

2023 DRAM RFO Bidders' Webinar Transcript

Mark Burgunder:

All right. Good morning, everybody. It's 5:00 after so we'll get started with the presentation. Welcome to the 2023 Demand Response Auction Mechanism or DRAM 8, Pre-Bid web conference. My name is Mark Burgunder, I am a member of the contract origination group at Southern California Edison, who along with PG&E and SDG&E will be administering these RFOs for their respective utilities. Today's the 10th. And we'll jump into the presentation. Next slide please. A couple notes on the scope of the conference and logistics, we will be discussing, as I mentioned, the DRAM 8 pilot RFO. We will not be discussing other DR programs or tariffs or other utility procurement programs, but please leave your phone lines on mute, I think that's the default. If you do have questions or comments, there should be a Q&A chat box in order for you to provide those questions or comments. And we will be taking pauses at the end of each section of the presentation for Q&A so to allow you opportunities to have your questions answered.

Mark Burgunder:

Next slide, please. Here's the agenda. We have two hours laid out, which should be more than enough time for all the topics here. We're going through the introduction now, after which we will be discussing the pilot, sorry, the DRAM RFO pilot overview followed by a discussion on processes for bid valuation and selection. After that we will go through the RFO offer materials and what look like followed by a discussion on the QC template and the offer forms themselves. After that each IOU will share their IOU offer forms. And then at the end we'll have closing remarks and we'll leave time for any final questions. I'm going to pass this slide to James Wooley, who is a regulatory attorney at SCE so James.

James Wooley:

Good morning, everybody. I just wanted to quickly run through a couple of legal disclaimers relating to antitrust laws and guidelines and any conflict between what's presented here today and the actual RFO materials. First on antitrust, as you can see in this slide, all participants in today's meeting are expected to comply with antitrust laws and guidelines. These laws and guidelines direct the participants in this meeting to avoid discussing topics or engaging in behavior that would result in anti-competitive behavior or effects, including restraint of trade and conspiracy to create unfair or deceptive business practices or discrimination, allocation of production and position of boycotts and exclusive dealing arrangements. Add that generally speaking, antitrust laws prohibit conduct that can harm competition or exclude parties from markets or opportunities.

James Wooley:

Each participant in this conference is urged to obtain its own legal advice regarding antitrust laws and guidelines. As far as document conflict, as the slide states, this presentation is intended to be a summary level discussion of the information and the requirements established in the materials for DRAM to the extent that there are any inconsistencies between the information provided in this presentation today, and the requirements in the RFO materials, the RFO materials will govern.

Mark Burgunder:

Thank you, James. Here's a slide on general Q&A guidance. We the IOUs have posted and will continue to post questions and answers on the respective DRAMA RFO websites and the URLs for each are listed

there. The Q&A's that apply to all three IOUs are included on all three sites. And of course, if there's specific IOU questions, they will only be listed on that respective IOU website. Questions and answers from today's conference will be documented. We'll take those and we'll provide responses, and we'll post them on the websites. And questions can be submitted via email at any time until the submittal deadline, which is listed below, but first, an important note, any questions sent to the IOUs must cc the IE Independent Evaluators for this solicitation that is Merrimack and their email is listed there.

Mark Burgunder:

The deadline to submit questions is tomorrow, February 11th, and we will take those questions, provide answers and post a final set of answers no later than Friday, February 18th. And then lastly, another important note offers are due on March 2nd. Next slide please. That's it for the introduction so I'm going to pass it to Allison to go over the RFO pilot.

Allison Field:

Hi, I'm Allison Field. I'm San Diego Gas and Electric. So what is DRAM RFO pilot? It was originated as a California public utility commission staff proposal and the demand response. OIR R.13-09-011 changed to a pilot by D.14-12-024 and continued for subsequent years pursuant to D.16-06-029, D.17-10-017, D.19-07-009, is modified by D.19-09-041 and D.19-12-040. It's envisioned as a supply side, DR approach for third parties. It provides a capacity also referred to as resource adequacy payment for DR aggregators. DR aggregators participate directly in the California independent operator system markets with customers and the investor own utility service area. An alternative to bilateral aggregator managed portfolio contracts and other IOU DR offerings, a vehicle to encourage new participants in the DR market 2023 DRAM continues to have a 10% set aside for new market entrants. Minimum August 2023, offer capacity bid, minimum energy requirement, standard contract for RA, no bilateral negotiations of the contract capacity may vary by a month for delivery during one or more months from January to December 2023. The budget for SCE is 6 million, PG&E is 6 million and SDG&E is 2 million.

Allison Field:

Next slide. Capacity product definitions. System capacity, IOU-wide must be bid per CAISO, must offer obligation and day ahead and or real time market as PDR resource. Local capacity must be located in local capacity areas. They must offer obligation a system. SCE covers the LA Basin and Big Creek/Ventura substations, PG&E local capacity product must be within one of PG&E's seven LCAs listed and appendix A, offer form and exhibit J of the purchase agreement. SDG&E is the entire service area. For flexible capacity bids into 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.

Allison Field:

General bid can have type of customer included. Customers can use onsite renewable generation or energy storage to provide load reductions. Customers can have backup fossil generation but cannot use it for DRAM load reductions. Sellers are responsible for enforcing this requirement and note that this language is subject to change pursuant to commission resolutions or decisions on prohibitive resources. For roles and responsibilities that CAISO receives product registration from DRP receives bidding and scheduling from scheduling coordinator, operates market and dispatches resources, determines performance and settlement and conjunction with this SC. Scheduling coordinator can act as a DRP to bid PDR to the CAISO market. Sellers will be required to use 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 the CAISO. Provides information should there be an IOU audit of demonstrated capacity. Visit the link below for the SC packet

Allison Field:

For a wholesale demand response provider or aggregator, submits resource registration to the CAISO consisting of unique customers, submits customer information service requests/demand response provider for each service account to authorize the IOU to release customer data, meets CAISO PDR requirements. The seller must abide by all provisions of the DRAM purchase agreement. Please be familiar with your obligations as DRP. Provides required security posting to buyer per contract, submits qualifying capacity information roughly 75 days prior to delivery month and supply plan roughly 60 days prior to delivery month. Works with SC to provide statement and demonstrated capacity, works with SC if there's audit of demonstrate capacity, provides required registration data for residential DRAM resource. Complies with CAISO market rules. 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, receive meter data for settlement from IOU, settles with customers and SC and retains earnings for market participation.

Allison Field:

Here's a diagram of the direct participation and resource adequacy illustration. Third party direct participation. Seller aggregates customers for DRAM resource. Seller participates directly in the CAISO market through the scheduling coordinator, dispatches and settlements are between the CAISO and the seller's SC. All earnings in the CAISO markets go to the seller and the seller's customers. There's no IOU involvement. For resource adequacy seller provides supply plan to IOU 60 days prior to month, seller provides qualifying capacity information to IOU roughly 75 days prior to month. And the seller provides demonstrated capacity through the scheduling coordinator to IOU at the end of the month.

Allison Field:

The buyer or the IOU abides by the provisions of the DRAM purchase agreement, evaluates the qualifying capacity estimates for reasonableness and determines if capacity should be de-rated. Claims are a credit for DR resources provided by the seller, not involved in the CAISO market settlements, pays the seller all undisputed amounts for DR capacity after delivering month upon receipt of statement of demonstrated capacity by seller, right to audit capacity delivered on a demonstrated capacity contract provisions and for the customer data provision by IOU: validates customer eligibility upon receipt of the CISR form from the aggregator or the DRP and provides meter data to aggregator or DRP per conditions of the CISR form.

Allison Field:

For the independent evaluator, it's going to be Merrimack. It's the IE for this solicitation, it's Wayne Oliver and Keith Oliver. The role of the IE is to ensure reasonable and uniform treatment of all potential counterparties by monitoring the IOU solicitation and discussion processes, monitoring the IOU evaluation 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. And IE is privy to all offers invited to participate in all discussions reviews of all bids, reviews,

bids, scoring, and selection. It must be copied on all correspondence between each IOU and their bidders.

Mark Burgunder:

If there are no questions on that section, we can move on. Again, there will be an opportunity at the end for additional questions. Mari.

Mari Turner:

Thanks Mark. Thanks Allison. Hi Mari Turner, with PG&E. I will cover the valuation and selection process. Next slide, please. The IOUs encourage diverse business enterprises or DBE to participate in the DRAM RFO such as business owned by women, minority, disabled veteran, lesbian, gay, bi-sexual and transgender business enterprises. GO 156 was adopted by CPUC in 1986 with electric procurement added in 2012. It's to promote competition among utility suppliers by expanding the available supplier base and to encourage greater economic opportunity for DBE historically left out of utility procurement. GO 156 also sets the rules governing the development of programs to increase participation of DBEs and procurement of contracts utilities as required by the CPUC code. For additional information please visit the IOU supply diversity websites listed here.

Mari Turner:

Next slide, please. As part of this evaluation selection process, bids must comply with all the requirements of the RFO. Any bids with the conformance issues will be discussed with the independent evaluator, Merrimack. The goal is to ensure all bidders are treated in a fair manner. There will be a cure period during this cure period, bidders will only be allowed to change fields that the IOUs stated required revisions. If any, no changes will be allowed to any other fields. And bidders will not be allowed to correct pricing level unless specifically requested by the IOU during the cure period. It is a responsibility and the duty of the seller to accept full risk for pricing and developing their project.

Mari Turner:

Failure to respond to inquiries by the IOUs regarding incomplete or incorrect information could result in disqualification from the RFO. The independent evaluator 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, if any, will closely be examined during the evaluation offer process to ensure that the offer is evaluated in the same manner as the other offers. All communication negotiation will be closely monitored and assessed by the IE to ensure no preferential terms and conditions are included in the offer.

Mari Turner:

Next slide, please. In accordance with the CPUC, the DRAM offers will be selected according to the following method. The offers shall be ranked by net market value, NMV per unit adjusted for qualitative criteria, which I will discuss on the next slide. IOUs will not select offers that is an aggregate of all the contracts will exceed their authorized budgets, which is a budget that includes both contract cost and administrative costs. IOUs may elect not to select an offer if the offer price is above the LRAC or it's called long term avoided cost of generation and one or more of the monthly capacity prices of the offer are outliers. The offer is not viable based on the assessment of the QC estimate provided by the bidder

and note the IOUs, we use the prorated LRAC methodology called the weighted LRAC to assess the partial year bids.

And lastly, at least 10%, the August megawatts procured must be set aside for new market entrants. And just a reminder for those of you are new, a new market entrant is defined as a provider who has not integrated any demand response resources into the CAISO market.

Mari Turner:

Next slide please. This slide shows the qualitative criteria applied to the 2023 DRAM offers. This has not changed from 2022. Bidders that our certified small business receive a 1% reduction in their cost, their offer cost. If a bidder has declined a contract when extended a short list offer can increase their offer cost by 3%. If the bidder willfully terminated or defaulted a DRAM contract since 2019 can increase their offer cost by 10%. And if a bidder delivered demonstrated capacity totaling less than 75% of the total contracted capacity for all contracted months since January 1st, 2019, their offer costs will increase by 5%. However, if the bidder delivered demonstrate capacity, invoices totaling more than 95% of their total contracted capacity in all of its contract months in its most recent DRAM contract, then they can reduce their cost by 5%.

Mari Turner:

Next slide please. For the procurement review group also knows PRG includes the CPUC energy division, public advisors, office PAO, the utility reform network turn and other interveners, the PRG oversees the procurement process of all three IOUs and during the course of this RFO, the independent evaluator will be reporting on the progress and any issues to this RFO to the PRG. Public and confidential IE reports will follow the required IE template guidelines. And these reports are submitted to the CPUC with the request for CPUC contract approval. Next slide please. We'll take this time for questions.

Mark Burgunder:

I don't see any questions in the chat.

Mari Turner:

Okay. Thanks.

Mark Burgunder:

All right. Moving on to the RFO materials. Next slide please. Some notes on a successful offer, we strongly encourage all participants to read, understand and follow the instructions of each of the IOUs RFO protocols. We have distinct document for those protocols, know the deadlines and what is expected at each deadline and we're going to have a slide on that next review, all the documents on each of the RFO websites for each IOU, which is referenced on slide 5, those websites referred to the FAQs, which again will be posted on the IOU DRAM websites. And if you do have any questions after fully reviewing the materials on the websites, you can email one or all of the RFO teams using the links below. We've mentioned this several times already, but when emailing any of the DRAM RFO teams, you must include Merrimack, the independent evaluator. If you do not, then we'll just do it for you.

Mark Burgunder:

Next slide please. Here is the schedule we launched the 2023 DRAM 8 pilot RFO on Tuesday, the first of February, today's the 10th. You are all at the IOU bidders web conference. The deadline for our offer submittal is Wednesday, March 2nd. Notice of selection status will happen on April 21st and expectation is that IOUs will file their tier one advice letters for CPUC contract approval on May 31st, which is a Tuesday. Once again, the IOUs have distinct materials so please refer to each of those. Here is a summary of the 2023 DRAM program. We're going to cover a few sections here and some updates. Evaluation changes that were adopted in 22 are carried over for 23. Those include evaluating system local and flex. There are minor updates to the qualitative criteria we are using weighted long run, avoided cost of generation as Mari mentioned for offers of less than 12 months, offer selection includes an assessment of the qualifying capacity estimate viability. DRAM resources, shortlisted in the selection solicitation process will be assessed for cost effectiveness using the net LRAC methodology.

Mark Burgunder:

The term for this RFO is January to December 2023, the authorized annual budgets for the IOUs remain the same, for PG&E and SCE the budget caps are 6 million each and for SDG&E it's 2 million. And some updates from the program so for 2022, these updates are carried over, resource ID sharing between contracts is prohibited and customer movement across resource IDs in different delivery months is limited, including the exemptions adopted in D.19-07-009 for customer movements within a delivery month and new for this year, the CPUC decision D.21-06-029 extended the demand response RA requirements for the availability assessment hours delivery periods to include Saturdays. It is now six days during the week instead of five. Next slide please.

Mark Burgunder:

Here are some sections from the DRAM purchase agreement that we would like to highlight. I will not go through all of these, but just touch on a couple ones. So article one is the transaction so that details the type of products, residential/ non-residential or commercial/industrial, and then the system local and flexible RA capacity. Demonstrated capacity or DC dispatch must align with the clock hours or other intervals consistent with CAISO dispatch instructions. And there are minimum energy dispatch requirements, which we will get into at a later slide. Article three are the obligations of the sellers. The supply plan is due 10 business days prior to the buyer's compliance showing deadlines as a reminder compliance showing deadlines are 45 days before the showing month. The qualifying capacity information, which is detailed in exhibit G also do 10 business days prior to the deadline for seller supply plan.

Mark Burgunder:

If there's a QC Derate that notice is due eight days prior to the buyer's compliance showing deadlines. And of course, there are obligations and there are mandatory testing requirements in the seller obligations article. Article four, payment and billing. We have invoicing requirements which are detailed in exhibits C1 and C2, and the DC payment and penalty structure adopted in D.19-07-009 was modified so that the demonstrated capacity to qualifying capacity performance ratio will be assessed at the individual resource ID level. And this is not new to this DRAM 8 RFO. Article five details, credit and collateral requirements, which I encourage everyone to read closely. Article seven are the reps and warrants and covenants one highlight there is prohibited resources, so DRP cost sharing obligations are subject to change pending. That might be an old note, but it's there regardless.

Mark Burgunder:

Article nine details, events of defaults, which are also important for you to review. And then 13 is confidentiality. And there are a list of exhibits that are included in the PPA as well, which we will cover in some later slides. Next slide please. To discuss the supply plan requirements IOUs expect respondents to provide resource IDs, the net qualifying capacity values, year head supply plans and other relevant information about the resources in a form substantially similar to if not identical, to exhibit F, which we will detail. This information is needed both for our year ahead RA compliance and monthly RA -month ahead RA compliance. QC, qualifying capacity information is also due 10 business days before supply plan information and all values on the supply plan and in offer form submitted by respondents should be entered to the nearest hundredth of a megawatt. So not 5.208 but rounded to two decimals 5.21.

Mark Burgunder:

Not going to go into these too much. This is example of exhibits C1 in the PPA. This is a form of notice of demonstrated capacity, so this is what you'll be providing to IOUs after performance. This is for qualifying capacity. Go to the next slide, please. If resource as flex capacity, this is a form very similar to the previous one that details the flexible demonstrated capacity. Here are three screenshots from the agreement on the left there, exhibit D communication protocols for data issues so this standardizes each communication protocols and the sharing of information. There's that screenshot in the middle are the fields for the contact information as well as fields to describe the issues. And then exhibit E is another important one on the right. This is the minimum energy dispatch requirements so just wanted to highlight number one there DRAM resources must deliver the REQ or required energy quantity equal to 30 megawatt hours per megawatt of average qualifying capacity. And the required energy quantity will be delivered during the term and during the availability assessment hours, which now include Saturdays.

Mark Burgunder:

Again, these are just screenshots from the agreement. I encourage you to go through and look at them in more detail. Next slide, please. Here is a form of notice of showing month supply plan. This information must be provided to the IOUs. I think we can go to the next slide. Exhibit G is implementation guidelines for qualifying capacity will not narrate this but encourage everyone to go through and read. And then those tiny little screenshots there of those Excel files, those are from the CPUC, those detail qualifying capacity and forms similar to if not identical to those will be included in the offer forms for each IOU. Although they're very small.

Mark Burgunder:

Exhibit H is the milestone schedules, which details requirements for the IOUs and for the CPUC and CAISO, which I encourage you to be familiar with. Kind of went through that quickly if there are any questions again, now is the time we will have time at the end to answer any questions, but the forms are the same as what we went to market with last year for DRAM 7. So it should be familiar to some if not all. I'll give it a moment for any questions. Not seeing anything come through. I will hand it back to Mari.

Mari Turner:

Thanks Mark. I'm going to provide an overview of the qualifying capacity, the QC template and offer forms. Next slide please. As defined in the DRAM proforma QC or qualifying capacity means that the load reduction for each PDR in the DRAM resource calculated using the capacity baseline consistent with the QC implementation guidelines, the CPUC decisions, and the CAISO tariff. This slide provides a high-level representation of all the applicable information requested in the QC Excel template. It's pretty

much simplified here. The template's too big to kind of throw it onto this slide. This is kind of more of a higher level, representation of the QC Excel template for the residential and non-residential sections, as well as the supporting historical performance tab of the Excel template. I don't plan to go over the specific formulas, but just to provide some main points to be aware of.

Mari Turner:

And just a reminder the RFO QC template is it's primarily all on one worksheet. The QC and historic performance are all in one worksheet versus the monthly QC, which has them separated. The bidders are required to submit estimates of qualifying capacity for each offer, submitted using the latest version of the CPUC approved template, which I think the latest is of 2020. A bidder's failure to provide this information would not comply with decision 19-07-009, which would disqualify the bidder's offer. Just a reminder, that decision was also modified by decision 19-09-041 and decision 19-12-040. Additional rows can be added to this template, but columns and formulas should not be modified. The value should reflect the estimate QC for the month with the greatest megawatts. This should be consistent with the offer quantities that are in your offer form.

Mari Turner:

And then these estimates shall be based on historical information where available and otherwise publicly available performance data that best represents the anticipated performance of the resource. And if you don't have a QC estimate for each offer at a minimum it's required, at least one row must be filled out for each product type. Like for example, if you have a system capacity for residential customer product offers, they can be combined in one row. So many of these rules are defined in the DRAM protocols or exhibit G of the DRAM proforma, which Mark just covered. Please refer to those documents for additional information. Next slide please.

Mari Turner:

So as of 2022 DRAM, the IOUs provided this additional guidance as shown here on the screen to improve the clarity and the consistency of the QC estimates and supporting data that's provided by the bidders and to facilitate IOUs assessment of the QC estimates. Again, I don't plan to go over every one of these columns and rows. This is just a summary table that contains the definition and guidance for each QC template column. It's a good cheat sheet, I encourage you to use that as a quick reference guide. For additional information on this guidance, please also see resolution E-5110 and the advice 6064-E et al for details on this particular guidance, next slide please.

Mari Turner:

So the offer forms, evaluation and submission requirements are similar between the IOUs with the exception of the offer deadline time on March 2nd and the maximum bid size per month. So the offers must be submitted through power advocate and so for PG&E offers are due by 1:00 PM on March 2nd. I'm I'm sorry, on March 2nd. And by noon for SCE and SDG&E and offers will be evaluate by net market value for all IOUs. And there are several qualitative factors that I discussed earlier. Adders are included in the evaluation scores. The max number of bids per IOUs is 20. And the max bid size is 10 megawatts for PG&E and SCE and it's not applicable for SDG&E. And the August capacities is required for all IOUs each for all IOUs. Sorry, next slide please.

Mari Turner:

So bidders can offer proxy demand response consisting of residential or nonresidential customers providing capacity products, such as system local or flex capacity as mentioned on slide eight. And within the offer forms bidders are to specify how many customers or offers would require new rule 24 or rule 32 service accounts, and how many customers already have rule 24 or rule 32 service accounts. And bidders must also indicate which bids are exclusive or inclusive. Offers are exclusive of each other, if two or more offers cannot both be awarded contracts in this RFO. For example, offer one and four cannot be both be shortlisted as customer as they are the same customers. And then so PG&E and SDG&E calls exclusive offer variations. And then for offers that are inclusive of each other inclusive that they must all be awarded contracts together. Offer two must be selected with offer four. This is applicable with SCE and PG&E. Next slide, please. Let's take this time for questions. You haven't done so please type your questions into the chat box.

Mark Burgunder:

Still not seeing any questions come through. So should all be pretty clear. We can move on.

Mari Turner:

Each IOU will cover their specific offer forms and I will cover PG&E's offer form. Next slide please. So PG&E's offer form is posted on the 2023 DRAM website that's www.pge.com/dram. You can find the offer form under the DRAM RFO protocols and documents section of the website. The PG&E offer form does not include the QC template that I discussed earlier. The QC templates is a separate Excel template found under the same section of the DRAM website under where the offer form is. The offer form has not changed it's the same as previous years. When you open up the offer form, it will default to this specific instruction tab. And if you're not what familiar with this form, it's very important you actually read this instruction before you get started. You must submit the Excel version of this PG&E offer form. no other formats can be accepted and is the form you will use to submit to power advocate. You can only submit one offer form per bidder. And you are provided 65 rows, but if you need more, please contact the DRAM RFO and cc the IE, and we can enable more rows for you.

Mari Turner:

Important thing to note is before you begin entering information, you must enable the macro or enable content. This will allow the functions in this cell to work, and it will activate the conditional formatting. Next slide please. When completing the offer form, you can always refer to the sections of the solicitation protocols to assist you in completing this form. In the participant tab, you will enter participant information such as the bidder, the scheduling coordinator information prior experience, and agreed to the bounds of conditions of the RFO. So for this acknowledgement section, which also is in section 12 of the DRAM protocol, you must select, yes, this is the only option. So you have to go confirming your duly authorized representative, attest info that you provided on the form is correct. And it says that you can perform all the obligations under the purchase agreement and the DRAM protocol and certify that the type names act as the electronic signature.

Mari Turner:

One thing I want to point out at the top of this participant information tab is the validation field at the top, where it's like zero to 50 entries. This will indicate whether you have completed all the required fields. For example, if it's still showing the zero to 50 entries are made, that's the indication that you have not enabled the macros or will need to go back through to see if there are any fields are missing information. Best way to know is that the field will move from peach and turn mint green and that's

when you know those entries that zero will start increasing to indicate you've entered all information in the required fields. Next slide please.

Mari Turner:

The participant info tab also contains the confidentiality protocols, which is section seven of DRAM protocols, and requires sign off to attest and acknowledge that no bidder shall collaborate or discuss with any other bidder or potential bidder strategies whether PG&E has selected their offers or not. Next slide please. The PG&E offer form, offer information tab. You can for additional information, please see, section three of the DRAM protocols. As mentioned, the offer form has not changed, all the tabs remain unchanged as shown at the top rows of the offer form that provides example how to complete the offer form. If you group the offers by numbering it, you can have the same offer number or multiple rows or different product variations of system, local flex, which means there would be inclusive of each other and offer 1 is an example, has multiple rows and should be considered part of the same offer. So it would be inclusive of one another.

Mari Turner:

So offer two and three are examples are exclusive of each other, meaning they have variations of the same offer, but they can't be shortlist. It's either one or the other. There's a maximum of 20 offers that can be accepted per bidder. And as mentioned, the cells are peach and when they are incomplete and then they turn mint green, when you enter a value. And just a few reminders as shown to the right of the screen at a minimum, each offer must include a product for August 2023, and each resource must be at least a minimum, 100 kW per PDR, composed of the same retail customers within the PG&E's service territory and within the same CAISO sub lap and monthly offer maximum is 10,000 kW or 10 megawatts per offer. And for the monthly quantity, just reminder, please round the quantity to the nearest 10 kW to comply with the CAISO supply plan, a requirement of megawatt quantity with two decimal places. So for example, if it's 1235 kW, should be rounded to 1240 kW. This would be a cure item if this is not done correctly.

Mari Turner:

So additionally, a monthly contract price, please limit to two decimal places, otherwise we would have to request a cure and I want to stress the importance of really taking the time to review your offer. Please, the cure period is not for you to correct your offer, but to only what PG&E specifies you must correct. And that was stated in a previous slide that was discussed this morning. So next slide please. This is just mentioned a previous slide about supplier diversity. IOUs do encourage DBEs, diverse business enterprises to participate in the DRAM RFO. This is the PG&E tab for supplier chain responsibility. Just pointing out for question one, if you are certified by more than one agency, and one is CPUC, then you must select CPUC and provide the certification number. Reminder that if you provide information on diverse business entity, that's question four towards the bottom. Next slide, please. This is an optional tab for monthly registrations. It's to provide estimates for additional rule 24 registration, these estimates that are more serve as illustrative and do not serve to limit the bid evaluation and selection.

Mari Turner:

And that's pretty much it, I want to say on this slide. So next slide please. Well, I think I now hand this off to Danny to cover the SCE offer form. Go ahead, Danny.

Danny Jeon:

Yeah. Thank you so much. Hi, my name's Danny and I'm in evaluation team for Southern California Edison. I'll be going through the SCE RFO offer form. Should you need any additional informational or resources, please visit our website, listed here, and don't hesitate to contact the SCE team and cc include the IE on the email correspondence. Next slide please. The first tab of our offer form is instruction tab. It goes over general instruction of the offer workbook, as well as some of the formats and convention. Please do note that our work offer workbook is protected with the exception of these color-coded input areas. And the input areas will generally in shade of blue or and yellow. Next slide please. This is the offer info tab. There are three sections section A, asks the offers about the contract information and offers legal name. We would like to really emphasize that the seller name that is listed on this offer workbook must match the nondisclosure agreement exactly. The section B includes about the offers, the sellers of credit rating. We only accept S&P and Moody's credit rating if it's applicable.

Danny Jeon:

And the section C of this tab, goes over additional information about qualitative aspect of the seller and offer. So please go ahead and please answer those fields as well. Next slide. This slide covers the RA offers tab. If you can see the color columns H through S that are shaded in blue shows the monthly quantity that the offers like to bid in. And once you put in the monthly quantity here, the columns U and onwards, which is shade and green will automatically pop up to fill in the price information. Also we like to note that pricing is limited to two decimal places and from column C through F, which are shaded in yellow as for information such as product type and customer type, as well as mutual inclusivity and exclusivity. The column C is an indicator as inclusive package ID.

So let's say if offer one and offer two are inclusive of one another, then you would have the set package, same package ID. Column D is a note on the exclusivity. If it's exclusive one another, please make that mark that section. And also there's a standalone option for column D as well. And column E and F goes where different prototype and customer type. The rows 36 to 39 is an example of how the offer should be put in the RA offer tab so you could reference that as well. And we'll like to also note that from columns H through K in the middle of the section, there's a validation message. Make sure before you submit your offer workbook to us, you pass the validation message as well. Next slide.

Danny Jeon:

This slide is to show the estimate of qualifying capacity tab. In column B it asks for the offer numbers to match with the numbers that you put in the RA offer tab. For this year's SCE DRAM workbook, we made a slight modification where we are now allowing the offers to provide multiple customer type and load type of one offer. For example, if your offer number three has four different customer types or load types, what you would do is you would write offer number three in four rows and fill out the corresponding customer type and load type that make up for number three. Additional information and instruction is also listed from row 53 and down so please reference that if you are having trouble filling out the information on the QC tab here. And also please check the validation messages and make sure you pass the validation check. Next slide, please.

Danny Jeon:

These are the other tabs that we included; it has optional historical data. If the proposed product resource has underlying historical performance data, the offer may provide this additional data to

support and to show that it's consistent with the QC support data that reported to the CPUC. The historical performance data must be from a prior test or market dispatch for DR resource with similar characteristics. Last step, the additional notes, if there are any additional notes or information that SCE should be aware of, please use that section to fill out and provide with additional comments so that we're fully aware of what the offer entailed in the offer workbook that you have submitted to us. Next slide will now hand it over to Aaron to go over SDG&E DRAM offer workbook. Thank you.

Aaron:

Thank thank you, Danny. This is Aaron from SDG&E. Just want to note that if you have any questions or you run into any issues filling out the offer forms and the separate, but accompany QC assessment, feel free to reach out to us or refer to the protocol document. Everything is on the website here. Please make sure that you are using the forms that are posted and no substitutes will be evaluated. And then all of the required submittal documents are on the website. Next slide, please. There hasn't been any major changes to the documents since last year. Everything is pretty much in the same format. Just a few main takeaways. In addition to everything that's already been described by PG&E and SCE staff on this call. In our offer form, please make sure that you enter the company information, the left side of the worksheet, and then if there are exclusive offers or inclusive offers, please make sure to use the variation numbers to indicate which are group together.

Aaron:

Also, another item to note is that please be cautious when using autofill, so we've seen in the past that numbers often and unintentionally auto increment so just use copy and paste and just double check your values before submitting their power advocates. Next slide, please. On the same offer form, make sure that you enter registration information and then RA flex category, if applicable capacity and costs all throughout the form, they're all on one tab. There are instructions as well. And then for the qualitative criteria responses that's already been described in terms of past or historic performance, please make sure that you answer in yes or no format. Next slide, please. Any questions on any of the items that the three I described so far on the offer forms and the other submittal documents. Seeing no comments.

Mark Burgunder:

Yeah. I see a comment from Maryam. Please make sure that the DRAM templates such as the Excel workbook are included in the RFO materials. Maryam, I believe that they are, but we'll be sure to double back, but I pretty sure they are. That concludes the 2023, DRAM 8 Pilot RFO webinar. Appreciate everybody joining us, taking the time this morning to go through the materials and some updates. I will just give a couple more minutes if there's any final questions from participants and if not then we will close it out. I'll just stay on for a minute or two to see if there's any other questions we can answer.

Mark Burgunder:

Can't see questions come through the chat right now. Again, yes, Valores, this PowerPoint will be available. It would be posted on all of the websites or sorry, the three websites for each of the IOUs, those links were above and yeah, but you be able to find this presentation as well as a recording of presentation on the websites as well. The reminder we're requesting that any questions resulting from this presentation be submitted to one or all the IOUs no later than tomorrow to allow us time to compile an FAQ to post to our respective websites. And lastly offers are due March 2nd. If there's nothing else, then we'll close it out. Thanks everybody.