Term- and Auto-DLM Webinar

December 9, 2020

Agenda

- Competitive Procurement Framework

- Term- and Auto-DLM Programs

- Application Process and Schedule

- Evaluation and Contracts

- Customer Eligibility and Metering Requirements

- Customer Enrollment

- Performance Evaluation and Payments

- Contract Transfers

Competitive Procurement Framework
Long Term Contracts for DR Resources

- Contracts are awarded through a Request for Proposal (RFP) process

- Participants can seek 3-5 year contracts

- Capability Period for both programs is May 1 through September 30

- Bidders provide a single per kW Incentive Rate bid for each program which determines annual per kW compensation

- Once clearing bids are determined, Participants are given the chance to accept or reject a contract including all clearing bids

- Performance standards are more demanding than for CSRP and DLRP

- For this year only, the Procurement will be for both 2021 and 2022

Term – DLM
Key Features

- Purpose: Day ahead peak shaving (Similar to CSRP)

- System wide activation

  - Can activate at 88% of forecasted system peak

  - Will activate at 92% of forecasted system peak

  - 4-hour Call Windows as determined by Company (3pm – 7pm)

- 21-hour notifications

- Dual Participation with DLRP allowed

- One-hour test events

Auto – DLM
Key Features

- Purpose: Peak shaving and Reliability

- Participates in Term-DLM in addition to Auto-DLM Events

- System wide and/or Tier 2 locations

  - 10 min. notifications

- Cannot participate in CSRP or DLRP

- 7 days a week program

- Four-hour events, one-hour test events

Term – and Auto-DLM Programs
Customer Eligibility Overview

1) Customer Accounts cannot enroll in both Term- and Auto-DLM

2) Customer Accounts enrolled in Term-DLM may not enroll in CSRP, but CAN enroll in DLRP

3) Customer Accounts enrolled in Auto-DLM may not enroll in CSRP or DLRP

4) Customers participating in Term- or Auto-DLM must forgo DRV and LSRV payments **for as long as the Aggregator or Direct Participant's contractual obligation**

5) Net Energy Metering Customers may not enroll in Term- or Auto-DLM

6) Customers enrolling for the 2021 Capability Period must have Account numbers or be in the O&R Interconnection Queue

7) Customers already under contract for Non-Wires Solutions projects cannot participate in Term- or Auto-DLM

8) Term- or Auto-DLM may bid additional Load Relief capacity into future Non-Wires Solutions projects

9) Diesel generators are forbidden to participate in Term- or Auto-DLM

10) All other customers relying on generation to provide Load Relief must meet permit and emissions requirements

Application Process and Schedule
Key Dates

	Milestones	Dates for 2021 Vintage Year	Dates for 2022 Vintage Year
1	Release RFP	Monday, November 30, 2020	
2	Webinar	Wednesday, December 9, 2020	
3	Applicants submit clarification questions	Friday, December 11, 2020	
4	Responds to clarification questions	Friday, December 18, 2020	
5	Deadline for Aggregator enablement in Oracle & Applicants to express interest	Monday, January 4, 2021	
6	RFP response deadline	Friday, January 15, 2021	
7	RFP award/notification	Friday, February 12, 2021	
8	Contract execution date	Friday, February 26, 2021	
9	Early Exit Fee exercise & payment due	NA	Monday, November 1, 2021
10	Enrollment deadline	Thursday, April 1, 2021	Friday, April 1, 2022
11	Capability Period start	Saturday, May 1, 2021	Sunday, May 1, 2022

Application Process and Schedule
Process

- Applications will contain one Aggregation, which is a bid to provide a quantity of Load Relief

- Aggregations must specify

  1) Whether this is a Term- or Auto-DLM Aggregation

  2) Amount of Load Relief the Aggregation will supply in kW, broken up between Tier 1 and Tier 2 -> If accepted this becomes the Cleared Quantity

  3) The per kW Incentive Rate an Aggregation is seeking

  4) Desired contract length from 3-5 years

  5) Vintage Year (2021 or 2022)

- An Aggregation must have a minimum of 50 kW

- Separate submissions for the Term- and Auto-DLM Programs and for Vintage Years 2021 and 2022
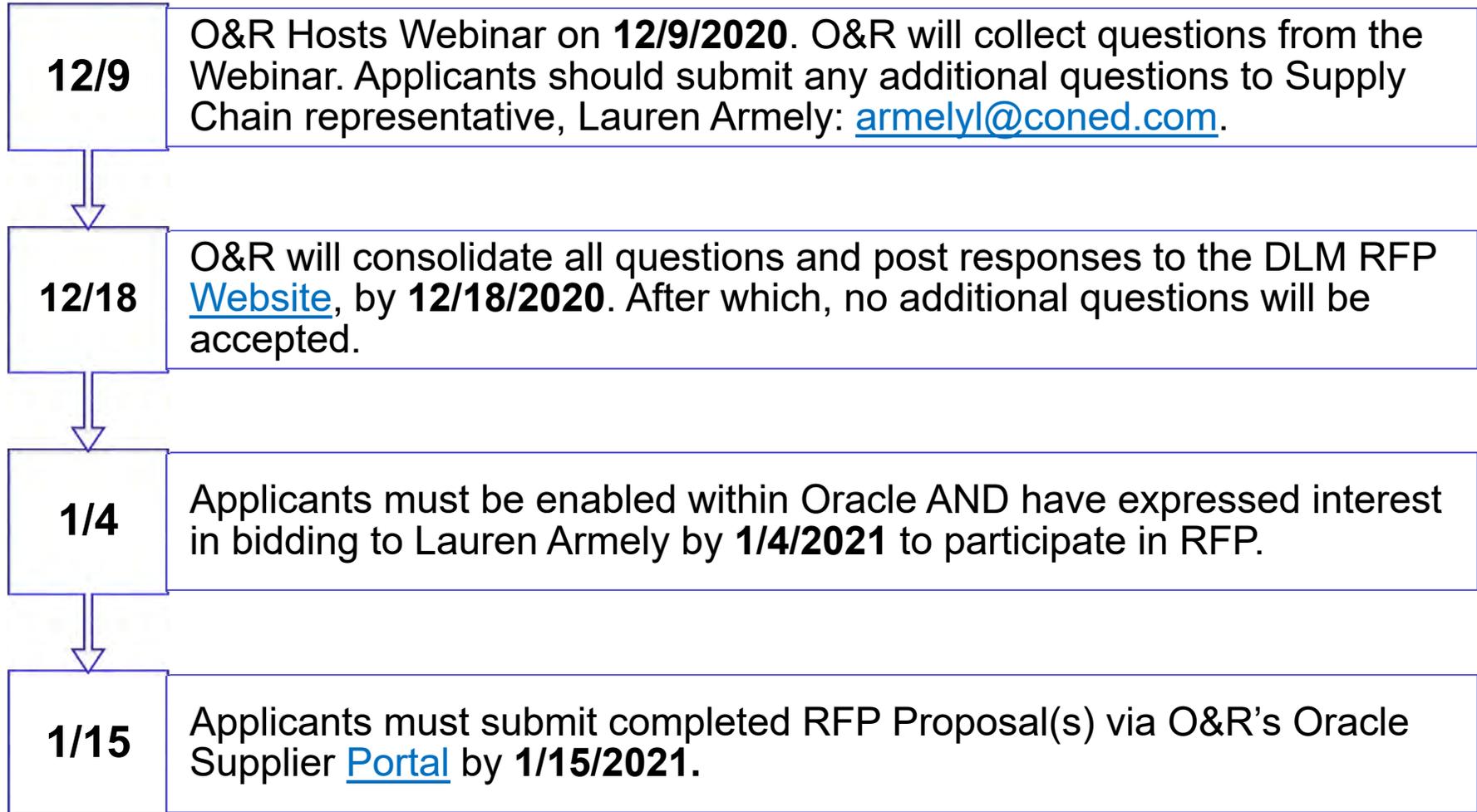
Application Process
Example

Program	Monthly per kW Incentive Rate (Fixed)	Annual per kW Incentive Rate	Annual Reservation Payment with 100% Performance
CSRP	$3		$3 x 5 months = $15
CSRP + DLRP	$3 + $5 = $8		$8 x 5 months = $40
Term-DLM		$20	$20
Auto-DLM		$50	$50

- Note: These values are for explanatory purposes only and do not imply clearance prices

Application Process and Schedule
Process

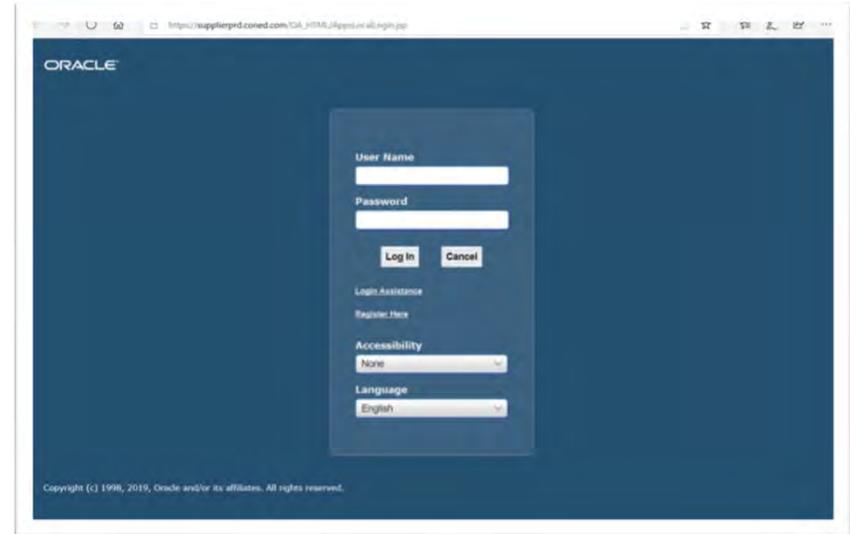|	
12/9	O&R Hosts Webinar on **12/9/2020**. O&R will collect questions from the Webinar. Applicants should submit any additional questions to Supply Chain representative, Lauren Armely: armelyl@coned.com.
12/18	O&R will consolidate all questions and post responses to the DLM RFP Website, by **12/18/2020**. After which, no additional questions will be accepted.
1/4	Applicants must be enabled within Oracle AND have expressed interest in bidding to Lauren Armely by **1/4/2021** to participate in RFP.
1/15	Applicants must submit completed RFP Proposal(s) via O&R's Oracle Supplier Portal by **1/15/2021.**

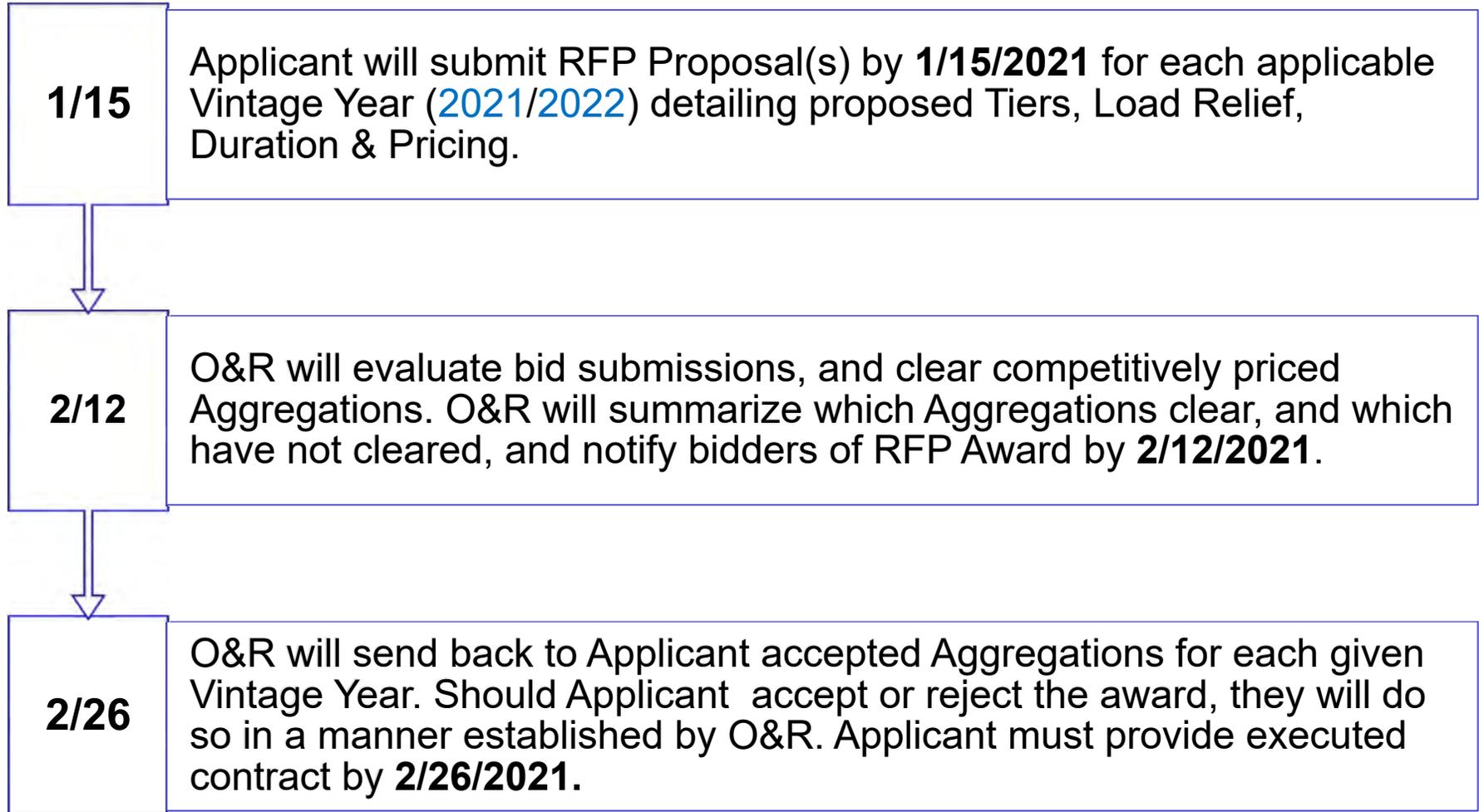# Application Process and Schedule
Process

- **January 4, 2021 – Important Deadlines for RFP Participation**
  - **Must be enabled in Oracle <u>and</u> formally express interest in participating**
  - **Oracle Enablement:**
    - Please use Internet Explorer to log into the Oracle iSupplier Homepage.
      - iSupplier Website
      - iSupplier User Guide
    - Log-in
      - **Username** (Your email address in all capital letters)
      - **Case-sensitive password** (included in workflow mailer).
      - If there are issues with the password, please click on '

        login assistance' to reset it. A new workflow mailer will be sent to your email address.
    - **Formally Express Interest:**
    - Applicants must email O&R's Supply Chain representative, Lauren Armely, via email: armelyl@coned.com

Application Process and Schedule
Process

1/15	Applicant will submit RFP Proposal(s) by **1/15/2021** for each applicable Vintage Year (2021/2022) detailing proposed Tiers, Load Relief, Duration & Pricing.
2/12	O&R will evaluate bid submissions, and clear competitively priced Aggregations. O&R will summarize which Aggregations clear, and which have not cleared, and notify bidders of RFP Award by **2/12/2021**.
2/26	O&R will send back to Applicant accepted Aggregations for each given Vintage Year. Should Applicant accept or reject the award, they will do so in a manner established by O&R. Applicant must provide executed contract by **2/26/2021.**

Application Process and Schedule
Submission Form

DLM APPLICANT PROPOSAL SUMMARY TEMPLATE - VINTAGE YEAR 2021

INSTRUCTIONS TO APPLCANTS: INPUT INTO YELLOW CELLS ONLY.

Applicant Submission For	
Applicant Name & Title	
Company Legal Name	
Applicant Email	
Applicant Phone Number	
Agreement Signature Email	
Agreement Signature Phone Number	
Applicant Submission Name	
Applicant Initials	
Total Pledged Load Relief (kW) in 2021 Term-DLM	0
Total Pledged Load Relief (kW) in 2021 Auto-DLM	0

- Two separate Excel files "DLM Applicant Proposal Summary Template" for each Vintage Year.
  - Three tabs within, including a cover sheet, Term-DLM proposal sheet, and Auto-DLM proposal sheet.
  - **Please read the instructions in red.**
  - **Only yellow cells can be changed.**

TERM-DLM PROPOSAL - VINTAGE YEAR 2021

INSTRUCTIONS TO APPLCANTS: **INPUT INTO YELLOW CELLS ONLY.**
One bid per program, no subaggregations.
Total Proposed Price ($/kW) is one final number, not broken up by Tier. Number should be representative of annual payment, not monthly.
All quantities, including load relief kW and $/kW should be rounded to the nearest whole number.
Duration must be between 3-5 years

Load Relief Area (TIER)	Pledged Load Relief (kW)	Proposed Price ($/kW)	Duration (Years)	TOTAL POTENTIAL ANNUAL COMPENSATION ($/kW)	TOTAL POTENTIAL CONTRACT COMPENSATION ($/kW)
TIER 1					
TIER 2				$0	$0
Total	0				

TIER LINK: https://www.oru.com/en/save-money/rebates-incentives-credits/incentives-for-business-customers/demand-response-incentives/demand-response-incentives-payment-options

AUTO-DLM PROPOSAL - VINTAGE YEAR 2021

INSTRUCTIONS TO APPLCANTS: **INPUT INTO YELLOW CELLS ONLY.**
One bid per program, no subaggregations.
Total Proposed Price ($/kW) is one final number, not broken up by Tier. Number should be representative of annual payment, not monthly.
All quantities, including load relief kW and $/kW should be rounded to the nearest whole number.
Duration must be between 3-5 years

Load Relief Area (TIER)	Pledged Load Relief (kW)	Proposed Price ($/kW)	Duration (Years)	TOTAL POTENTIAL ANNUAL COMPENSATION ($/kW)	TOTAL POTENTIAL CONTRACT COMPENSATION ($/kW)
TIER 1					
TIER 2				$0	$0
Total	0				

TIER LINK: https://www.oru.com/en/save-money/rebates-incentives-credits/incentives-for-business-customers/demand-response-incentives/demand-response-incentives-payment-options

Orange & Rockland

Application Process and Schedule
Useful Tips

- Begin the Aggregator Enrollment Process immediately if you are not already an O&R approved Aggregator by contacting hilowitzj@oru.com

- Register as a DER Provider with the PSC here if you plan to enroll residential customers

- Obligations associated with each Aggregation must be met separately with separate groups of customers -> The same customers cannot be enrolled in both Auto and Term DLM

- Participants will have to accept or reject the cleared Aggregation for a Vintage Year so please ensure that Incentive Rates are calculated accordingly

- Incentive Rates are based on a single per kW payment based on performance during the Capability Period -> Not a monthly Reservation Payment like CSRP and DLRP

- Ensure that all customers you are counting on will be able to enroll by April 1 and can satisfy both permitting and metering requirements

- Be mindful that aggregations that perform poorly can be subject to performance penalties or early termination

Evaluation and Contracts
Evaluation and Clearing

- All Aggregations will be evaluated individually

- O&R will use a Benefit-Cost Analysis framework to clear bids

- Term-DLM provides Load Relief value comparable to CSRP alone because Load Relief capabilities are similar

- Auto-DLM will be evaluated based on the Load Relief capabilities provided by both CSRP and DLRP

- Proposals for Auto-DLM will receive additional consideration compared to those for Term-DLM

- Tier 2 Areas are listed **here** and there is a link on the RFP Proposal Templates

Evaluation and Contracts
Contract Offers and Acceptance Options

- O&R will send signed contracts to successful bid winner

- Each contract will contain:

  - Program

  - Cleared Quantity Load Relief in kW

  - Incentive Rate

  - Tier 1 and Tier 2 breakdown

  - Length of obligation from 3-5 years

- Participants have the option of accepting or rejecting the terms in full

- Separate contracts will be offered for each Vintage Year

Customer Eligibility and Metering Requirements
Eligibility Requirements for Customers

- Customer must have an interval meter or an AMI meter

- There may be costs associated with installing an interval meter

- Meter installations for Customers participating in Term- or Auto-DLM must be completed by April 1

- For non-AMI Interval Meters Customers are responsible for ensuring adequate communications to ensure that Event performance data will be available

Customer Enrollment
Process

- Enrollments in DR Portal open March 1

- Only **APPROVED** Participants can access Portal

- Enrollment deadline is April 1

- Customer enrollment will be similar to CSRP/DLRP

- All customer enrollments must include:

  - Account Number

  - Program Choice (Term- or Auto-DLM)

  - Baseline Verification Methodology

  - Load Relief via Curtailment (kW, if any)

  - Vintage Year

  - Load Relief via Generation (kW, if any) and corresponding compliance documentation

Customer Enrollment
Strategy Considerations

- Customers must be enrolled to perform for a single cleared Aggregation

- Performance will reflect Load Relief provided by groups of Customers during Events relative to the Load Relief obligation of that Aggregation

- Ensure Customers can meet all enrollment and permitting requirements in time for April 1 enrollment deadline or risk performance penalties

- Verify that customers are not cross-registered for other DR Programs that would invalidate their Term- or Auto-DLM registration and that they have not registered with other program Participants

Performance Evaluation and Payments
Event Performance Assessment and Payments

- Event performance is calculated at an Aggregation level

- Average Seasonal Performance Factors across all events determine annual Reservation Payments along with Incentive Rates and Portfolio Quantity of Load Relief associated with an Aggregation

- Aggregations are eligible to earn both Reservation Payments and Performance Payments

- Performance Payments are based on kWh of Load Relief provided by Aggregation across events

- Poor performance across events can result in both financial penalties at the end of a season and early termination of Aggregations as part of a contract

Performance Evaluation and Payments
Early Exit Fees

- Each Aggregation has a Cleared Quantity of Load Relief in kW

- On November 1 prior to each Capability Period, Participants can pay an Early Exit Fee to reduce their Cleared Quantity by a Deficient Quantity, which establishes a new Portfolio Quantity for the remainder of the contract term

- Early Exit Fee = Incentive Rate ($/kW) X Deficient Quantity (kW) X Remaining Length of Contract (Years) X 10%

- All Early Exit Fees must be paid by November 1 prior to the Capability Period it takes effect for

- Paying an Early Exit Fee does not quash obligation to pay previously incurred financial penalties

- Participants who earn an Average Season Performance Factor of less than 0 can be:

  – Assessed financial penalties

  – Forced to terminate Aggregations before contract expiration and pay associated Early Exit Fees on those Aggregation

Performance Evaluation and Payments
Performance Calculations

- Load Relief provided during events is measured at an Aggregation level summing Load Relief provided by all customers associated with that Aggregation

- Participants can select a **Baseline Verification Methodology** for each Customer

- Event Performance Factor = Sum of Load Relief provided by Customers in an Aggregation / Portfolio Quantity -> Capped at maximum value of 1.00 and minimum value of 0.00

- Adjusted Performance Factor for Term-DLM = Event Performance Factor if ≤ 0.80

  – = Event Performance Factor – (0.80 – Event Performance Factor) if > 0.80

- Adjusted Performance Factor for Auto-DLM = Event Performance Factor if ≤ 0.90

  – = Event Performance Factor – (0.90 – Event Performance Factor) if > 0.90

- Average Season Performance Factor = Average of all Adjusted Performance Factors for Events held during a Capability Period

Performance Evaluation and Payments
Performance Calculation Example (Term-DLM)

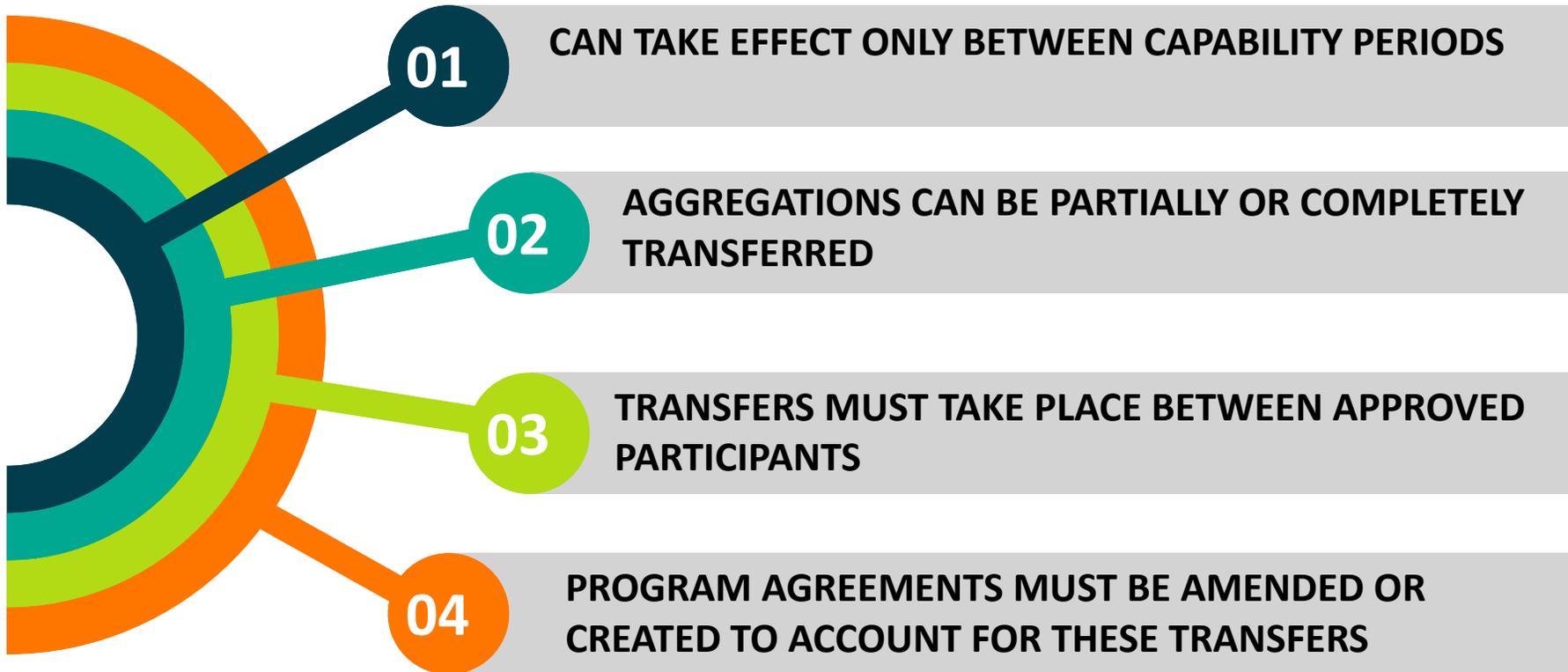| Event	Event Performance Factor	Adjusted Performance Factor	Average Season Performance Factor
Event 1	1.00	1.00	
Event 2	0.70	0.60	
Event 3	0.20	-0.40	
For season			1.20 / 3 Events = **0.40**

Performance Evaluation and Payments
Payment Timing and Calculation

- Both Reservation and Performance Payments will be issued once per year after the conclusion of the Capability Period

- Payments calculated at the Aggregation level

- Reservation Payment = Portfolio Quantity (kW) X Incentive Rate ($/kW) X Average Season Performance Factor

- If Average Season Performance Factor is less than 0, Aggregations will **OWE** penalties

  - These can be deducted from revenue earned by other Aggregations or invoiced separately

- Performance Payments = Aggregation Load Relief in kWh across all events X $1 per kWh

  - Performance Payments will not be paid based on the performance of customers simultaneously participating in a DLRP Event

  - Performance Payments will not be paid based on the performance of customers enrolled in Rider N

Contract Transfers
Aggregation Transfers

01 CAN TAKE EFFECT ONLY BETWEEN CAPABILITY PERIODS

02 AGGREGATIONS CAN BE PARTIALLY OR COMPLETELY TRANSFERRED

03 TRANSFERS MUST TAKE PLACE BETWEEN APPROVED PARTICIPANTS

04 PROGRAM AGREEMENTS MUST BE AMENDED OR CREATED TO ACCOUNT FOR THESE TRANSFERS

Q&A

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