

PUBLIC UTILITIES COMMISSION  
505 Van Ness Avenue  
San Francisco CA 94102-3298



**Pacific Gas & Electric Company**  
**ELC (Corp ID 39)**  
**Status of Advice Letter 6200E**  
**As of July 30, 2021**

Subject: The Emergency Load Reduction Program Pilot Group B Terms and Conditions of Southern California Edison Company, Pacific Gas and Electric Company, and San Diego Gas & Electric Company, in compliance with Decision 21-03-056

Division Assigned: Energy

Date Filed: 05-24-2021

Date to Calendar: 05-26-2021

Authorizing Documents: D2103056

<b>Disposition:</b>	<b>Accepted</b>
<b>Effective Date:</b>	<b>05-24-2021</b>

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

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**PUBLIC UTILITIES COMMISSION**  
505 Van Ness Avenue  
San Francisco CA 94102-3298



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

The Energy Division of the California Public Utilities Commission has processed your recent Advice Letter (AL) filing and is returning an AL status certificate for your records.

The AL status certificate indicates:

- Advice Letter Number
- Name of Filer
- CPUC Corporate ID number of Filer
- Subject of Filing
- Date Filed
- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)
- Effective Date of Filing
- Other Miscellaneous Information (e.g., Resolution, if applicable, etc.)

The Energy Division has made no changes to your copy of the Advice Letter Filing; please review your Advice Letter Filing with the information contained in the AL status certificate, and update your Advice Letter and tariff records accordingly.

All inquiries to the California Public Utilities Commission on the status of your Advice Letter Filing will be answered by Energy Division staff based on the information contained in the Energy Division's PAL database from which the AL status certificate is generated. If you have any questions on this matter please contact the:

Energy Division's Tariff Unit by e-mail to  
**[edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)**

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May 24, 2021

**ADVICE 4504-E**  
**(Southern California Edison Company - U 338-E)**

**ADVICE 6200-E**  
**(Pacific Gas and Electric Company - U 39-E)**

**ADVICE 3768-E**  
**(San Diego Gas & Electric Company - U 902-E)**

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
ENERGY DIVISION

**SUBJECT:**

The Emergency Load Reduction Program Pilot Group B Terms and Conditions of Southern California Edison Company, Pacific Gas and Electric Company, and San Diego Gas & Electric Company, in Compliance with Decision 21-03-056

**PURPOSE**

In compliance with Ordering Paragraph (OP) 1 of Decision (D.)21-03-056 (the Decision), which adopts Attachment 1 to the Decision in its entirety, Southern California Edison Company (SCE) hereby submits this Advice Letter (AL) in coordination with Pacific Gas and Electric Company (PG&E), and San Diego Gas & Electric Company (SDG&E) (together, the Investor Owned Utilities (IOUs)) to provide each of the IOU's Emergency Load Reduction Program (ELRP) pilot Group B Terms and Conditions.

**BACKGROUND**

On November 19, 2020, the California Public Utilities Commission (CPUC or Commission) initiated Rulemaking (R.)20-11-003 to establish policies, processes, and rules to ensure reliable electric service in California in the event of an extreme weather event in 2021 and/or 2022.

On March 26, 2021, after receiving testimonies, legal briefs, and oral arguments from the parties, the Commission issued the Decision, directing the IOUs to take specific

actions to prepare for potential extreme weather in the summers of 2021 and 2022. Among other things, the Commission directed the IOUs to establish an ELRP pilot to decrease peak and net peak demand, with two groups of eligible participants (“Group A” and “Group B”) as well as additional specific subgroups within those two groups.<sup>1</sup>

Among other orders made by the Decision, Attachment 1 directs the IOUs to file a Tier 1 Advice Letter setting forth the ELRP pilot’s “Group B” terms and conditions.<sup>2</sup> The Decision provides that this advice letter should include details relating to the implementation of the ELRP pilot, including program design and processes, enrollment, event notifications, customer acknowledgment, incremental load reduction measurement, and settlement.<sup>3</sup>

The Decision further provides that as experience in ELRP is gained, the IOUs may jointly file a Tier 2 advice letter by December 31 of each program year to manage program enrollment, improve program efficiency, increase potential load reduction, improve program value, reduce costs, and make other potential modifications. Any such change request would relate to technical aspects of the program, including participation criteria (including various minimum threshold parameters), program trigger(s), Group A baselines and settlement, and Group B baselines, settlement, and invoicing guidelines. In addition, changes to sub-group A.1’s Minimum Size Threshold parameter may be sought via an IOU-specific Tier 2 advice letter.<sup>4</sup>

## **DISCUSSION**

In the documents attached, each IOU provides its respective terms and conditions for Group B of the ELRP pilot. The IOUs have aligned their terms and conditions where feasible, but due to system, process, and customer differences, they cannot align on all programmatic aspects.

The attachments to this filing are as follows:

1. Attachment A: SCE’s ELRP Pilot Group B Terms and Conditions
2. Attachment B: PG&E’s ELRP Pilot Group B Terms and Conditions
3. Attachment C: SDG&E’s ELRP Pilot Group B Terms and Conditions

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<sup>1</sup> D.21-03-056, Op. 7, p. 85.

<sup>2</sup> *Id.*, OP 1, Attachment 1, p. 15.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*, Attachment 1, p. 15.

## **TIER DESIGNATION**

Pursuant to Ordering Paragraph 1 of, and Attachment 1 to, D.21-03-056, this advice letter is submitted with a Tier 1 designation.

## **EFFECTIVE DATE**

This advice letter will become effective on May 24, 2021, the date of its submission to the Commission.

## **NOTICE**

Anyone wishing to protest this advice filing may do so by letter via U.S. Mail, by facsimile, or electronically, any of which must be received no later than 20 days after the date of this advice filing. Protests should be submitted to:

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, California 94102  
E-mail: [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Copies should also be mailed to the attention of the Director, Energy Division, Room 4004 (same address above).

In addition, protests and all other correspondence regarding this advice letter should be sent by letter and transmitted via facsimile or electronically to the attention of:

Shinjini C. Menon  
Managing Director, State Regulatory Operations  
Southern California Edison Company  
8631 Rush Street  
Rosemead, California 91770  
Telephone: (626) 302-3377  
Facsimile: (626) 302-6396  
E-mail: [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com)

Tara S. Kaushik  
Managing Director, Regulatory Relations  
c/o Karyn Gansecki  
Southern California Edison Company  
601 Van Ness Avenue, Suite 2030  
San Francisco, California 94102  
Facsimile: (415) 929-5544  
E-mail: [Karyn.Gansecki@sce.com](mailto:Karyn.Gansecki@sce.com)

Erik Jacobson  
Director, Regulatory Relations  
c/o Megan Lawson  
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San Francisco, California 94177  
Facsimile: (415) 973-3582  
E-mail: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)

Attn: Greg Anderson  
Regulatory Tariff Manager  
E-mail: [GAnderson@sdge.com](mailto:GAnderson@sdge.com) and [SDGETariffs@sdge.com](mailto:SDGETariffs@sdge.com)

There are no restrictions on who may file a protest, but the protest shall set forth specifically the grounds upon which it is based and must be received by the deadline shown above.

In accordance with General Rule 4 of General Order (GO) 96-B, SCE is serving copies of this advice filing on the parties shown on the attached GO 96-B, R.20-11-003, A.17-01-012, et al., and R.13-09-011 service lists. Address change requests to the GO 96-B service list should be directed by electronic mail to [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com) or at (626) 302-4039. For changes to all other service lists, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at [Process\\_Office@cpuc.ca.gov](mailto:Process_Office@cpuc.ca.gov).

Further, in accordance with Public Utilities Code Section 491, notice to the public is hereby given by filing and keeping this advice filing at SCE's corporate headquarters. To view other SCE advice letters filed with the Commission, please log on to SCE's web site at <https://www.sce.com/wps/portal/home/regulatory/advice-letters>.

For questions, please contact Lisa Mau at (626) 302-3684 or by electronic mail at [lisa.mau@sce.com](mailto:lisa.mau@sce.com)

**Southern California Edison Company**

/s/ Shinjini C. Menon  
Shinjini C. Menon

SCM:Im:jm  
Enclosures



# ADVICE LETTER SUMMARY

## ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Southern California Edison Company (U 338-E)

Utility type:

- ELC       GAS       WATER  
 PLC       HEAT

Contact Person: Darrah Morgan

Phone #: (626) 302-2086

E-mail: AdviceTariffManager@sce.com

E-mail Disposition Notice to: AdviceTariffManager@sce.com

EXPLANATION OF UTILITY TYPE

ELC = Electric      GAS = Gas      WATER = Water  
 PLC = Pipeline      HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 4504-E

Tier Designation: 1

Subject of AL:

The Emergency Load Reduction Program Pilot Group B Terms and Conditions of Southern California Edison Company, Pacific Gas and Electric Company, and San Diego Gas & Electric Company, in compliance with Decision 21-03-056

Keywords (choose from CPUC listing): Compliance

AL Type:  Monthly  Quarterly  Annual  One-Time  Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: Decision 21-03-056

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL:

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested?  Yes  No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required?  Yes  No

Requested effective date: 5/24/21

No. of tariff sheets:

Estimated system annual revenue effect (%):

Estimated system average rate effect (%):

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected:

Service affected and changes proposed<sup>1</sup>:

Pending advice letters that revise the same tariff sheets: 4325-E

<sup>1</sup>Discuss in AL if more space is needed.

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:**

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102  
Email: [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Name: Shinjini C. Menon  
Title: Managing Director, State Regulatory Operations  
Utility Name: Southern California Edison Company  
Address: 8631 Rush Street  
City: Rosemead  
State: California Zip: 91770  
Telephone (xxx) xxx-xxxx: (626) 302-3377  
Facsimile (xxx) xxx-xxxx: (626) 302-6396  
Email: [advicetariffmanager@sce.com](mailto:advicetariffmanager@sce.com)

Name: Tara S. Kaushik c/o Karyn Gansecki  
Title: Managing Director, Regulatory Relations  
Utility Name: Southern California Edison Company  
Address: 601 Van Ness Avenue, Suite 2030  
City: San Francisco  
State: California Zip: 94102  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx: (415) 929-5544  
Email: [karyn.gansecki@sce.com](mailto:karyn.gansecki@sce.com)

## ENERGY Advice Letter Keywords

Affiliate	Direct Access	Preliminary Statement
Agreements	Disconnect Service	Procurement
Agriculture	ECAC / Energy Cost Adjustment	Qualifying Facility
Avoided Cost	EOR / Enhanced Oil Recovery	Rebates
Balancing Account	Energy Charge	Refunds
Baseline	Energy Efficiency	Reliability
Bilingual	Establish Service	Re-MAT/Bio-MAT
Billings	Expand Service Area	Revenue Allocation
Bioenergy	Forms	Rule 21
Brokerage Fees	Franchise Fee / User Tax	Rules
CARE	G.O. 131-D	Section 851
CPUC Reimbursement Fee	GRC / General Rate Case	Self Generation
Capacity	Hazardous Waste	Service Area Map
Cogeneration	Increase Rates	Service Outage
Compliance	Interruptible Service	Solar
Conditions of Service	Interutility Transportation	Standby Service
Connection	LIEE / Low-Income Energy Efficiency	Storage
Conservation	LIRA / Low-Income Ratepayer Assistance	Street Lights
Consolidate Tariffs	Late Payment Charge	Surcharges
Contracts	Line Extensions	Tariffs
Core	Memorandum Account	Taxes
Credit	Metered Energy Efficiency	Text Changes
Curtable Service	Metering	Transformer
Customer Charge	Mobile Home Parks	Transition Cost
Customer Owned Generation	Name Change	Transmission Lines
Decrease Rates	Non-Core	Transportation Electrification
Demand Charge	Non-firm Service Contracts	Transportation Rates
Demand Side Fund	Nuclear	Undergrounding
Demand Side Management	Oil Pipelines	Voltage Discount
Demand Side Response	PBR / Performance Based Ratemaking	Wind Power
Deposits	Portfolio	Withdrawal of Service
Depreciation	Power Lines	

# **Attachment A**

## **SCE's ELRP Pilot Group B Terms and Conditions**

Southern California Edison Company  
Emergency Load Reduction Program  
(ELRP) Pilot Terms and Conditions for  
Group B Pursuant to California Public  
Utilities Commission Decision 21-03-056

May 24, 2021

Contents

- Program Overview** ..... 3
- 1 Program Eligibility and Enrollment** ..... 4
  - 1.1 Program Participant Criteria ..... 4
    - 1.1.1 Sub-Group B.1. – Third-Party DRPs ..... 4
    - 1.1.2 Sub-Group B.2. – CBP Aggregators/Participants ..... 5
- 2 Program Parameters** ..... 6
  - 2.1 Program Availability ..... 6
  - 2.2 Program Trigger ..... 6
    - 2.2.1 Group B Event Notifications ..... 7
- 3 Compensation** ..... 8
  - 3.1 Incentive Rate ..... 8
  - 3.2 Incentive Calculation ..... 8
    - 3.2.1 Group B ..... 8

## Program Overview

On March 26, 2021, the California Public Utilities Commission (CPUC or Commission) issued Decision (D.) 21-03-056, which approved the Emergency Load Reduction Program (ELRP) pilot, an out-of-market demand response (DR) resource.

These Terms and Conditions of the ELRP pilot conform with the ELRP program parameters for “Group B” ELRP participants set forth in Commission D.21-03-056 and Attachment 1 thereto, and can change in whole or in part subject to CPUC approval. The ELRP will be administered by Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company for their respective service territories.

The ELRP pilot provides financial incentives to eligible participants that provide demand load reductions, or demand response, during times of potential or actual stress on the California Independent System Operator (CAISO) transmission system. The ELRP pilot will be available starting May 1, 2021 and will end October 31, 2025. As discussed herein, some elements of the pilot will not begin until May 1, 2022.

The ELRP does not provide capacity or enrollment incentives; rather, incentives are in the form of a non-penalty pay-for-performance energy payment for a customer’s verified incremental load reduction. The ELRP load reduction capacity is not eligible for Resource Adequacy (RA), nor to be included in the California Energy Commission (CEC) peak forecast framework. ELRP does not have any CAISO market obligations.

These terms and conditions are meant to enhance the understanding of the ELRP pilot. They do not replace pricing information or program requirements contained in SCE’s CPUC-approved tariffs. Please refer to the tariffs, which are available at <https://www.sce.com/regulatory/tariff-books>.

# 1 Program Eligibility and Enrollment

## 1.1 Program Participant Criteria

ELRP eligible participants are divided into two groups (Group A and Group B), each of which is further divided into sub-groups. All customers must be located in SCE's service territory and must have an SCE-approved interval meter or SmartConnect™ meter that can measure energy consumption, at least hourly, and if applicable, can measure exported energy. The following terms and conditions pertain to Group B and its two sub-groups (a separate set of terms and conditions has been provided for Group A),<sup>1</sup> as defined in Attachment 1 to D.21-03-056.

### **Group B: Market-Integrated Proxy Demand Response (PDR) Resources**

- Sub-Group B.1. – Third-Party DR Providers (DRPs)
- Sub-Group B.2. – An Investor Owned Utility (IOU) Capacity Bidding Program (CBP)

Additional descriptions for each sub-group in Group B are provided below.

#### 1.1.1 Sub-Group B.1. – Third-Party DRPs

A third-party DRP with a market-integrated PDR resource is eligible to participate in ELRP.

##### 1.1.1.1 Enrollment Process

While there is no enrollment process applicable to this group, third-party DRPs with a market-integrated PDR resource may be requested to affirm their intent to participate in ELRP which may include acceptance of Terms and Conditions and/or agreements that may be developed to support third-party DRP participation in ELRP.

Service accounts registered under the third-party DRP's PDR CAISO Resource ID will be considered as "enrolled" or eligible to voluntarily participate in an ELRP Event. For each registered service account, the third-party DRP must provide information about the service account's back-up generation (BUG)

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<sup>1</sup> On April 26, 2021, SCE submitted a joint IOU advice letter (SCE Advice 4478-E, PG&E Advice 6173-E, and SDG&E Advice 3744-E) with the Commission providing the IOUs' respective Terms and Conditions for ELRP Group A.

location, type of fuel used, the capacity of the generator, and the notice or ramp time for the generator that may be used during ELRP events.

See Compensation in [Section 3.2.1.](#) for baseline, settlement, and invoicing requirements pertaining to the third-party DRP's PDR Resource ID.

### 1.1.2 Sub-Group B.2. – CBP Aggregators/Participants

Third-party aggregators (Aggregators) or self-aggregated customers (Participants) enrolled and participating in SCE's Capacity Bidding Program (CBP) are eligible to participate in ELRP.

#### 1.1.2.1 Enrollment Process

There is no enrollment process applicable to this group. For the purposes of ELRP, only service accounts that are nominated and bid will be considered as "enrolled" or eligible to voluntarily participate in an ELRP Event.

For each nominated account, the CBP Aggregator or Participant must provide information about the service account's BUG location, type of fuel used, the capacity of the generator, and the notice or ramp time for the generator that may be used during ELRP events.

See Compensation in [Section 3.2.1.](#) for baseline, settlement, and invoicing requirements.

## 2 Program Parameters

### 2.1 Program Availability

An ELRP event can be dispatched from May 1 through October 31 each year for the five-year pilot period (2021-2025).

An ELRP event can occur any day of the week (Sunday – Saturday) during the hours of 4:00 p.m. to 9:00 p.m.

ELRP events shall be a minimum of one (1) hour up to a maximum of five (5) hours each day.

ELRP will have an annual dispatch limit of sixty (60) hours. There is no consecutive day limit for dispatches.

### 2.2 Program Trigger

ELRP may be activated after the CAISO issues or declares a day-ahead (DA) Alert. A CAISO Alert is defined by the “Alert, Warning, Emergency (AWE)” process in CAISO Operating Procedure 4420.

There is presently no day-of (DO) trigger for ELRP. However, the Decision may be modified to add a DO trigger.

The ELRP will not be used for SCE’s localized needs (i.e., local transmission and distribution).

The duration of the ELRP event (the start and end times) shall follow the possible system reserve deficiency stated in the Alert Notice. For example, in the Statewide Alert Notice below, CAISO forecasted a possible system reserve deficiency between the hours of 17:00 (5 p.m.) and 21:00 (9 p.m.), such that an ELRP Event for Group B would occur during those same hours.

STATEWIDE ALERT NOTICE [202002418]

The California ISO hereby issues a CAISO Grid  
ALERT Notice,  
effective 08/14/2020 17:00 through  
08/14/2020 21:00.

Reason:

The CAISO is forecasting a possible system  
reserve deficiency between the hours of  
1700-2100 and is requesting additional  
Ancillary Service and energy bids.

In the future, when the CAISO completes the transition from the current AWE process to the North American Electric Reliability Corporation (NERC) Energy Emergency Alert (EEA) standards, then the AWE declarations shall be replaced with the equivalent NERC EEA level notice.

### 2.2.1 Group B Event Notifications

SCE will **not** notify Group B participants of the start time and duration of the ELRP event. ELRP Events for Group B participants will be specified in the CAISO Alert Notice.

#### 2.2.1.1 Group B Test Events

There are no ELRP Test Events for Group B participants.

### 3 Compensation

Participation during an ELRP event is entirely voluntary, and no financial penalties will be assessed.

Incremental load reduction (ILR) is defined as the load reduction achieved during an ELRP event incremental or relative to the non-event applicable baseline and/or any other existing commitment. Only ILR is eligible for compensation under ELRP.

Any load reduction technology may be used during an ELRP event to achieve ILR. BUGs or Prohibited Resources may be used in compliance with Rule 21 and other applicable regulations and permits during an ELRP event to achieve ILR, including during the overlapping period with an independently triggered event in a dual-enrolled DR program, but only for achieving load reduction incremental to any other existing commitment (e.g., under a dual-enrolled DR program).

There are no penalties for non- or under-performance assessed under ELRP.

If applicable, SCE may withhold a Participant's ELRP incentives until data or information about the customers' back-up or onsite generation resources (i.e., Prohibited Resources) is provided. Data will be collected in 2021 and 2022. Participants are required to provide information about the location, type of fuel used, the capacity of the generator, and the notice or ramp time for the generator that may be used during ELRP events.

#### 3.1 Incentive Rate

The ELRP Compensation Rate (ECR) is \$1 per kilowatt-hour (\$1/kWh).

#### 3.2 Incentive Calculation

Compensation for load reduction delivered during an ELRP event is determined by calculating the product of ILR and ECR. The ELRP incentive calculations and invoicing for Group B are provided below.

##### 3.2.1 Group B

To construct the ELRP baseline for measuring a Group B PDR's ILR contribution during an ELRP event, the applicable CAISO baseline can be modified to account for the following:

- 1) Count net exports to the distribution grid by customer locations within the PDR aggregation that comply with Rule 21 and other applicable permits;
- 2) Exclude prior days with other ELRP events when selecting the set of “non-event, but similar” days used to calculate the baseline;
- 3) Exclude applicable preceding hours with either CAISO market awards or another ELRP event on the day of the ELRP event when calculating the same-day adjustment (SDA) to the calculated baseline in #2 above; and
- 4) Allow the SDA in #3 above to be +/- 100%.

#### 3.2.1.1 Baseline and Settlement Calculations for Group B

For participation in ELRP under Group B, a DRP must construct a PDR Portfolio consisting of only 1) PDRs with RA assignment or PDRs without RA assignment (but not both), and 2) PDRs limited to SCE’s service territory.

The CAISO settled aggregated load during an ELRP event may be modified to count net energy exported to the distribution grid by any customer location within the PDR aggregation.

Following an ELRP event, the DRP’s scheduling coordinator (SC)<sup>2</sup> is responsible for determining the following:

- 1) ELRP Event Performance (total load reduction during the ELRP Event) of each PDR in the DRP’s PDR Portfolio by applying the applicable ELRP modified baseline to the PDR’s modified aggregated load settled during the ELRP event.
- 2) ILR of each PDR by subtracting the CAISO scheduled award quantities, inclusive of day-ahead market (DAM) and real-time market (RTM), from the PDR’s ELRP Event Performance. If the total market award for the PDR during the ELRP event is zero, then ILR of the PDR equals the ELRP Event Performance.

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<sup>2</sup> For Sub-Group B.2. (CBP Participants), SCE is the Scheduling Coordinator and DRP.

3) The ELRP Event Compensation due for each PDR by adding all interval-specific ELRP Compensations across all applicable intervals of the ELRP event, subject to the following:

a) The interval-specific ELRP Compensation in each applicable interval of the ELRP event is obtained by subtracting 1) any CAISO market payments for any portion of the load reduction counted in the interval-specific ILR and 2) the interval-specific CAISO Opportunistic Revenue (COR), defined below, from 3) the interval-specific Product of the ECR and the interval-specific ILR (see illustration below).

If the interval-specific ILR is negative, then the interval-specific ELRP Compensation is set to zero in that interval.

If the interval-specific COR is greater than the interval-specific Product, then the interval-specific ELRP Compensation is set to zero in that interval.

b) The interval-specific COR is the product of the interval-specific Market Eligible Capacity (MEC) (defined below based on the interval-specific CAISO Market Event Performance (MEP) determined under applicable CAISO market baseline) and the interval-specific CAISO Clearing Price Delta (CCPD) (also defined below).

i. Market Eligible Capacity (MEC):

1. If the total CAISO scheduled award quantity in an interval is non-zero and the interval-specific MEP is less than or equal to the total CAISO scheduled award quantity in the interval, then the interval-specific MEC is set to zero.
2. If the total CAISO scheduled award quantity in an interval is non-zero and if the interval-specific MEP is greater than the total CAISO scheduled award quantity in the interval and less than or equal to the

Qualifying Capacity (QC) of the PDR in that interval, then the interval-specific MEC is equal to the interval-specific MEP minus the interval-specific total CAISO scheduled award quantity.

3. If the total CAISO scheduled award quantity in an interval is non-zero and if the interval-specific MEP is greater than the Qualifying Capacity (QC) of the PDR in that interval, then the interval-specific MEC is equal to the interval-specific QC of the PDR minus the interval-specific total CAISO scheduled award quantity.

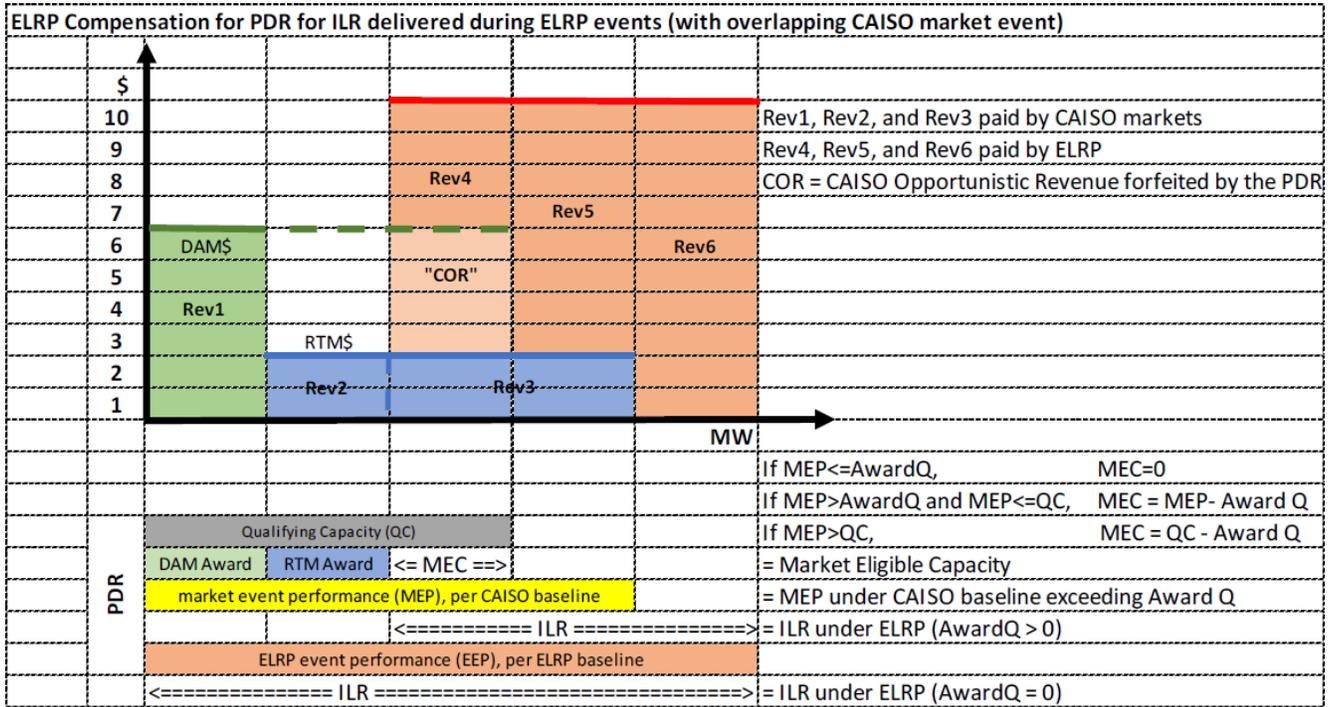
If the PDR has no assigned QC in the above cases, then the QC is replaced by the PDR's "PMin" parameter on record in the CAISO Master File applicable to the interval. Additionally, if the PMin value is less than the total CAISO scheduled award quantity in an interval, then the interval-specific MEC is set to zero.

ii. CAISO Clearing Price Delta (CCPD):

For a PDR participating in the DAM only (that is, "long-start" PDR), the interval-specific CCPD is the DAM clearing price in that interval.

For a PDR participating in the RTM, the interval-specific CCPD is equal to the higher of the DAM or RTM clearing price in that interval minus the lower of the DAM or RTM clearing price in that interval.

1. PDR Portfolio Level Net Event Compensation across all PDRs in the DRP's Portfolio.



### 3.2.1.1.1 Invoicing for Sub-Group B.1.

To receive ELRP compensation, the DRP shall submit an aggregate invoice each quarter for the Cumulative Portfolio Level Net Event Compensation of each PDR Portfolio.

For the purposes of invoicing, the quarterly period and applicable invoicing dates are as follows:

- First Quarter consists of May, June, and July. Invoices for the First Quarter period are due by September 30 of the same calendar year.
- Second Quarter consists of August, September, and October. Invoices for the Second Quarter are due by December 31 of the same calendar year.

DRP's shall submit their invoices to SCE's organization responsible for administering Demand Response Auction Mechanism (DRAM) invoices or designee.

The Cumulative Portfolio Level Net Event Compensation of a PDR Portfolio over one Quarter is determined by summing the Portfolio Level Net Event Compensation across all ELRP events in that Quarter. If

applicable, any impact on DRAM performance is the responsibility of the third-party DRP or DRAM Seller.

The invoice shall be accompanied with the supporting data and/or templates as defined by the ELRP Program Administrator, including but not limited to, PDR-specific ELRP Event Performance, ILR, applicable market awards during the event, applicable CAISO market payments for load reductions counted in the ILR, and ELRP Event Compensation.

SCE reserves the right to audit and verify ELRP invoices. SCE will settle the invoice within 60 days of the invoice date absent the need for additional information, which would set the 60 days from the time all additional information is received in order to process the invoice (i.e., SCE will settle invoices within 60 days after a disputed or incomplete invoice has been resolved to SCE's satisfaction).

#### 3.2.1.1.2 Invoicing for Sub-Group B.2.

SCE will be responsible for calculating baselines and settlements and issuing payments to CBP Aggregators and/or Participants pursuant to SCE Schedule CBP.

# **Attachment B**

PG&E's ELRP Pilot Group B  
Terms and Conditions

Pacific Gas & Electric Company  
Emergency Load Reduction Program  
(ELRP) Pilot

Terms and Conditions Pursuant to  
California Public Utilities Commission  
Decision 21-03-056

May 24, 2021

## Contents

<b>Program Overview</b> .....	3
<b>Acceptance of Terms and Conditions</b> .....	4
Group B .....	4
1.1 Sub-Group B.1 .....	4
1.2 Sub-Group B.2 .....	4
<b>1 Program Eligibility and Enrollment</b> .....	5
1.1 Program Participant Criteria.....	5
1.1.1 Sub-Group B.1 – Third-party DR Providers (DRPs) .....	5
1.1.2 Sub-Group B.2 – Capacity Bidding Program (CBP) .....	5
<b>2 Program Parameters</b> .....	6
2.1 Program Availability .....	6
2.2 Program Trigger .....	6
2.3 Group B Notification .....	6
2.4 Test Events .....	6
<b>3 Compensation</b> .....	7
3.1 Incentive Rate .....	7
3.2 Incentive Calculation .....	7
3.2.1 Baseline Methodology for Group B (B.1 and B.2).....	8
3.2.2 Settlement Calculation for Group B (B.1 and B.2) .....	8
3.2.3 Payment for Group B (B.1 and B.2) .....	12

## Program Overview

On March 26, 2021, the California Public Utilities Commission (CPUC or Commission) issued Decision (D.) 21-03-056 which approved the Emergency Load Reduction Program (ELRP) pilot, a demand response (DR) resource that is not bid or integrated into the CAISO market.

These are the Terms and Conditions of the ELRP pilot for potential participants in Group B and other interested parties and can change in whole or in part subject to CPUC approval. The ELRP will be administered by Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) for their respective service territories. Any changes made to the ELRP Terms and Conditions will be published in revisions to this document and/or posted to PG&E's website and/or its ELRP Program Administrator's website. Other documents supporting the ELRP will be made available and updated from time to time at PG&E's website and/or its ELRP Program Administrator's website. PG&E has engaged Olivine, Inc., to be the Program Administer for the ELRP at this time. Information on the ELRP is available at: <https://elrp.olivineinc.com/>

The ELRP pilot provides financial incentives to eligible participants that provide demand load reductions, or demand response, during times of potential or actual stress on the California Independent System Operator (CAISO) transmission system. The ELRP is available as of May 1, 2021 and will end by October 31, 2025.

The ELRP does not provide capacity or enrollment incentives; rather, incentives are a pay-for-performance energy payment for a customer's verified incremental load reduction. The ELRP load reduction capacity is not eligible for Resource Adequacy (RA), nor in the California Energy Commission (CEC) peak forecast framework. ELRP does not have any California Independent System Operator (CAISO) market obligations.

## Acceptance of Terms and Conditions

All third-party entities are requested to affirm intent to participate in ELRP and to accept the Terms and Conditions<sup>1</sup> for ELRP participation.

### Group B

ELRP eligible participants are divided into two sub-groups under Group B with both sub-groups comprised of market integrated Proxy Demand Response (PDR) resources as shown.

- Sub-Group B.1 – Third-party DR Provider (DRP)
- Sub-Group B.2 – Capacity Bidding Program (CBP)

#### 1.1 Sub-Group B.1

Third-party DR Providers involved with Sub-Group B.1 are requested to affirm intent to participate in ELRP, including acceptance of Terms and Conditions and any agreements that may be developed to support third-party DRP participation in ELRP **by June 25, 2021** if they are interested in receiving courtesy ELRP notifications after June 2021. Otherwise, Third-party DR Providers must accept Terms and Conditions and any agreements that are developed by the time they submit their invoices for processing by PG&E.

#### 1.2 Sub-Group B.2

Capacity Bidding Program (CBP) Aggregators involved with Sub-Group B.2 are requested to affirm intent to continue their participation in ELRP, including acceptance of Terms and Conditions and any agreements that may be developed to support CBP Aggregator participation in ELRP **by June 25, 2021**. Otherwise, CBP Aggregators will **not** continue to be enrolled in ELRP after June 2021 until the time at which they accept the Terms and Conditions and any Agreements that may be developed to support CBP enrollment in ELRP.<sup>2</sup>

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<sup>1</sup> Decision 21-03-056, Attachment 1, p. 15 set forth the filing of “terms and conditions” for Group A and Group B “within” 30 and 60 days, respectively.

<sup>2</sup> CPUC staff advised the Utilities to provisionally enroll participants due to the ELRP effective date of May 1, 2021 and the subsequent filing date of the Group B Terms and Conditions on May 24, 2021.

# 1 Program Eligibility and Enrollment

## 1.1 Program Participant Criteria

All customers must be located in PG&E's service territory and must have a PG&E approved interval meter or SmartMeter™ meter that can measure energy consumption at least hourly, and if applicable, can measure exported energy.<sup>3</sup>

### 1.1.1 Sub-Group B.1 – Third-party DR Providers (DRPs)

A third-party DRP with a market-integrated PDRs resource is eligible to participate in ELRP.

#### 1.1.1.1 Application Process for Sub-Group B.1

Sub-Group B.1 applicants can enroll into the ELRP by contacting the Program Administrator, Olivine at <https://elrp.olivineinc.com/contact-us/>.

The third-party DRP must provide information about their customer's back-up generation (BUG), including: (1) location (address), (2) type of fuel used (e.g., diesel, natural gas, battery, etc.), (3) the nameplate capacity of the generator, and (4) the notice or ramp time for the generator that may be used during an ELRP event at time of invoicing.

### 1.1.2 Sub-Group B.2 – Capacity Bidding Program (CBP)

A third-party CBP Aggregator with a market-integrated PDR resource is eligible to participate in ELRP. An account is only eligible to participate in ELRP if the service account has been nominated and bid during the ELRP operating month.

#### 1.1.2.1 Application Process

Sub-Group B.2 applicants can enroll into the ELRP by contacting the Program Administrator, Olivine at <https://elrp.olivineinc.com/contact-us/>.

At the time of enrollment, or at designated times during the ELRP pilot, the third-party DRP must provide information about their customer's back-up generation (BUG), including: (1) location (address), (2) type of fuel used (e.g., diesel, natural gas, battery, etc.), (3) the nameplate capacity of the generator, and (4) the notice or ramp time for the generator that may be used during an ELRP event.

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<sup>3</sup> PG&E is not required to install an interval meter and communication equipment or SmartMeter™ to provide remote read capability if the installation is impractical or not economically feasible.

## 2 Program Parameters

### 2.1 Program Availability

The ELRP has the following program parameters for all participants:

- Program Availability:
  - May – October
  - Seven (7) days per week
  - 4 p.m. to 9 p.m. (Pacific Time Zone)
- Event Duration:
  - 1-hour minimum; 5-hour maximum
- Annual Dispatch Limit:
  - Up to 60 hours
- Consecutive Day Dispatches
  - No constraints (limits)

### 2.2 Program Trigger

The ELRP shall be activated after the CAISO issues or declares a day-ahead (DA) Alert. A CAISO Alert is defined by the “Alert, Warning, Emergency (AWE)” process in CAISO Operating Procedure 4420. Group B participants are limited to the Day-Ahead (DA) Alert for ELRP. The ELRP will not be used for PG&E’s localized needs (i.e., local transmission and distribution).

*In the future, when the CAISO completes the transition from the current AWE process to the North American Electric Reliability Corporation (NERC) Energy Emergency Alert (EEA) standards, then the AWE declarations shall be replaced with the equivalent NERC EEA level notice.*

### 2.3 Group B Notification

An ELRP event for Group B participants is activated after the CAISO issues or declares a day-ahead (DA) Alert. The start time and duration are specified in the CAISO Alert notice and is limited to the parameters set forth in Section 2.1 “Program Availability” above. Parties that have affirmed their intent to participate, including acceptance of Terms and Conditions and any agreements would be eligible to receive courtesy ELRP notifications from the Program Administrator (Olivine).

### 2.4 Test Events

Group B is not subject to ELRP Test Events.

### 3 Compensation

Participation during an ELRP event is entirely voluntary, and no financial penalties will result from not achieving load reduction during the event.

Incremental load reduction (ILR) is defined as the load reduction achieved during an ELRP event incremental or relative to the non-event applicable baseline and/or any other existing commitment. Only ILR is eligible for compensation under ELRP.

Any load reduction technology may be used during an ELRP event to achieve ILR. BUGs or Prohibited Resources may be used in compliance with Rule 21 and other applicable regulations and permits during an ELRP event to achieve ILR, including during the overlapping period with an independently triggered event in a dual-enrolled DR program, but only for achieving load reduction incremental to any other existing commitment (e.g., under a dual-enrolled DR program). There are no penalties for non-performance.

If applicable, PG&E may withhold a Participant's ELRP incentives until data or information about the customers' back-up or onsite generation resources (i.e. Prohibited Resources) is provided. Data will be collected for *at least* 2021 and 2022. Participants are required to provide information about the location, type of fuel used, the nameplate capacity of the generator, and the notice or ramp time for the generator that may be used during ELRP events.

#### 3.1 Incentive Rate

The ELRP Compensation Rate (ECR) is \$1 per kilowatt-hour (\$1/kWh).

#### 3.2 Incentive Calculation

Compensation for load reduction delivered during an ELRP event is determined by calculating the product of ILR and ECR. The ILR is determined using the prescribed baseline per section 3.2.1 and the settlement methodology per section 3.2.2 for Group B (B.1 and B.2). Payments associated with Group B varies between B.1 and B.2 as described in section 3.2.3.

### 3.2.1 Baseline Methodology for Group B (B.1 and B.2)

To construct the ELRP baseline for measuring a Group B PDR's ILR contribution during an ELRP event, the applicable CAISO baseline will be modified to account for the following steps:

- 1) Count net exports to the distribution grid by customer locations within the PDR aggregation that comply with Rule 21 and other applicable permits;
- 2) Exclude prior days with other ELRP events when selecting the set of "non-event, but similar" days when calculating the baseline;
- 3) Exclude applicable preceding hours with either CAISO market awards or another ELRP event on the day of the ELRP event when calculating the same-day adjustment (SDA) to the calculated baseline in step 2, and
- 4) Allow the SDA in step 3 to be +/- 100%.

### 3.2.2 Settlement Calculation for Group B (B.1 and B.2)

For participation in ELRP under Group B, a DRP must construct a PDR Portfolio consisting of only 1) PDRs with RA assignment or PDRs without RA assignment (but not both) and 2) PDRs limited to PG&E's service territory.

The CAISO settled aggregated load during an ELRP event is modified to count net energy exported to the distribution grid by any customer location within the PDR aggregation, subject to each customer's *net* exporting limit under its Rule 21 interconnection agreement and adherence to each customer's Net Energy Metering tariff, as applicable.

Following an ELRP event, the DRP's Scheduling Coordinator (SC) is responsible for determining the following:

- 1) ELRP Event Performance (total load reduction during the ELRP event) of each PDR in the DRP's PDR Portfolio by applying the applicable ELRP modified baseline to the PDR's modified aggregated load settled during the ELRP event.
- 2) ILR of each PDR by subtracting the CAISO scheduled award quantities, inclusive of day-ahead market (DAM) and real-time market (RTM), from the

PDR's ELRP Event Performance. If the total market award for the PDR during the ELRP event is zero, then ILR of the PDR equals the ELRP Event Performance.

3) The ELRP Event Compensation due for each PDR by adding all interval-specific ELRP Compensations across all applicable intervals of the ELRP event, subject to the following:

a) The interval-specific ELRP Compensation in each applicable interval of the ELRP event is obtained by subtracting 1) any CAISO market payments for any portion of the load reduction counted in the interval-specific ILR and 2) the interval-specific CAISO Opportunistic Revenue (COR), defined below, from 3) the interval-specific Product of the ECR and the interval-specific ILR.

If the interval-specific ILR is negative, then the interval-specific ELRP Compensation is set to zero in that interval.

If the interval-specific COR is greater than the interval-specific Product, then the interval-specific ELRP Compensation is set to zero in that interval.

b) The interval-specific COR is the product of the interval-specific Market Eligible Capacity (MEC), defined below based on the interval-specific CAISO Market Event Performance (MEP) determined under applicable CAISO market baseline, and the interval-specific CAISO Clearing Price Delta (CCPD), defined below.

i. MEC:

1. If the total CAISO scheduled award quantity in an interval is non-zero and the interval-specific MEP is less than or equal to the total CAISO scheduled award quantity in the interval, then the interval-specific MEC is set to zero.
2. If the total CAISO scheduled award quantity in an interval is non-zero and if the interval-specific MEP is greater than the total CAISO scheduled award quantity in the interval and

less than or equal to the Qualifying Capacity (QC) of the PDR in that interval, then the interval-specific MEC is equal to the interval-specific MEP minus the interval-specific total CAISO scheduled award quantity.

3. If the total CAISO scheduled award quantity in an interval is non-zero and if the interval-specific MEP is greater than the Qualifying Capacity (QC) of the PDR in that interval, then the interval-specific MEC is equal to the interval-specific QC of the PDR minus the interval-specific total CAISO scheduled award quantity.

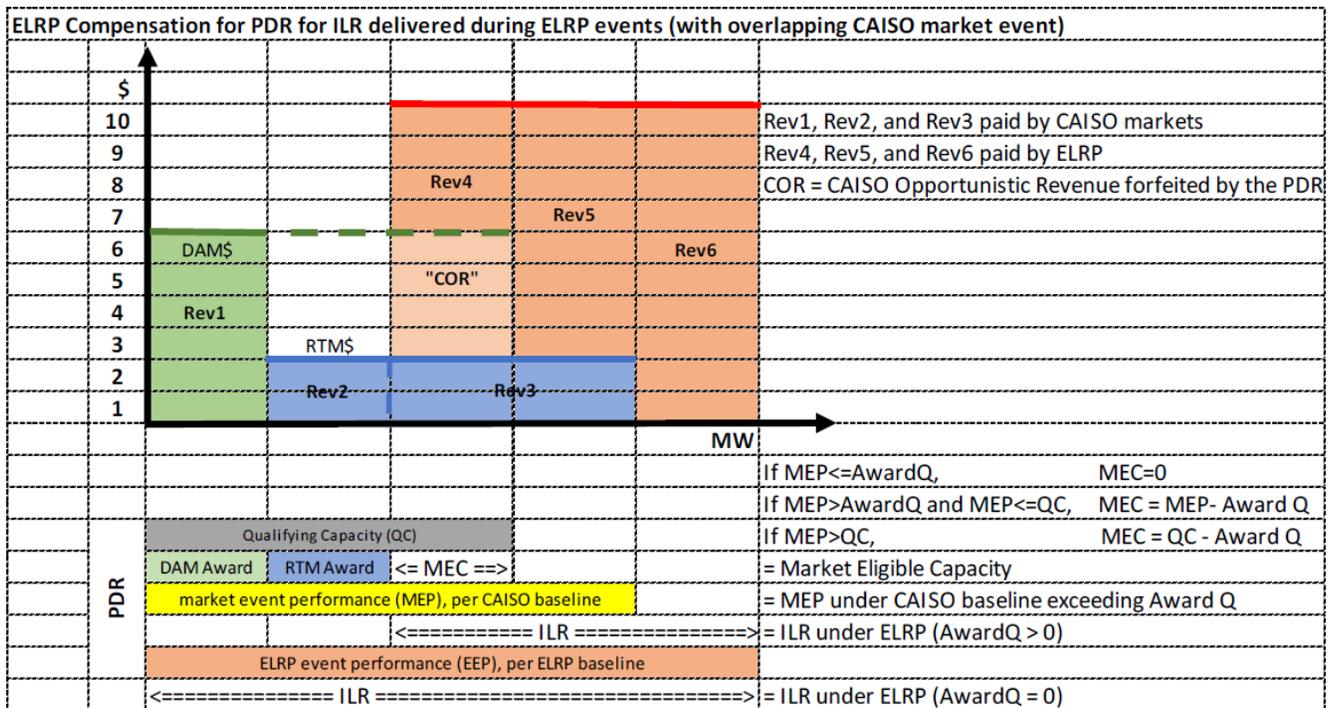
If the PDR has no assigned QC in the above cases, then the QC is replaced by the PDR's "PMin" parameter on record in the CAISO Master File applicable to the interval. Additionally, if the PMin value is less than the total CAISO scheduled award quantity in an interval, then the interval-specific MEC is set to zero.

ii. CCPD:

For a PDR participating in the DAM only (that is, "long-start" PDR), the interval-specific CCPD is the DAM clearing price in that interval.

For a PDR participating in the RTM, the interval-specific CCPD is equal to the higher of the DAM or RTM clearing price in that interval minus the lower of the DAM or RTM clearing price in that interval.

4) PDR Portfolio Level Net Event Compensation across all PDRs in the DRP's Portfolio.



### 3.2.3 Payment for Group B (B.1 and B.2)

Eligible Group B participants will be compensated in the manner described below.

#### 3.2.3.1 Payment for Group B-1 Participants (Third-Party DRPs)

The Scheduling Coordinator for each PDR Resource is responsible for submitting an aggregate invoice for the Cumulative Portfolio Level Net Event Compensation of each PDR Portfolio for May-June-July (First Quarter) period by September 30 and for August-September-October (Second Quarter) by December 31 of the program year to PG&E's organization responsible for administering Demand Response Auction Mechanism (DRAM) invoices. Invoices and related information can be submitted to the following email inbox: [ELRPB1@pge.com](mailto:ELRPB1@pge.com)

The Cumulative Portfolio Level Net Event Compensation of a PDR Portfolio over one Quarter is determined by summing the Portfolio Level Net Event Compensation across all ELRP events in that Quarter. Any impact on DRAM performance, if applicable, is the responsibility of the seller. The invoice shall be accompanied with the supporting data for each event, including but not limited to PDR-specific ELRP Event Performance, ILR, applicable market awards during the event, applicable CAISO market payments for load reductions counted in the ILR, and ELRP Event Compensation.<sup>4</sup> PG&E may audit and verify the invoice as needed. PG&E will settle the invoice within 60 days of the invoice date absent the need for additional information, which would set the 60 days from the time all additional information is received in order to process the invoice. In case of an audit, the 60 day period is frozen until there is resolution to PG&E's satisfaction.

#### 3.2.3.2 Payment for Group B-2 Participants (CBP Aggregators)

PG&E will be responsible for calculating baselines and settlements for each CBP Aggregator/Participant. Accordingly, payment will be made to the CBP Aggregator/Participant for First Quarter (May, June, July) by the end of November of the program year and for the Second Quarter (August, September, October) by March of the following year.

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<sup>4</sup> A detailed list of data requirements for invoice processing and audit is expected to be developed to aid parties.

# **Attachment C**

## **SDG&E's ELRP Pilot Group B Terms and Conditions**

San Diego Gas and Electric Company  
Emergency Load Reduction Program  
(ELRP) Pilot Terms and Conditions  
Pursuant to California Public Utilities  
Commission Decision 21-03-056

May 24, 2021

**Group B**

## Contents

<b>1. Program Overview .....</b>	<b>3</b>
<b>2. Program Eligibility and Enrollment.....</b>	<b>4</b>
<b>2.1. Program Participant Criteria .....</b>	<b>4</b>
<b>2.1.1 Sub-Group B.1 – Third Party Demand Response Providers (DRPs).....</b>	<b>4</b>
<b>2.1.2 Sub-Group B.2 – Capacity Bidding Program (CBP) PDR Resources .....</b>	<b>5</b>
<b>3. Program Parameters .....</b>	<b>6</b>
<b>3.1 Program Availability.....</b>	<b>6</b>
<b>3.2 Program Trigger.....</b>	<b>6</b>
<b>4. Compensation .....</b>	<b>8</b>
<b>4.1 Incentive Rate.....</b>	<b>9</b>
<b>4.2 Incentive Calculation.....</b>	<b>9</b>
<b>4.2.1 Group B.....</b>	<b>9</b>
<b>4.2.2 Baseline and Settlement Calculations for Group B .....</b>	<b>10</b>

## **1. Program Overview**

On March 26, 2021, the California Public Utilities Commission (CPUC or Commission) issued Decision (D.) 21-03-056 which approved the Emergency Load Reduction Program (ELRP) pilot, an out-of-market demand response (DR) resource.

These are the Terms and Conditions of the ELRP for potential participants and other interested parties and can change in whole or in part subject to CPUC approval. Any changes made to the ELRP Terms and Conditions will be published in revisions to this document and/or posted at SDGE's ELRP website. The ELRP will be administered by Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) for their respective service territories.

The ELRP provides financial incentives to eligible participants that provide demand load reductions, or demand response, during times of potential or actual stress on the California Independent System Operator (CAISO) transmission system. The ELRP will be available starting May 1, 2021 and will end after October 31, 2025.

The ELRP does not provide capacity or enrollment incentives; rather, incentives are a non-penalty pay-for-performance energy payment for a customer's verified incremental load reduction. The ELRP load reduction capacity is not eligible for Resource Adequacy (RA), nor the California Energy Commission (CEC) peak forecast framework. ELRP does not have any California Independent System Operator (CAISO) market obligations.

These terms and conditions are meant to enhance the understanding of the ELRP pilot. These terms and Conditions are only for Group B of the ELRP. Group A is covered in a separate Terms and Conditions Document. Group B is defined as follows:

**Group B: Market-integrated proxy demand response (PDR) resources**

- Sub-Group B.1. – Third-party DR Providers (DRPs)
- Sub-Group B.2. – SDG&E Capacity Bidding Programs (CBPs)

**2. Program Eligibility and Enrollment**

**2.1. Program Participant Criteria**

ELRP eligible participants are divided into two groups (Group A and Group B), each of which is further divided into sub-groups. All customers must be located in SDG&E's service territory and must have an SDG&E approved interval meter or Smart meter that can measure energy consumption, at least hourly, and if applicable, can measure exported energy. The following terms and conditions pertain to Group B and its two sub-groups (a separate set of terms and conditions has been provided for Group A), as defined in Attachment 1 to D.21-03-056.

**Group B: Market-integrated proxy demand response (PDR) resources**

- Sub-Group B.1. – Third-party DR Providers (DRPs)
- Sub-Group B.2. – SDG&E Capacity Bidding Programs (CBPs)

Additional descriptions for each sub-group in Group B are provided below:

**2.1.1 Sub-Group B.1 – Third Party Demand Response Providers (DRPs)**

A third Party DRP with a market-integrated Proxy Demand Resource (PDR) is eligible to participate in the ELRP.

For each registered service account, the third-party DRP must provide information about the service account's back-up generation (BUG) location, type of fuel used, the capacity of the generator, and the notice or ramp time for the generator that may be used during ELRP events.

See Compensation in Section 4 for baseline, settlement, and invoicing requirements pertaining to the third-party DRP's PDR Resource ID.

### **2.1.2 Sub-Group B.2 – Capacity Bidding Program (CBP) PDR Resources**

Third-party aggregators (Aggregators) or self-aggregated customers (Participants) enrolled and participating in SDG&E's Capacity Bidding Program are eligible to participate in the ELRP.

#### **Enrollment Process**

Third Party Providers involved in Sub-Group B are requested to affirm their intent to Participate in the ELRP, including acceptance of the Terms and Conditions and any agreements that may be developed to support third-party providers participation in the ELRP.

For each nominated account, the CBP Aggregator or Participant must provide information about the customer's back-up generation (BUG) location, type of fuel used, and the capacity of the generator, and the notice or ramp time for the generator that may be used during ELRP events.

See Compensation in Section 4 for baseline, settlement, and invoicing requirements.

### **3. Program Parameters**

#### **3.1 Program Availability**

- An ELRP event can be dispatched from May 1 through October 31 each year for the five-year pilot period (2021-2025).
- An ELRP event can occur any day of the week (Sunday – Saturday) during the hours of 4:00 p.m. to 9:00 p.m.
- ELRP events shall be a minimum of one (1) hour and a maximum of five (5) hours.
- ELRP will have an annual dispatch maximum limit of sixty (60) hours.

#### **3.2 Program Trigger**

ELRP may be activated after the CAISO issues or declares a day-ahead (DA) Alert. A CAISO Alert is defined by the “Alert, Warning, Emergency (AWE)” process in CAISO Operating Procedure 4420.

There is presently no Group B Day-Of (DO) trigger for the ELRP.

An ELRP event cannot be triggered by SDG&E for a localized transmission or distribution emergency.

The duration of the ELRP event (e.g. the start and end time) shall follow the possible system reserve deficiency stated in the Alert Notice. For example, in the Statewide Alert Notice below, CAISO forecasted a possible system reserve deficiency between the hours of 17:00 (5 p.m.) and 21:00 (9 p.m.). Therefore, in this example, an ELRP Event for Group B would be from 17:00-21:00 (5 p.m. to 9 p.m.).

Sample below:

## STATEWIDE ALERT NOTICE [202002418]

The California ISO hereby issues a CAISO Grid  
ALERT Notice,  
effective 08/14/2020 17:00 through  
08/14/2020 21:00.

### Reason:

The CAISO is forecasting a possible system  
reserve deficiency between the hours of  
1700-2100 and is requesting additional  
Ancillary Service and energy bids.

In the future, when the CAISO completes the transition from the current AWE process to the North American Electric Reliability Corporation (NERC) Energy Emergency Alert (EEA) standards, then the AWE declarations shall be replaced with the equivalent NERC EEA level notice.

### **3.2.1 Group B Event Notifications**

SDG&E will not notify Group B participants of the start time and duration of the ELRP event. ELRP Events for Group B participants will be specified in the CAISO Alert Notice.

### **3.3 Group B Test Events**

There are no ELRP Test Events for Group B participants.

#### **4. Compensation**

Participation during an ELRP event is entirely voluntary, and no financial penalties will result from not meeting or exceeding the nominated target load reduction during the event.

The incremental load reduction (ILR) is defined as the load reduction achieved during an ELRP event incremental or relative to the non-event applicable baseline and/or any other existing commitment. Only ILR is eligible for compensation under ELRP.

Any load reduction technology may be used during an ELRP event to achieve ILR. BUGs or Prohibited Resources may be used in compliance with Rule 21 and other applicable regulations and permits during an ELRP event to achieve ILR, including during the overlapping period with an independently triggered event in a dual-enrolled DR program, but only for achieving load reduction incremental to any other existing commitment (e.g., under a dual-enrolled DR program).

There are no penalties for non- or under-performance.

If applicable, SDG&E may withhold a Participant's ELRP incentives until data or information about the customers' back-up or onsite generation resources (e.g. Prohibited Resources) is provided. Data will be collected in 2021 and 2022. Participants are required to provide information about the location, type of fuel used, the capacity of the generator, and the notice or ramp time for the generator that may be used during ELRP events.

## **4.1 Incentive Rate**

The ELRP Compensation Rate (ECR) is \$1 per kilowatt-hour (\$1/kWh) for verified load shed.

## **4.2 Incentive Calculation**

Compensation for load reduction delivered during an ELRP event is determined by calculating the product of ILR and ECR. The ELRP incentive calculation for Group B varies. Details are provided below.

### **4.2.1 Group B**

To construct the ELRP baseline for measuring a Group B PDR's ILR contribution during an ELRP event, the applicable CAISO baseline will be modified to account for the following:

- 1) Count net exports to the distribution grid by customer locations within the PDR aggregation that comply with Rule 21 and other applicable permits;
- 2) Exclude prior days with other ELRP events when selecting the set of "non-event, but similar" days when calculating the baseline;
- 3) Exclude applicable preceding hours with either CAISO market awards or another ELRP event on the day of the ELRP event when calculating the same-day adjustment (SDA) to the calculated baseline in step 2, and
- 4) Allow the SDA in step 3 to be no greater than +/-100%.

#### **4.2.2 Baseline and Settlement Calculations for Group B**

For participation in ELRP under Group B, a DRP must construct a PDR Portfolio consisting of only 1) PDRs with RA assignment or PDRs without RA assignment (but not both) and 2) PDRs limited to SDG&E's service territory (thus, a DRP may have up to six PDR portfolios participating in ELRP).

The CAISO settled aggregated load during an ELRP event is modified to count net energy exported to the distribution grid by any customer location within the PDR aggregation, subject to each customer's exporting limit under its Rule 21 interconnection agreement.

Following an ELRP event, the DRP's scheduling coordinator (SC) is responsible for determining the following:

- 1) ELRP Event Performance (total load reduction during the ELRP event) of each PDR in the DRP's PDR Portfolio by applying the applicable ELRP modified baseline to the PDR's modified aggregated load settled during the ELRP event.
- 2) ILR of each PDR by subtracting the CAISO scheduled award quantities, inclusive of day-ahead market (DAM) and real-time market (RTM), from the PDR's ELRP Event Performance. If the total market award for the PDR during the ELRP event is zero, then ILR of the PDR equals the ELRP Event Performance.

3) The ELRP Event Compensation due for each PDR by adding all interval specific ELRP Compensations across all applicable intervals of the ELRP event, subject to the following:

a) The interval-specific ELRP Compensation in each applicable interval of the ELRP event is obtained by subtracting 1) any CAISO market payments for any portion of the load reduction counted in the interval-specific ILR and 2) the interval-specific CAISO Opportunistic Revenue (COR), defined below, from 3) the interval-specific Product of the ECR and the interval-specific ILR (see illustration below).

If the interval-specific ILR is negative, then the interval-specific ELRP Compensation is set to zero in that interval.

If the interval-specific COR is greater than the interval-specific Product, then the interval-specific ELRP Compensation is set to zero in that interval.

b) The interval-specific COR is the product of the interval-specific Market Eligible Capacity (MEC), defined below based on the interval-specific CAISO Market Event Performance (MEP) determined under applicable CAISO market baseline, and the interval-specific CAISO Clearing Price Delta (CCPD), defined below.

i. MEC:

1. If the total CAISO scheduled award quantity in an interval is non-zero and the interval-specific MEP is less than or equal to the total CAISO scheduled award quantity in the interval, then the interval-specific MEC is set to zero.
2. If the total CAISO scheduled award quantity in an interval is non-zero and if the interval-specific MEP is greater than the total CAISO scheduled award quantity in the interval and less than or equal to the Qualifying Capacity (QC) of the PDR in that interval, then the interval-specific MEC is equal to the interval-specific MEP minus the interval-specific total CAISO scheduled award quantity.
3. If the total CAISO scheduled award quantity in an interval is non-zero and if the interval-specific MEP is greater than the Qualifying Capacity (QC) of the PDR in that interval, then the interval-specific MEC is equal to the interval-specific QC of the PDR minus the interval-specific total CAISO scheduled award quantity.

If the PDR has no assigned QC in the above cases, then the QC is replaced by the PDR's "PMin" parameter on record in the CAISO Master File applicable to the interval. Additionally, if the PMin value is less than the total CAISO scheduled award quantity in an interval, then the interval specific MEC is set to zero.

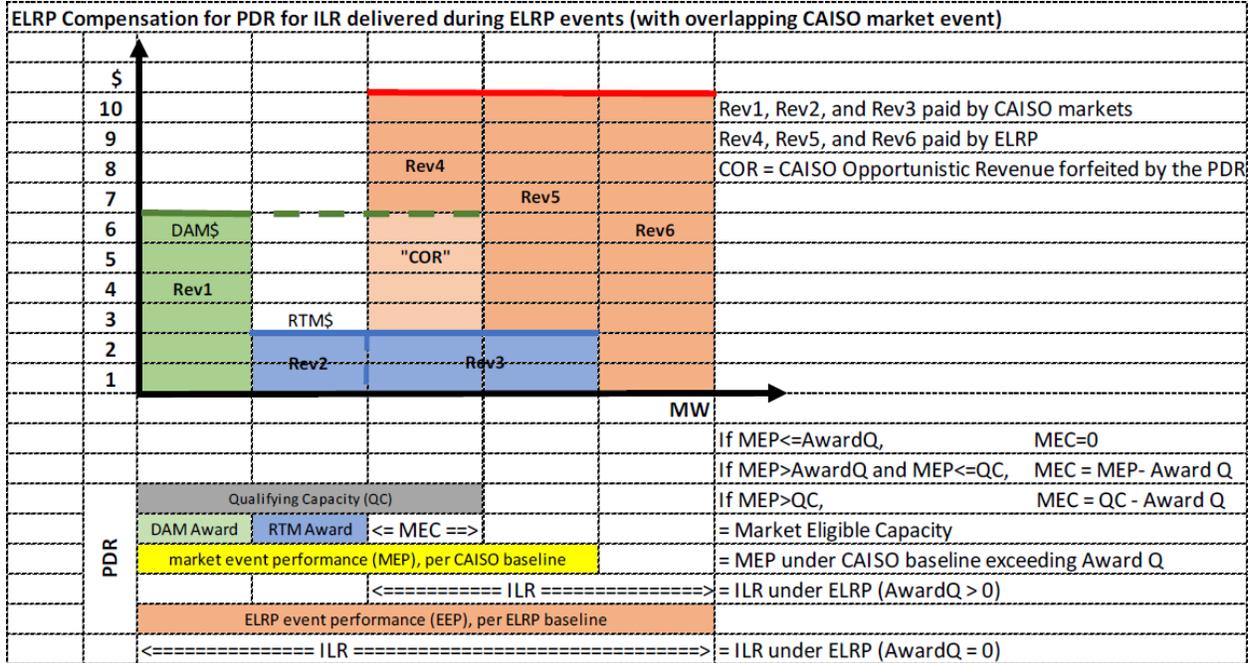
ii. CAISO Clearing Price Delta (CCPD):

For a PDR participating in the DAM only (that is, "long-start" PDR), the interval-specific CCPD is the DAM clearing price in that interval.

For a PDR participating in the RTM, the interval specific CCPD is equal to the higher of the DAM or RTM clearing price in that interval minus the lower of the DAM or RTM clearing price in that interval.

1. PDR Portfolio Level Net Event

Compensation across all PDRs in the DRP's Portfolio.



### **4.2.3 Invoicing for Sub-Group B.1**

To receive ELRP compensation, the DRP shall submit an aggregate invoice each quarter for the Cumulative Portfolio Level Net Event Compensation of each PDR Portfolio.

For the purposes of invoicing, the quarterly period and applicable invoicing dates are as follows:

- First quarter consists of May, June and July. Invoices for the First Quarter period are due by September 30 of the same calendar year.
- Second Quarter consists of August, September and October. Invoices for the Second Quarter period are due by December 31 of the same calendar year.

DRPs shall submit their invoices to SDG&E's organization responsible for administering Demand Response Auction Mechanism (DRAM) invoices or designee.

The Cumulative Portfolio Level Net Event Compensation of a PDR Portfolio over one Quarter is determined by summing the Portfolio Level Net Event Compensation across all ELRP events in that Quarter. If applicable, any impact on DRAM performance is the responsibility of the seller.

The invoice shall be accompanied with the supporting data and/or templates as defined by the ELRP Program Administrator, including but not limited to PDR-specific ELRP Event Performance, ILR, applicable market awards during the event, applicable CAISO market payments for load reductions counted in the ILR, and ELRP Event Compensation.

SDG&E reserves the right to audit and verify the invoice as needed. SDG&E will settle the invoice within 60 days of the invoice date absent the need for additional information, which would set the 60 days from the time all additional information is received in order to process the invoice. (e.g. SDG&E will settle invoices within 60 days after a disputed or incomplete invoice has been resolved to SDG&E's satisfaction).

#### **4.2.4 Invoicing for Sub-Group B.2.**

SDG&E will be responsible for calculating baselines, settlements, and issuing payments to CBP Aggregators and/or Participants pursuant to SDG&E Schedule CBP.

To receive ELRP compensation, CBP Aggregators and/or Participants shall submit an aggregate invoice each quarter for the Cumulative Portfolio Level Net Event Compensation of each PDR Portfolio.

For the purposes of invoicing, the quarterly period and applicable invoicing dates are as follows:

First quarter consists of May, June and July. Invoices for the First Quarter period are due by September 30 of the same calendar year.

Second Quarter consists of August, September, and October. Invoices for the Second Quarter period are due by December 31 of the same calendar year.

CBP Aggregators and/or Participants shall submit invoices to SDG&E's Accounts Payable.

The Cumulative Portfolio Level Net Event Compensation of a PDR Portfolio over one Quarter is determined by summing the Portfolio Level Net Event Compensation across all ELRP events in that Quarter.

The invoice shall be accompanied with the supporting data and/or templates as defined by the ELRP Program Administrator, including but not limited to, PDR-specific ELRP Event Performance, ILR, applicable market awards during the event, applicable CAISO market payments for load reductions counted in the ILR, and ELRP Event Compensation.

SDG&E reserves the right to audit and verify the invoice as needed. SDG&E will settle the invoice within 60 days of the invoice date absent the need for additional information, which would set the 60 days from the time all additional information is received in order to process the invoice (i.e., SDG&E will settle invoices within 60 days after a disputed or incomplete invoice has been resolved to SDG&E's satisfaction).

**PG&E Gas and Electric  
Advice Submittal List  
General Order 96-B, Section IV**

AT&T  
Albion Power Company

Alta Power Group, LLC  
Anderson & Poole

Atlas ReFuel  
BART

Barkovich & Yap, Inc.  
California Cotton Ginners & Growers Assn  
California Energy Commission

California Hub for Energy Efficiency  
Financing

California Alternative Energy and  
Advanced Transportation Financing  
Authority  
California Public Utilities Commission  
Calpine

Cameron-Daniel, P.C.  
Casner, Steve  
Cenergy Power  
Center for Biological Diversity

Chevron Pipeline and Power  
City of Palo Alto

City of San Jose  
Clean Power Research  
Coast Economic Consulting  
Commercial Energy  
Crossborder Energy  
Crown Road Energy, LLC  
Davis Wright Tremaine LLP  
Day Carter Murphy

Dept of General Services  
Don Pickett & Associates, Inc.  
Douglass & Liddell

East Bay Community Energy Ellison  
Schneider & Harris LLP Energy  
Management Service  
Engineers and Scientists of California

GenOn Energy, Inc.  
Goodin, MacBride, Squeri, Schlotz &  
Ritchie

Green Power Institute  
Hanna & Morton  
ICF

IGS Energy  
International Power Technology  
Intestate Gas Services, Inc.  
Kelly Group  
Ken Bohn Consulting  
Keyes & Fox LLP  
Leviton Manufacturing Co., Inc.

Los Angeles County Integrated  
Waste Management Task Force  
MRW & Associates  
Manatt Phelps Phillips  
Marin Energy Authority  
McKenzie & Associates

Modesto Irrigation District  
NLine Energy, Inc.  
NRG Solar

Office of Ratepayer Advocates  
OnGrid Solar  
Pacific Gas and Electric Company  
Peninsula Clean Energy

Pioneer Community Energy

Redwood Coast Energy Authority  
Regulatory & Cogeneration Service, Inc.  
SCD Energy Solutions  
San Diego Gas & Electric Company

SPURR  
San Francisco Water Power and Sewer  
Sempra Utilities

Sierra Telephone Company, Inc.  
Southern California Edison Company  
Southern California Gas Company  
Spark Energy  
Sun Light & Power  
Sunshine Design  
Tecogen, Inc.  
TerraVerde Renewable Partners  
Tiger Natural Gas, Inc.

TransCanada  
Utility Cost Management  
Utility Power Solutions  
Water and Energy Consulting Wellhead  
Electric Company  
Western Manufactured Housing  
Communities Association (WMA)  
Yep Energy