
</tr>
<tr>
<td>DR Inc</td>
<td>3</td>
<td>3</td>
<td>123 Lane</td>
<td></td>
<td>San Diego</td>
<td>CA</td>
<td>92222</td>
<td>Bob</td>
<td>Jones</td>
<td>VP</td>
<td><a href="mailto:BobJones@sdinc.com">BobJones@sdinc.com</a></td>
<td>1234567890</td>
</tr>
<tr>
<td>DR Inc</td>
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<td><a href="mailto:BobJones@sdinc.com">BobJones@sdinc.com</a></td>
<td>1234567890</td>
</tr>
</tbody>
</table>

SDGE may select one or both or neither of the Offers

2017 DRAM PRE-BID WEB CONFERENCE
## Walk-Through: SDG&E DRAM Offer Form

### Offer Information

<table>
<thead>
<tr>
<th>Total Expected Registrations</th>
<th>Of the Total Expected Registrations, how many registrations will you need in addition to those you already have?</th>
<th>Minimum Registrations Available for this Offer to be Accepted</th>
<th>Residential Bid?</th>
<th>RDRR or PDR?</th>
<th>Local or System RA?</th>
<th>Will the project be able to provide flexible capacity and if so what category?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Registrations may or may not be limited

Only on SDG&E form, not SCE/PGE

Bidders must fill in ALL gray cells

---

### Potential Qualitative Question Weights

<table>
<thead>
<tr>
<th>Question</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have you (the seller) participated in a DR program or DR market anywhere as an aggregator?</td>
<td>3%</td>
</tr>
<tr>
<td>Will your project require any permits, interconnection agreements, environmental studies, or additional land rights prior to operation?</td>
<td>3%</td>
</tr>
<tr>
<td>Is there any ongoing investigation or an investigation that has occurred within the last five years with respect to any alleged violation of any rule, regulation, or law associated with any commodity, securities, environmental, or financial market regarding any DR services you were/are providing?</td>
<td>3%</td>
</tr>
<tr>
<td>Do you have, or will obtain before the program begins, DBE status?</td>
<td>1%</td>
</tr>
<tr>
<td>Are you going to use enabling technology with at least 90% of your PDR customers?</td>
<td>5%</td>
</tr>
</tbody>
</table>

### Qualitative Scoring Questions

<table>
<thead>
<tr>
<th>Question</th>
<th>Score Adder</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have you (the seller) participated in a DR program or DR market anywhere as an aggregator?</td>
<td>6%</td>
</tr>
<tr>
<td>Will your project require any permits, interconnection agreements, environmental studies, or additional land rights prior to operation?</td>
<td>6%</td>
</tr>
<tr>
<td>Is there any ongoing investigation or an investigation that has occurred within the last five years with respect to any alleged violation of any rule, regulation, or law associated with any commodity, securities, environmental, or financial market regarding any DR services you were/are providing?</td>
<td>6%</td>
</tr>
<tr>
<td>Do you have, or will obtain before the program begins, DBE status?</td>
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</tr>
<tr>
<td>Are you going to use enabling technology with at least 90% of your PDR customers?</td>
<td>6%</td>
</tr>
</tbody>
</table>
Questions