
SCHEDULING COORDINATOR REQUEST FOR INFORMATION

For the Demand Response Auction Mechanism Pilot

Participant Instructions

*Version 1.0
August 11, 2015*

Scheduling Coordinator Request for Information

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ARTICLE ONE. GENERAL INFORMATION

1.01 Introduction.

Southern California Edison (“SCE”), Pacific Gas and Electric (“PG&E”) and San Diego Gas and Electric (“SDG&E”) (collectively, the “IOUs”), are issuing this Scheduling Coordinator Request for Information (“RFI”) to solicit information (“Information Packets”) regarding third-party California Independent System Operator (“CAISO”) Scheduling Coordinator services to be made available to potential bidders in the Demand Response Auction Mechanism Pilot (“DRAM”). The Information Packets may be used by potential bidders to determine whether or not to engage a third-party Scheduling Coordinator in connection with their bids in the 2015 DRAM Request for Offers (“DRAM RFO”).

The DRAM is a California Public Utility Commission (“CPUC” or the “Commission”) approved pilot in which the IOUs will enter into agreements with authorized Demand Response Providers (“DRPs”) and DR Aggregators (collectively referred to as Sellers) to procure CAISO system resource adequacy capacity (“System RA”). The IOUs will pay the Sellers for the System RA, and the Sellers will bid residential and non-residential retail customer load as Proxy Demand Resources into the CAISO wholesale energy market. Sellers may serve as their own Scheduling Coordinator or they may contract with third parties for Scheduling Coordinator services. This RFI is issued prior to the launch of the DRAM RFO to (i) inform potential third-party Scheduling Coordinators (“Participants”) about the DRAM pilot, (ii) determine the level of interest of Participants in providing such Scheduling Coordinator services in DRAM, and (iii) provide information and pricing for third-party Scheduling Coordinator services to potential DRAM RFO bidders. Information Packets submitted by the Participants through this RFI will be placed on a public website and provide a reference for DRAM RFO bidders. The scope and anticipated requirements are more specifically described in Article Two of these RFI Participant Instructions (“RFI Instructions”).

DRAM is a two phase pilot. This solicitation relates to Phase 1 of the pilot, in which only day-ahead energy will be bid into the CAISO wholesale market by Sellers between June 2016 and December 2016. Phase 2 of the pilot will commence in 2017 and is expected to allow bidding of additional Demand Response products (e.g. ancillary services and real time energy). The IOUs expect to file their proposals for DRAM Phase 2 later this year.

Capitalized words not defined in these RFI Instructions have the meanings given them in the CAISO Fifth Replacement Electronic Tariff dated January 1, 2015.

1.02 Purpose of the RFI Instructions.

These RFI Instructions provide an overview of the processes that the IOUs will use to implement this RFI, and set forth the IOUs’ and each potential Participant’s rights and obligations with respect to the RFI. These RFI Instructions also describe the procedures that each Participant must adhere to in order to participate in this RFI. Furthermore, while these RFI Instructions

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outline certain terms and conditions applicable to this RFI, this outline is provided for reference purposes only and is not intended to be comprehensive.

1.03 Communications and Disclaimer.

Questions relating to this RFI should be addressed via email to: DRAMRFO@pge.com with a copy to the Independent Evaluator, Wayne Oliver from Merrimack Energy Group, Inc. at waynejoliver@aol.com.

Disclaimer: This RFI shall not be construed in any manner to create an obligation on the part of any of the IOUs or any potential bidder in the DRAM RFO to enter into any contract, or serve as a basis for any claim whatsoever for reimbursement of costs for efforts expended.

Furthermore, the scope of this RFI may be revised at the option of the IOUs at any time. The IOUs reserve the right to waive formalities and to add, modify, or delete items, requirements, and terms or conditions prior to the conclusion of this RFI whenever it is deemed to be in the IOUs' best interests. The IOUs reserve the unqualified right to reject any or all responses submitted hereunder for any reason whatsoever. The IOUs shall be held free from any liability resulting from the use or implied use of the information submitted in any response to this RFI.

NOTE: This is not a solicitation for the IOUs to enter into any arrangement with the Participant to provide services on behalf of DRAM Sellers and this RFI does not create an obligation by the IOUs to execute or amend any agreement with any Participant. Furthermore, the IOUs are not, by issuing this RFI, undertaking any obligation to issue future DRAM RFIs.

Submission of a response shall constitute the Participant's acknowledgment of this notice and the Participant's acceptance of this disclaimer.

ARTICLE TWO. DEMAND RESPONSE AUCTION MECHANISM REQUIREMENTS FOR SCHEDULING COORDINATORS

2.01 Demand Response Auction Mechanism Pilot Overview

As part of the CPUC's resource adequacy planning process, IOUs identify potential shortfalls in their electric portfolios caused by expiring procurement contracts or the need for additional capacity to accommodate load growth or fluctuation. The IOUs intend to solicit bids from Sellers via the DRAM RFO to provide System RA to the IOUs. The Sellers will bid residential and non-residential retail customer load as Proxy Demand Resources into the CAISO wholesale energy market consistent with the terms of the DRAM contract. The IOUs will evaluate the DRAM bids to determine which solicitations are "least cost" and "best fit" with DRAM pilot goals while meeting the requirements of the Commission's decisions and resolutions on the DRAM pilot.

To bid Proxy Demand Resources into the CAISO market, Sellers will be required to use a CAISO-certified Scheduling Coordinator to conduct market and business transactions within the CAISO wholesale energy market. While some DRAM participants may have experience

contracting with a Scheduling Coordinator or be capable of serving as their own Scheduling Coordinator, others may face challenges understanding the complexities of the CAISO market participation requirements and associated Scheduling Coordinator services.

With the approval of the Commission, the IOUs have undertaken two measures to assist potential DRAM Sellers with securing Scheduling Coordinator services. First, the IOUs will manage this RFI prior to the DRAM RFO to gather information about CAISO-certified Scheduling Coordinator availability and willingness to provide services to DRAM Sellers. This RFI will result in Information Packets from potential DRAM Scheduling Coordinators focused on the general capabilities and services to bid Proxy Demand resources on behalf of a Seller. This approach is intended to reduce barriers to bidding by potential DRAM Sellers by allowing them to focus on a set of potential Scheduling Coordinators willing to provide the Scheduling Coordinator services in the DRAM pilot and to consider Scheduling Coordinator vendors and their service options and pricing early in the process.

Second, the DRAM RFO will require DRAM bidders to identify and separate their proposed capacity prices from the costs they expect to pay for a defined set of Scheduling Coordinator services (see Section 2.02 below.) Following the execution and Commission approval of DRAM contracts, the IOUs will reimburse the DRAM Sellers for Scheduling Coordinator expenses on a monthly basis, as specified by the Seller in its bid and contained in the DRAM contract. These expected Scheduling Coordinator costs will be included in the evaluation of the bid price, incentivizing the Sellers to seek cost-effective Scheduling Coordinator service providers.

2.02 General Requirements under DRAM.

As an initial step, Participants should respond to this RFI with information regarding the terms and conditions under which they would be willing to provide Scheduling Coordinator services to potential Sellers in the DRAM pilot. The IOUs will provide Participant names, contact information and other pertinent information¹ to potential bidders in the DRAM RFO for bidder information and use. This information should be considered public. Potential Scheduling Coordinators who do not participate in this RFI are not precluded from providing third-party Scheduling Coordinator services to bidders in the DRAM pilot.

Under the Commission-approved DRAM contracts, Sellers will be reimbursed by the IOUs for the following Scheduling Coordinator services with respect to each Proxy Demand Resource:

- Bidding into the Day Ahead Market
- Providing award information to the Seller
- Providing CAISO settlements to Seller
- Related Grid Management Charges
- Validation of Availability of Demonstrated Capacity (including potential audit fees) pursuant to the DRAM contract between the Seller and the IOU
- Certifying that the resource is bid at or above the Net Benefits Test
- Meter data submission

¹ Other information may include brochures, fee schedules, and information on optional SC services.

Sellers and Participants may contract for other services from the Participant, but the Sellers will not be reimbursed by the IOUs for services other than those listed above.²

2.03 Scheduling Coordinator Eligibility Requirements.

Participants must be CAISO-certified in order to qualify as a DRAM Scheduling Coordinator. See <http://www.caiso.com/participate/Pages/SchedulingCoordinator/Default.aspx> for more information.

IOU affiliates are permitted to participate in this RFI. A Participant must disclose whether or not it is an IOU affiliate.

ARTICLE THREE. RFI SOLICITATION AND PARTICIPANT SUBMITTAL PROCESS

3.01 RFI Schedule.

Please review the below table to ensure that all documents are submitted in a timely manner.

<i>Date</i>	<i>Event</i>
8/11/2015	IOUs launch SC RFI.
8/26/2015	IOUs host a SC RFI Conference Call - tentative
9/10/2015	Deadline for SCs to deliver Informational Packets as set forth in Sections 3.04 of these SC RFI Instructions.
9/21/2015	DRAM RFO Solicitation Release – Information provided to potential DRAM Sellers

3.02 RFI Web Conference.

The IOUs will host an RFI web conference for interested parties. The purpose of the web conference is to clarify the RFI Process and to answer general questions regarding the DRAM pilot. Details regarding the RFI Web Conference will be provided on PG&E's website (www.pge.com/scrfi) or via email notification.

² Examples of such other services may include, without limitation:

- Demand Response Provider Services,
- Validation of use of residential load, as defined in the DRAM contract between the Seller and the IOU, to i) meet the requirements for bidding residential load into the CAISO market, and ii) satisfy CAISO awards when the CAISO accepts bids for PDRs containing residential customers,
- Provision of information for days, hours and amount of CAISO awards when Seller PDRs containing customers with IOU auto-DR obligations receive a CAISO award.

3.03 Scheduling Coordinator Information Packets

- a) Participant must submit an electronic version of its Information Packet via email. The Information Packet must be received by email by the Information Packet Due Date set forth in the RFI Schedule.
- b) The Information Packet should indicate whether it applies to multiple IOU service territories or is limited to a single IOU service territory. Responses may contain other pertinent information, such as a brochure or marketing material. If the Participant does not have, is unable to obtain, or does not desire to provide any of the information called for in Information Packet, Participant should clearly indicate which information is missing and whether that information might be provided later.

3.04 Information Packet Submittal Process.

By 5:00 PM Pacific Standard Time on September 10, 2015, Participants must submit a completed nonbinding electronic Information Packet and any pertinent attachments conforming to these RFI Instructions to DRAMRFO@pge.com. Emails should be limited to 10 MB in size. As needed for related emails, indicate “part 1”, “part 2” etc. in the email subject line.

The IOUs are not responsible for Information Packets received after the submittal deadline due to unsuccessful delivery or otherwise.

*** *End of ARTICLES****