

Pacific Gas and Electric Company

Moderator: Sandy Burns
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Operator: This is Conference # 17938084.

Hello, and welcome to today's webcast. My name is (Ben), and I will be your event specialist.

All lines have been placed on mute to prevent any background noise. Please note that today's webcast is being recorded. During the presentation, we will have a question-and-answer session, and instructions on how to participate will be given at the appropriate time. If you would like to view the presentation in a full screen view, click the Full Screen button in the lower right-hand corner of your screen.

Press the Escape key on your keyboard to return to your original view. For optimal viewing and participation, please disable your popup blockers. And, finally, should you need technical assistance, as a best practice, we suggest you first refresh your browser. If that does not resolve the issue, please click on the Support option in the upper right-hand corner of your screen for online troubleshooting.

It is now my pleasure to turn today's program over to Sandy Burns. Sandy, the floor is yours.

Sandy Burns: Good morning, everyone. And thank you for joining us for our first Distribution Resources Plan RFO. And this is a pilot to see if we can procure distributed energy resources to defer traditional distribution wires investment.

So, the format of today's presentation is I am going to give you an introduction and go over some housekeeping matters. Then, I am going to turn it over to Michael Puckett in our Grid Innovation and Integration group, who is going to talk about the goals of the Distribution Resources Plan generally and give you an overview of the Demo D area and the distribution services that we need.

Then, I will give you a brief overview of the solicitation including what kind of resources are eligible to bid. We have (Al Gaspari Jr.) from our Customer Energy Solutions group who will talk about the customer engagement services we are willing to offer as part of this RFO. And, then, Andrew Lee, also in the Structured Energy Transactions group, will give you an overview of the Term Sheet and the evaluation methodology.

And, then, I am going to turn it over to Izzy Carson, who will go over some of the nuts and bolts of how to use our (Excel offer form) to submit your offer. And, then, we are going to take a brief intermission and go over the questions that you've sent in and talk about our answers.

So, the way this is going to work in terms of questions -- we are not taking questions during the presentation. But, you should throughout the presentation feel free to email any questions to the DRP mailbox at drprfo@pge.com and, then, we will answer them at the end of the webinar.

We are going to basically answer the questions that are of general interest that we can answer today. After the webinar, we are going to compile and post the answers on our website. And if there are questions that we couldn't answer today, we will try to answer them in the next few days on the website.

Also, we may post the list of attendees to this webinar on our website. So, if you don't want your name or your company name published, please let us know by sending us an email tomorrow. And, also, we are planning to post a recording of the webinar on our website as well.

Can we advance? OK. OK. And just some caveats. This is intended to just be a summary of the information and the requirements set forth on the RFO. But, it is on you to carefully review the documents and all the other RFO materials on the website to make sure you understand them. And if there are any inconsistencies between what is in this PowerPoint and what is in the RFO materials, the RFO materials do govern.

So, again, for communications on this RFO, the website has everything you need. So, it has everything you need to submit an offer -- the RFO materials, instructions for using Power Advocate. And we will also be putting additional announcements up there and updating the Q&A on the website on a regular basis.

Also, on this RFO, we have an independent evaluator, Alan Taylor from Sedway Consulting. He is on the phone with us today as well. And any communications that you send to the DRP mailbox, you should also copy Alan.

OK. So, today's schedule -- this schedule is approved by the PUC in their decision approving the Demo D pilot. We issued the RFO last week. We are having the webinar today. The key date is July 17 by 1 p.m. That is the deadline for you to submit your offers in Power Advocate.

Also, when you submit your offers to Power Advocate, the IE has also requested that you send him a flash drive of your offer as well and that to be sent overnight to get to him by the next day. And there are details (with a draft) later in the presentation and in the RFO materials.

And, then, approximately like 8 to 10 weeks later, we will create a shortlist and we will notify parties of whether or not they made it to the shortlist. And, then, we will spend the next several months after that negotiating with parties to try and reach agreement with some of the shortlisted parties for a contract. And the target is that we will file those executed agreements with the PUC by next June.

OK. So, I mentioned the independent evaluator. His job is to monitor all aspects of the RFO. So, he is looking for whether we have treated all participants fairly. He is making sure that the processes that we implement are what we said we would implement in the RFO document and that we treat everyone consistently.

And then, at the end of the process, he will report to the PUC on how we conducted the RFO and he will also basically either concur or not on whether the PUC should approve the transactions that we filed. He can review all the offer data and communications. And that includes any negotiations we do after shortlisting. And his address is here in the RFO materials, alan.taylor@sedwayconsulting.com.

OK. So, I am now going to turn it over to Michael Puckett in our Integration and Innovation group to talk about the DRP program in general.

Michael Puckett: Thanks, Sandy. So, I am Michael Puckett. I am in the Integrated Grid Planning team, which is within the Grid Integration and Innovation group here at PG&E, and I am also the project lead for this DRP Demo D that we are discussing today. So, I am going to be providing an overview of the DRP more broadly beyond just this particular demo. I am also going to be discussion the site that we selected for this demonstration project, Demo D, as well as what we are procuring in this -- in this project.

So, the DRP, the Distribution Resources Plan, the CPUC-led initiative that all three Californian IOUs, PG&E, SDG&E and SCE are undertaking -- that is looking at how we modernize the grid and integrate -- better integrate distributor resources into the grid over the coming years.

So, there's three big pillars to this initiative, really. First is to modernize distribution systems to accommodate expected DER growth through two-way power flow. The second is to enable customer choice of new electric DER technologies and services and then, finally, to identify and develop opportunities for DER to realize grid benefits.

So, some of these touch on how PG&E plans and operates DERs, and some of these touch on the solicitation process that we go through to solicit and to procure DERs. And you will see elements of all three of these pillars in the way that we have set up this project and some of the other projects that we have coming down the pike.

So, when we refer to DERs, distributed energy resources, we include distributed renewable generation including rooftop solar, energy storage both behind the meter and in front of the meter energy storage, energy efficiency, demand response programs and as well as electric vehicles. And all of these types of resources are -- would be eligible to participate in this DRP demonstration project.

The DRP Demo D has been scoped out by PG&E, again, directed by the CPUC as a -- as a project to procure distribution services from third-party-owned DERs. And part of this is -- part of the goals here are to demonstrate the DER capabilities for deferring traditional wires investment, demonstration additional value streams for these distributed resources.

We have two projects that we are undertaking here, Demonstration Project C and Demonstration Project D. Demonstration Project D is what we will focus on today. And that is the solicitation that was issued last week. Demo D is still awaiting final CPUC approval and will be issued in the next couple of months.

Now, per the CPUC filing, Demo D is focused on integrating high DER penetration -- high penetrations of DERs into utility distribution planning and operations. We have selected the Huron substation as the location for this project. And over the course of this project, we are really hoping to learn how to operate this -- an aggregated fleet of dispersed DERs, how to stack multiple use applications of DERs and how to conduct competitive solicitations to achieve this goal of deferring wires investment for this particular location that we selected.

So, that is a high-level overview of the scope of the project. Next, we will dive into the specifics of the site that we located and the actual problem that we are trying to solve at this site.

So, DRP Demo D is focused on the Huron substation, which has -- is located just south of Fresno. So, there is the town of Huron that is connected to the substation and the surrounding agricultural area. There are four distribution feeders with customers connected. And we will get into the customer mix in the upcoming slide. But, it is a mix of residential, C&I and agricultural customers here.

We also got two dedicated gen-tie interconnections with 20 megawatts of utility scale PV. And, then, we have the transformer bank, which you can see as the triangle on that map there. In terms of PV capacity installed -- and, again, we will get deeper into the numbers in subsequent slides, we have this 20 megawatts of utility scale PV, which is directly tied to the Huron substation and, then, about 1.1 megawatts of customer-side PV on a couple of the feeders that we have also feeding into the substation.

All right. So, when we look at the customer mix in terms of total service points and peak day demand by second, we see, like I said, this mix of residential -- certainly, in terms of total number of customers, residential does dominate. We also have a mix of commercial, industrial and agricultural. When we look at what is driving the peak day demand, there is a much more even split between the agricultural and the residential customer segments with commercial and industrial also contributing somewhat to that peak demand.

We have -- we have provided in our solicitation and on these slides a snapshot of a couple of days of profiles -- first, peak day, essentially the highest peak day that we saw in 2016, which was July 1, and what was driving demand on that substation during that day hour by hour. And this is what you can see here. And as you can see, agricultural demand is really the single biggest driver, again, with residential and C&I also contributing somewhat to a peak demand which, as of 2016, was just over 16 megawatts.

The next shape -- the next graph here shows the lowest or one of the lowest demand days of 2016 to give you an idea of what the load looks like on one of these off-peak days. Now, note that the scale is different here. So, the previous scale went up to 16.

This one goes up to seven. So, we are looking at less than half of the demand of the previous graph that we saw. For April, we see similar profiles in other off-peak months. But, here, we've got a morning peak again mostly driven by agricultural customers with, again, contributions from residential and C&I also creating that morning peak.

In terms of customer -- existing customer interconnections and demand response participation, we have approximately 80 customers currently with PV systems installed, total capacity of about 1.1 megawatts. As I said, that is in addition to the 20 megawatts of utility scale PV that is also connected. In terms of demand response, we have a little over 100 customers -- 128 customers currently participating with a total peak reduction of 2.27 megawatts. And that includes customers in our Base Interruptible Program, BIP, and our Peak Day Pricing, PDP, program. And those numbers are current as of May 1, 2017.

All right. So, I have given you an overview of Huron itself. Now, what is it that we are actually -- why have we selected this for our demonstration project and what it is we are actually hoping to solve here? Well, due to the unique situation here, we have a lot of PV connected to the substation. We are running up against the limit of that substation bank in both directions at various times of the year.

So, what we see here is an illustration of the reverse flow that we find during some days -- basically during the worst-case day for each month of the year as projected in 2022. And what you can see here is for every month except for those three months that are grayed out on the -- on the right graph there, November, January and December, we are projected to exceed the bank limit, again, on sort of a worst-case basis within a given month. And the traditional wires approach would be to upgrade this substation bank. The goal of this

demonstration project is to defer that investment by mitigating that over-generation, that reverse flow condition during those worst-case hours, those periods in the middle of the day when we have low load and maximum PV output.

Now, in the opposite direction, we also have peak load that is approaching the bank limit. So, again, same snapshot here. We have summer load and winter load in the two graphs from this slide. What you see is by 2022, we are -- we are hitting that bank limit -- we are expected to hit that bank limit in the month of July. And, then, by 2024, we are expected to exceed it for both and June and July during evening periods.

Again, this is a snapshot of kind of the worst-case scenario month by month. And, again, the wires alternative here, which would solve both these peak load issue and the reverse flow issue, would be to upgrade the bank, which is why we selected this as a -- as a bank deferral project under the demonstration project here. I do want to note that you will see different summer and winter bank limits. That is due to the additional thermal capacity that we have in winter. But -- and that is why we don't really have a winter peak load issue, but we do have that summer peak load issue.

So, when you -- when you combine these reverse flow issues and these peak load issues (since) we run into problems nine months of the year in the middle of the day from 10 a.m. to 4 p.m. and in peak load in summer evenings in June and July from 6 p.m. to 12 a.m. midnight -- so, we have these six-hour blocks. And what we are procuring for this solicitation is load increase and load decrease during those blocks to mitigate those potential overload to the bank.

So, let us start with the reverse flow issue. What we are procuring here is hosting capacity or generation capacity, the total of 4 megawatts of load increase during those periods of 10 a.m. to 4 p.m. for the month of February through October every day of the month. So, we are -- we are placing a limit on the number of times that we could call on these resources to provide that load increase. Now, we are breaking that six-hour block from 10 a.m. to 4 p.m. into two three-hour blocks so bidders would be able to bid into either the

first 10 a.m. to 1 p.m., the second 1 p.m. to 4 p.m. or the 4 to 6 hour block. So, that is the first product, hosting capacity.

The second product is load capacity, where we are procuring 2 megawatts of load decrease from 6 p.m. to 2 a.m. -- sorry -- to 12 a.m. in the month of June and July.

Again, we are splitting that -- we are not placing any limits on how many times we can call on these resources within those two months. But, we are breaking that six-hour block into two three-hour blocks, 6 p.m. to 9 p.m. and 9 p.m. to midnight, or bidders can also provide the full six-hour product. Bidders are also able to provide -- to bid into either the hosting capacity of the load capacity or they can bid into both products within a single bid.

So, in addition to providing these hosting capacity or load capacity products, there will be conditions placed on participants so that we don't exceed the bank limits in other hours of the -- of the year. So, resources will not be able to increase load between 5 p.m. and 7 a.m. every day through the month of April through October. And participants will not be able to decrease load from 9 a.m. to 5 p.m. for every day of the year.

OK. So, that is -- that is an overview of the Huron site and the need that we are procuring. Next, we will give an overview of the solicitation.

Sandy Burns: Great. So, now that you know what the need is, I am going to give you a little more detail on what it is we are actually looking to procure.

So, as Michael said, we are looking for hosting capacity and load capacity of 4 megawatts of hosting capacity and 2 megawatts of load capacity. And that is all we are looking for. We are not looking to procure resource adequacy or energy or ancillary services or (racks) or anything else. Those products remain yours. And if there's additional revenue streams that you can get from those products, you are free to get them.

We are looking at a delivery term of three or five years in either case starting in 2020 and then either going three or five years. If you are offering us

hosting capacity, it should be available beginning in February 2020. And if we are getting the load reduction, that needs to be available beginning June 1.

So, project size. We are looking for a minimum bid size of half a megawatt up to 2 megawatts for load capacity and 4 megawatts for hosting capacity. And you need to bid (us) in increments of half a megawatt. So, no 0.75 megawatts.

Either give us half a megawatt, 1 megawatt, 1.5 et cetera. And your offer should be the same size in all the months of your offer and all the hours and for the length of the delivery term -- I mean for each product. So, it should be -- you can offer us -- you can offer us 4 megawatts for a -- for a hosting capacity and 2 megawatts for load capacity. But, within those offers, they should be the same every month.

And there are no limits to the number of offers you can give us. If you want to play with delivery term or price, feel free to do that. We would like you to be very clear about whether offers are mutually inclusive or mutually exclusive. And the key example would be like if you are bidding us a three-hour block, if you submit us a bid for like 1 to 4 and 10 to one, we would like you to be pretty clear if we can take one or both of those offers or if they are in any way dependent on each other.

OK. So, in terms of technology (projects), any eligible DER technology can bid. A key for the hosting capacity is you can't be bidding us strictly an increase in load. If you are going to be providing us the hosting capacity, it should either be -- it should be a shift in load.

So, you can be shifting load from a high-demand period to a low-demand period. We don't want just pure demand on our -- additional demand on our system. It can be either front of the meter or behind the meter. You can offer us a single technology or a portfolio. If you are offering us combined technology portfolio, we are asking that you tell us what technologies make up your portfolio.

And you can offer one resource at one location or you can offer us an aggregation. If it is not a straightforward measurement and verification with a revenue meter, then you should submit to us a proposed plan for measuring and verifying that you are actually dispatching when we call you and that we know how you are performing. And if you are a behind-the-meter project choosing a baseline, it may require a more customized approach since we may be calling you more than the standard demand response.

OK. In terms of interconnection, we don't have any minimum requirements for where you need to be in the interconnection process. But, we will be looking to make sure that you can meet your online date. The key requirement is that you connect to one of the four specified feeders in the Huron area.

And we do have a map on our website, the ICA map, that will give you an indicative look at what the current capacity is on the various distribution lines in the Huron area. But, again, it is indicative. What will really drive your ability to interconnect is what comes out of the interconnection study.

And, then, in terms of double payment and double counting, we do have existing programs for early demand response, energy efficiency et cetera. And we want to make sure that you are actually incremental and over and above what otherwise would have happened in that area that might already be incorporated in our Distribution Resource Plan. So, you have a questionnaire in our document basically asking you to demonstrate why you are either fully incremental or partially incremental.

And I am going to turn it now -- over now to (Al Gaspari Jr.) from our Customer Energy Solutions group. And he is going to talk a little bit more about that incrementality.

(Al Gaspari Jr.): Sure. So, this is incremental to our existing programs. And, so, resources can either be fully incremental where they are -- this can be things like add-on to existing DER programs -- so, things that are not currently available through our energy efficiency, demand response or (tariff) programs added on -- that are clearly added on. This can also be new programs that are not in any of our

portfolios or solicitations now. Or it can be -- another example is energy efficiency technology that is not included in the portfolio today.

Resources can also be partially incremental. So, this would be things like an increased incentive or something over a base offering where you would get incremental opportunities for the resources. And, then, examples of what resources would not be incremental would be rooftop PV compensated under NEM, DG or ES energy storage compensated under SGIP or things that are clearly in the energy efficiency or demand response portfolios without enhancements. So, the appendix in the RFO Agreement goes through the analysis that is required for each determination. This determination is at the -- is at the final -- on PG&E.

Next, I am going to switch -- go into customer engagement support. So, PG&E is able to -- is able to offer support -- participant with behind-the-meter projects to improve the chances of success in acquiring customers. So, for those of you that are familiar with our existing programs, you know that there is different resources that can be leveraged to enhance customer engagement in those programs.

For every participant, PG&E will provide a customer-facing website to enable customers in the area to validate that this is a PG&E solicitation. So, it is something that you can point customers into to make sure that they know that this is a valid offer and that it is something that is -- will be on the PG&E website that will be available for customers. That is available to all participants.

PG&E is also offering additional resources to support customer acquisition. And for these additional resources, offers should reflect the participant's value of each support. So, in the participants that want to select additional customer acquisition support, you must include the number of hours of PG&E customer relationship management support that you want. And, then, final support is subject to negotiation. For each bid that support -- that includes a request for customer acquisition support, you also have to include one that does not include customer acquisition support.

So, to give you some examples of what services would be available if you selected the 50-hour offer, one would be the assist in evaluating and executing of co-branding opportunities. It is not a guarantee that co-branding will be offered, but it would be to help you to assist and then able to work with Solutions Marketing and other teams at PG&E to see if your products would be available for co-branding.

Another opportunity under the 50 hours would be customer engagement support for participant's identified targets. So, this would be if you had a customer that was identified and you wanted account rep support to get an introduction or to help drive that process with that customer. Two-hundred-hour service offerings would be the same as the 50 hours plus potentially assist with development of (inaudible) (plans).

This is a little bit more engaged for you to help identify targets and to, you know, then to get in front of those targets and, then, identifying high-potential customers. So, that would be something that would be available for 200 hours. Just to reiterate, everything is subject to negotiations. But, you know, we do encourage you to take advantage of this opportunity. With that, I am going to turn it over to Andrew.

Andrew Lee: Thanks, (Al). So, the next few slides, we are just going to go over the Term Sheet that we have included as part of the RFO materials. You are not required to submit a (red line) of the Term Sheet until shortlisting. But, it is a good idea to just go through it and understand what we asking of all participants. And, so, the (capitalized) in this part of the presentation will reflect kind of what we have defined in the Term Sheet. So, please refer to that for any confusion on any of the terms.

So, as Sandy mentioned and Michael mentioned, you know, we are looking just for distribution services. We aren't looking to procure any other attributes. And those distribution services, obviously, will have to be in accordance with the operating parameters that we have defined. You know, the needs for both hosting capacity and load capacity would be, you know, reducing or increasing load or reducing or increasing generation during the

specified hours as well as not operating within the restricted period that Michael described earlier.

So, because we are only procuring distribution services, you know, you guys are free to monetize any other revenue stream. And you can essentially operate the resource, you know, in any way that you want as long as it is in compliance with the restricted periods.

So, the way that we would define the amount of capacity that -- distribution capacity that you provide us would be based on the contract quantity. And anything above and beyond what you commit to us you can sell to other parties. And, again, as we mentioned earlier, any other attributes of the project you can -- you can sell to other parties and monetize in your own way.

So, the way that the actual distribution services will work is we will provide a dispatch notification to your resource by 8 a.m. on a day ahead basis. If you are a (dispatchable) resource, we would expect you to obviously dispatch to that instruction. If you are a non-(dispatchable) resource, it would basically be a notification that services were required for that day such that when we do payments for the month, we can not shoot against the day that distribution services were actually needed.

There are no limits to the number of dispatches per month, as Michael mentioned. And within these dispatches, we are looking for visibility into the performance of the resource. So, we would like to see a way to see real-time visibility. And this would probably include installing a communication system and equipment for us to actually monitor that on a remote basis. So, those are some provisions of the dispatch.

So, the way the payment structure would work for this resource -- just waiting for the slide -- is that within the Offer Form, you will see that you can bid both a fixed price and a variable price. So, the fixed price would be a dollar per kilowatt month. And that is, you know, paid every month depending on performance. And variable price would be based, obviously, on, you know, the amount of distribution service actually provided. So, for the fixed price,

as I mentioned, that could be reduced if the full contract quantities aren't delivered when a dispatch is required. And you can see by this table how that would be reduced.

So, the next slide talks about project site and customers. So, kind of the main tenet of the Term Sheet here is that you are responsible for all the agreements with the customers and for acquiring the customers. PG&E is not responsible for that even if you select, you know, customer service hours that AI just mentioned. You know, we can provide assistance. And with those hours, you guys are still responsible for acquiring all the customers. Additionally, there will be some safety provisions in terms of adding or replacing customers. And those would just be general safety requirements that we have in our PG&E contracts.

Another check that we would have to make is to ensure that all the customers that are enrolled are incremental in accordance with what (AI) was describing. You know, we aren't trying to double pay for the same action. And, so, we would want to ensure that all customers you sign up are incremental. And, then, the last point here is just that, you know, all marketing materials that reference PG&E would just need to be subject (during) approval by us.

So, the next slide is talking about the (inaudible) provisions in the contract. So, there are requirements to post performance assurance. So, one would be project development security. This is the security between contract -- or CPUC approval of the agreement and the delivery term. And this would be \$60 per kilowatt for all new resources and \$25 per kilowatt for all existing resources.

Once the project comes online, we would expect to form a delivery term of security. And this would be the maximum of \$125 per kilowatt or 10 percent of the highest three years of fixed payments. And, then, if there is a termination event that occurs due to an event of default, there will be a damage payment. And this is where the defaulting party would owe the non-defaulting party an amount equal to the performance assurance.

So, the next slide is talking about the conditions precedent for the resource to come online. Note that this is a non-exhaustive list. This is really just a highlight, certain ones that are key to this solicitation or this agreement. So, the first one is we won't proceed if we don't get CPUC approval within 180 days. Either party can have the right to terminate the agreement.

Similarly, other ones that are specific to this agreement would be, you know, before you can come online, we would want to ensure that the project has been certified by an independent engineer that it is operable and it is has been constructed in accordance with the safety requirement.

We would want to ensure that it has passed the performance test that shows that it is capable of delivering the distribution services. We would want to ensure that all the customers and sites that are listed are incremental. And we would want to ensure that the collateral -- the performance assurance is in place.

So, the next slide talks about events of default. Again, this is a non-exhaustive list. These are more specific to this specific agreement and to sellers' obligations. And, so, I will just walk through what this means.

So, one, obviously, failure to meet a critical milestone. So, we want to ensure that these projects are able to come online by 2020. We are trying to defer distribution investment. And, so, it is important to demonstrate that your project is on track to come online. Similarly, if you miss that initial delivery date, the February 2020 or the June 2020 deadline, we would consider that an event of default.

Because, again, this is trying to defer distribution defer -- this is trying to (inaudible) distribution deferral, so we want to ensure that the distribution services provided are actually able to show up. If they don't, you know, that could cause problems on the distribution system. And, so, we do have a minimum threshold of, you know, whenever you are called or notified that distribution services are needed that you are able to perform up to a standard - - in this case, we have listed out at 75 percent.

Similarly, for a performance test, you know, there is rights to performance test. And if the project is unable to meet 85 percent of the contract capacity, that is an event of default. And, then, you know, we -- you know, as Michael mentioned, we don't want to be signing contracts that make the distribution system worse to cause more problems. And, so, if you are operating inside those restricted periods either load increasing or load decreasing when you are not supposed to -- if you do that more than three times a year, that would be an event of default.

So, next, I will just go over the evaluation criteria in the solicitation. And, so, it is a pretty straightforward evaluation. You know, as mentioned, there is no value aside from the distribution services that we are procuring. You know, there is no other product.

And, so, the main benefit that we will be looking at is the distribution deferral value. And that will be noted against the payments that we'd making under the contract with the fixed and variable payments as well as any hours that we -- that you have chosen for customer engagement support as well as we would apply a fixed overhead cost to each resource that we would be procuring.

Qualitative factors that we are considering are project viability. This is important, again, because we are looking for these projects to come online and to show up and to help defer the distribution investment.

And, so, within project viability, we look at things like interconnection, site control as well as develop experience. And, then, other qualitative factors would be, you know, the ability of the counterparty to post credit, diversity among technology and counterparty as well as small business enterprise, which is common in all of our solicitations.

And with that, I am going to turn it over to Izzy, who will walk through the offer submittal process.

Izzy Carson: Thanks, Andrew. So, offers must be submitted via the online platform at Power Advocate. Registration is required in order to submit an offer.

Register to Power Advocate through the link displayed on the screen and also posted on PG&E's Distribution Resources Plan website.

The offer submittal deadline is 1 p.m. on Monday, July 17. Power Advocate will not accept offers beyond the 1 p.m. offer submittal deadline. PG&E strongly encourages you to register well in advance of the offer due date, and we will only consider offers that as of the submittal deadline are complete and (conforming) offers.

In addition to the submission of offers through Power Advocate, participants must simultaneously submit their offer materials to the independent evaluator -- excuse me -- on a USB flash drive (inaudible) no later than one day following the Power Advocate offer submission deadline. The participant's flash drive must contain the same materials that were submitted through Power Advocate and must be sent to the independent evaluator at the Sedway Consulting address displayed on the screen and posted on our website.

If submitted offer documents are found to be incomplete or have errors, PG&E will notify participants via email and allow two business days to correct them. By submitting an offer into this RFO, each participant is required to abide by the confidentiality obligation (inaudible) (described) in the DRP protocol.

Sellers may choose to (inaudible) (multiple) offers including terms with the option of three- or five-year delivery hours, (inaudible) load capacity or distribution hosting capacity, customer engagement support and pricing.

The Distribution Resources Plan protocol outlines the documents required as part of the offer package and specifies the format for each. Required documents for offer submission are listed here and include an introductory letter.

This letter really helps us to understand your offer. So, we definitely encourage you to spend some time on this. Fully complete the Offer Form, which we will go over in more detail. Supplemental RFO appendix document

includes a number of appendices to help us understand the specifics of your project.

It includes product description, site control, project (inaudible) schedule, (inaudible), resource double payment, double (accounting), organizational information and measurement and verification and safety. If application, interconnection studies (will also be submitted at that time). Please be informed that your documents are in the specified Excel, PDF or Word format prior to submitting your offer package.

With that, we will go into the Offer Form. The Offer Form is structured with the following tabs. For reference, the tabs displayed at the bottom of the screen are shown as they appear in the Offer Form. Participant information, project description, pricing sheet and supply chain responsibility all have fillable fields.

Starting with the Instructions tab, we want to emphasize the importance of enabling macros before you start. Many of the cells within the Offer Form are linked and will display an error message or will lock the cell entirely if macros are not enabled. Be sure to enable macros when opening the form before any entries are made. Please make sure you save and submit the form in Microsoft Excel XLSB format.

Each cell with yellow background must be filled out. Once completed, the yellow background will disappear and the number of missing inputs listed at the top of each screen will go down.

The word "Complete" will show at the top of each page once all the yellow fields have been completed. Ensure that the word "Complete" appears at the top of each page prior to submitting your form. There is also a Validation tab following the Instructions tab that shows the status of each page and whether the Offer Form in its entirety is completed.

On the Participant Information tab, note that in the Counterparty or Legal Entity section of the Participant Information tab, the legal entity entered

should be the legal name that would be signing the contract if the product were to be selected. Please include at least one authorized contact in the -- in the Developer Information section. Note that contact or contacts listed will be copied in email communication with PG&E. The Participant Information tab also includes several attestations and (acclamations) specific to and are new to this RFO.

The Product Description tab really allows you to detail the specifics of your project. Getting at the top here, your bid ID will be created as you populate specific field for your offer. Once required fields have been entered, be sure to save your file, naming it to match your bid ID. If your offer is mutually inclusive or exclusive to any other offers you are submitting, select the option from the dropdown. And you will also be asked to describe the relationship between your offers.

You have the option of submitting an offer for distribution hosting capacity, distribution load capacity or both. For distribution hosting capacity, first select the term, either three or five years, and the time block for the month of February through October, either 10 a.m. to 1 p.m., 1 p.m. to 4 p.m. or the full six-hour block.

Although PG&E is seeking a 4-megawatt increase (net loading) for each of the hours in the 10 to 4 p.m. block, your bid may be in any increment of half a megawatt up to the full 4-megawatt need. You will need to select the technology and corresponding time slot, ensuring that the capacity that you enter matches the contract capacity that you have entered above.

Similarly, for distribution load capacity, you will first select the term, again, either three or five years. The time slot here differs. Here, you have the option of selecting 6 p.m. to 9 p.m., 9 p.m. to 12 a.m. or the full 6 p.m. to 12 a.m. block. This is for the month of June and July only.

Again, although PG&E is seeking a 2-megawatt reduction that load increase of the hours in the 6 p.m. to 12 a.m. time block, your bid may be in any increment of half a megawatt up to the full 2-megawatt need. Select the

technology and corresponding time slot to ensure that the capacity you enter matches the contract capacity entered above.

In the Offer Form Pricing tab, the Customer Engagement Support option is only available for behind-the-meter projects. Excuse me. Note that it is grayed out for in-front-of-the-meter projects.

Andrew mentioned compensation based on fixed or variable pricing. This is the tab that you would enter your fixed capacity price in dollar per kilowatt month for each month and year of your offer. Variable pricing is also -- excuse me -- entered on this tab in dollars per kilowatt hour for each month and year of your offer.

The concludes our presentation. We will take a brief 5- to 10-minute intermission here. When we return, we will answer any questions that have come into the DRP mailbox during the webinar. Again, if you have any questions that you like to ask at this time, feel free to email them now -- drprfo@pge.com.

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