

Distribution Resource Plan Demo C RFO FAQs

General RFO questions

1. Are Participants required to identify a project site and specific customers prior to submitting a bid?

No, Participants are not required to identify a project site or have specific customers signed up prior to submitting an offer. However, these factors will contribute to PG&E's Project Viability assessment during the evaluation process. For example, a project that is further along in the interconnection process with documented site control would be viewed as more viable than a project without a defined project site.

2. Are Participants required to acquire customers from multiple sectors (e.g. residential, commercial, industrial)?

No, Participants can acquire customers from one sector or many sectors.

3. Are generators fueled by natural gas eligible for participation in this RFO?

No. PG&E's RFO specifies that renewable distributed generation resources are eligible. Fuel cells may participate in this RFO if they are fueled by renewable resources. Natural gas fired resources are not eligible.

4. Is there a specified technology that is preferred?

No, PG&E does not have a preference for a specific technology, either in front of the meter or behind the meter. Our only concern is whether Participants can meet the operating requirements that are laid out in the RFO.

5. What is the fixed price \$/kW-month and how the variable price is calculated?

The fixed price represents the amount that Participants will be paid every month, based on a \$/kw-month basis, to provide Distribution Services. The variable price is applicable for the distribution peak capacity, and is paid on a \$/kwh basis for any kwh that the resource dispatches. For example, if the project is a 1 MW project and it is dispatched for four hours between 5 pm and 9 pm on a Delivery Day, then a Participant would be paid four hours x 1 MW x the 1000 kw/MW x \$/kwh price.

Customer acquisition questions

6. Can PG&E provide specific customer information for customers in the Demo C area (e.g. AMI data, percentage of customers using central AC, load profiles)?

PG&E is not able to provide specific customer information due to data privacy concerns. Publically available customer energy data can be accessed at the PG&E Energy Data Hub website for customers

and third parties. Participants are encouraged to utilize these data sources as they compile their program proposals. Participants wishing to secure access to additional customer data specific to the DRP Demonstration Project location can request to do so during the negotiation phase of the solicitation. Requests for data will be reviewed on case-by-case basis and take into account the specific data requirements of the proposed program, current data security protocols, and meet data minimization and anonymization standards per CPUC directive. Any access to additional data would be allowed following the successful execution of a contract resulting from the solicitation. The value of such data access will be assessed separately from the customer engagement support outlined above.

7. If a Participant provides an offer using 50 or 200 hours of the account reps' time, are those account reps' fully loaded costs charged to the costs of the offer?

PG&E is not charging Participants directly for this service, but in the evaluation process PG&E will attribute the costs of those services to a Participants' offer. If a Participant submits an offer that would use 50 or 200 hours of customer engagement support, PG&E is also requiring a Participant to submit an offer variation with zero hours of customer engagement support. PG&E would expect to see the value of the 50 or 200 hours included in a Participant's offer by providing a lower offer price than the zero hour variation.

8. The Demo C Integration Capacity map shows the city of Chowchilla and the target area. The city appears to have over 3,600 households, which is much larger than the 227 residential service points shared in the webinar. Please clarify.

For this particular deferral opportunity, the customers will need to be connected to El Nido feeders 1102 and 1104, which are the feeders on the bank with the substation upgrade. The other residential customers in the city of Chowchilla are not connected to those feeders.

Valuation questions

9. With the distribution deferral benefit beginning in 2020, will PG&E be assigning a contingency value to 2019?

PG&E will not be assigning a contingency value to 2019. The deferral benefit will be associated with the period of the traditional wires need, which begins in 2020.

10. For the purposes of calculating the deferral value, will PG&E be releasing the estimated capital cost of the El Nido transformer bank #1 replacement (the traditional wires solution), as well as PG&E's WACC or discount rate to be used for the deferral calculations?

PG&E will not be releasing the estimated capital cost of the traditional wires solution. For deferral calculations associated with Demo C, PG&E will be using PG&E's CPUC-authorized after-tax weighted average cost of capital of 7%.

11. For energy storage projects, will Participants be responsible for the charging costs?

Yes, Participants are responsible for any costs associated with charging energy, regardless of if the project is behind the meter or in front of the meter.

Double payments/double counting questions

12. Are projects participating in other programs (e.g. NEM, SGIP) eligible to participate?

Projects that are partially sourced through another program, tariff, or solicitation are considered eligible for this solicitation. However, only the portion of a project that is not currently being sourced would be considered eligible. Existing projects or programs that are participating in NEM or in SGIP without any modification that are trying to participate in this pilot are not considered incremental.

13. Would an energy storage system added to an existing NEM solar site- proposed as a peaking solution for Demo C - be considered wholly or partially incremental, such that it would qualify for this solicitation?

The storage providing the peaking service could be wholly incremental, because dispatchable peaking service is not provided under the existing NEM tariff. PG&E should be able to verify that the project is providing capacity when called during the 5-9 peak period. As described in the protocol, an offer should include a proposed method for measurement and verification. PG&E's preference is to use an existing CAISO method (such as a separate, revenue quality meter), but PG&E is open to considering other methods.