

2022 Demand Response Auction Mechanism (DRAM) RFO FAQ

1. Q: Will this presentation be made public?

A: Yes, all the IOUs will be making this public and posting it on their respective websites.

2. Q: If a participant has not accepted a short list offer, is there a time period associated with this? Does this only apply in the most recent DRAM contract? Does this apply to the prior period, past three years or a different time period?

A: The qualitative criteria and cost adjustments are based on CPUC decision language in [D.19-12-040](#). The decision language does not limit the time period associated to when a participant has not accepted a short list offer.

3. Q: Regarding other qualitative criteria and cost adjustments, is there a time period applied?

A: The qualitative criteria and cost adjustments are based on CPUC decision language found in Table 5 of [D.19-12-040](#). Delivery of Demonstrated Capacity as well as termination or defaults on a DRAM contract use a 2019 or January 1, 2019 commencement period.

4. Q: Can you describe in further detail the undelivered energy penalty collateral posting and how that is estimated?

A: The undelivered energy penalty collateral is calculated based on 20% of the potential Undelivered Energy Penalty and required as a part of the Performance Assurance process discussed in Section 5.1 of the DRAM Agreement. The Undelivered Energy Penalty calculation is in Section 1.7 of the DRAM Agreement.

5. Q: Please help confirm the intent of the qualitative adder language:

- Has the bidder delivered Demonstrated Capacity invoices to the Utility totaling less than 75 percent of the total contracted capacity for all contracted months since January 1, 2019?
 - Would the bidder have to invoice less than 75% of contracted capacity in every single contracted month in order for the qualitative adder to apply? Or is it that if the bidder has invoiced less than 75% of contracted capacity at least one month in the contract period does the qualitative adder apply?

A: If the ratio of the total Demonstrated Capacity (DC) and total contract capacity for all the months since January 1, 2019 is less than 75%, then the qualitative adder applies. For example, if a Bidder was awarded a contract in 2019 and 2020 and the ratio of Demonstrated Capacity and contract capacity is less than 75%, then Bidder's Offer cost will increase by 5%.

6. Q: Please help confirm the intent of the qualitative adder language:

- Has the bidder delivered Demonstrated Capacity invoices totaling more than 95 percent of its total Contracted Capacity in all of its contract months in its most recent Auction Mechanism contract?"

- Would the bidder have to invoice greater than 95% of contracted capacity in every single contracted month in order for the qualitative adder to apply? Or is it that if the bidder has invoiced greater than 95% of contracted capacity at least one month in the contract period does the qualitative adder apply?

A: If the ratio of the total Demonstrated Capacity (DC) and total contract capacity for the entire contract year of Bidder's most recent DRAM contract is more than 95%, then the qualitative adder applies. For example, if a Bidder was awarded a contract in 2019 and 2020, and the ratio of Demonstrated Capacity and contract capacity in 2020 is more than 95%, then Bidder's Offer cost will decrease by 5%.

7. Q: Please confirm there is not a requirement for a separate, official NDA to be filed:

A: That's correct. A separate NDA is not required. By submitting an Offer, a Bidder agrees to adhere and be bound by the confidentiality provisions described in Section VII of the 2022 DRAM Protocols.