

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

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

July 9, 2021

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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 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.

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 will be available starting 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.

Aggregators involved with Group A will need to affirm intent to participate in ELRP, including acceptance of terms and conditions and any agreements that may be developed to support third-party participation in ELRP no later than May 31, 2021.

1 Program Eligibility and Enrollment

1.1 Program Participant Criteria

ELRP eligible participants are divided into several sub-groups (A.1, A.2, A.3 and A.4). 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.¹

Group A: Select non-residential customers and aggregators not participating in DR programs

- Sub-Group A.1. – Non-Residential, Non-DR Customers
- Sub-Group A.2. – Base Interruptible Program (BIP) Aggregators
- Sub-Group A.3. – Rule 21 Exporting Distributed Energy Resources (DERs)
- Sub-Group A.4. – Virtual Power Plants (VPP)

Additional descriptions for each of these 4 sub-groups are provided below.

1.1.1 Sub-Group A.1 – Non-Residential Customers

Bundled and unbundled non-residential customers that meet all of the following criteria may directly participate in ELRP:

- Customer's service account is classified as non-residential²; and
- Customer's service account is not currently taking service on a Critical Peak Pricing (CPP) or real-time pricing (RTP) rate;³ and
- Customer's service account is not simultaneously enrolled in another DR program offered by an IOU, demand response provider (DRP), or Community Choice Aggregator (CCA), with the exception that dual enrollment is allowed in PG&E's Base Interruptible Program (BIP).

If an eligible BIP customer is participating with a BIP aggregator, then the BIP customer must participate under Sub-Group A.2. If the customer's BIP aggregator

¹ 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 Non-residential consists of Commercial, Industrial and Agricultural as well as Small Medium Business.

³ PG&E's existing non-residential CPP program is known as Peak-Day Pricing (PDP). PG&E does not currently offer an RTP.

chooses not to participate in ELRP, then a BIP customer may enroll and participate in ELRP under Sub-Group A.1.

1.1.1.1 Enrollment Process for Sub-Group A.1

Qualifying individual customers can directly apply and enroll with PG&E at elrp.olivineinc.com. At the time of enrollment, or at designated times during the ELRP pilot, customers must nominate⁴, unless exempt, an estimated target load reduction quantity to be achieved during an ELRP event and, if applicable, must provide information about their 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, that may be used during ELRP events, and (4) the notice or ramp time for the generator that may be used during ELRP events.

BIP customers who are currently enrolled with a third-party aggregator should contact their aggregator for enrollment options.

1.1.2 Sub-Group A.2 – Base Interruptible Program Aggregators

Third-party aggregators participating in PG&E's Base Interruptible Program (BIP) are eligible to participate in ELRP. Eligible BIP aggregators can only add bundled and unbundled non-residential service accounts for ELRP that are participating under the aggregator's BIP portfolio and meet the following criteria:

- Customer's service account is classified as non-residential; and
- Customer service account is not currently taking service on a Critical Peak Pricing (CPP) or real-time pricing (RTP) rate schedule.

1.1.2.1 Application Process

Sub-Group A.2 applicants can enroll into the ELRP by contacting the Program Administrator under Section 1.1.1.1 titled Enrollment Process.

At the time of enrollment, or at designated times during the ELRP pilot, the BIP aggregator, if applicable, must provide information about their customer's back-

⁴ Note that originally PG&E intended to waive the nomination requirement for SMB customers; however, the CPUC determined this would be inconsistent with D.21-03-056

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 ELRP events.

1.1.3 Sub-Group A.3 – Rule 21 Exporting Distributed Energy Resources

Bundled and unbundled non-residential customers that meet all of the following criteria may directly participate in ELRP:

- Customer's service account is not simultaneously enrolled in any market-integrated DR program offered by PG&E, a third-party DRP, or CCA; and
- Customer's service account possesses a behind-the-meter (BTM) Rule 21-interconnected device (including Prohibited Resources/BUG) with an existing Rule 21 export permit; and
- Customer's BTM Rule 21 physical interconnected device has a minimum capacity of 25 kW and is able to export a minimum of 25 kW for at least one hour in compliance with Rule 21 and other applicable regulations and permits during an ELRP event.

Government agencies who own electric vehicles and their associated charging equipment that are located on a service that is electrically contiguous to a facility also owned by that agency, with the electrically contiguous facility possessing continuous export permission to operate may be granted a limited deviation by PG&E to facilitate the agency's participation in ELRP under Sub-Group A.3. The government agency requesting a deviation to PG&E's electric Rule 21, with its scope limited to the duration of an ELRP event, for an agency that wishes to export energy from its electric vehicles and can utilize that portion of the previously approved continuous export permission to operate that is unutilized during the ELRP event. This potential interconnection pathway for government fleets to use an existing Rule 21 Permission to Operate, where available, does not limit a government fleet from using any other approved Rule 21 interconnection pathway.

1.1.3.1 Application Process

Sub-Group A.3 applicants can enroll into the ELRP by contacting the Program Administrator identified under Section 1.1.1.1 titled Enrollment Process.

At the time of enrollment, or at designated times during the ELRP pilot, the BIP aggregator must nominate, unless exempt, an estimated target load reduction quantity for each eligible account to be achieved during an ELRP event and, if applicable, 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 ELRP events.

1.1.4 Sub-Group A.4 – Virtual Power Plants

A third-party aggregator managing a BTM hybrid Virtual Power Plant (VPP) consisting of storage paired with net energy metering (NEM) solar deployed with residential (bundled or unbundled) or non-residential (bundled or unbundled) customers, whose VPP meet all of the following criteria, is eligible participate in ELRP:

- The VPP or any customer site within the aggregation is not simultaneously enrolled in a market-integrated DR program offered by PG&E, a third-party DRP, or CCA; and
- A customer site within the aggregation is not currently taking service on a CPP or RTP rate schedule; and
- All sites within the VPP aggregation are located within PG&E's service territory; and
- The aggregated BTM storage capacity of the VPP is a minimum of 500 kW, where the VPP size is determined by summing the Rule 21 interconnected capacity of the individual storage devices comprising the aggregation, and
- Each site within the VPP aggregation has a Rule 21 export permit.

1.1.4.1 Application Process

Sub-Group A.4 applicants can enroll into the ELRP by contacting the Program Administrator identified under Section 1.1.1.1 titled Enrollment Process.

At the time of enrollment, or at designated times during the ELRP pilot, the VPP aggregator must nominate an estimated target load reduction quantity for each eligible accounts to be achieved during an ELRP event and, if applicable, 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 ELRP events.

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

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. The ELRP utilizes Day-Ahead (DA) and Day-Of (DO) triggers based on CPUC guidance. 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.

2.2.1 Group A

PG&E shall notify Group A participants the start time and end time of the ELRP event. Notification can occur through email, call, or text. Customers or participants with connected Automated Demand Response (AutoDR or ADR) technology may also receive a notification.

2.3 Test Events

PG&E will conduct one test event, with a two-hour duration, per year for Group A participants. Each Group A participant, except for those relying exclusively on prohibited resources, is required to participate in test events. **Use of prohibited resources during a test event is not permitted and should not be compensated.** Otherwise, all other incremental load reduction delivered during the ELRP test event is eligible for ELRP compensation set forth in Section 3 below.

3 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.

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, PG&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 for at least 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. Details are provided below.

3.2.1 Sub-Group A

To be eligible for compensation for an ELRP event, participant's ILR must be at least 50 percent of their pre-nominated load shed or exported energy quantity. A participant's ELRP compensation shall not exceed 200 percent of their pre-nominated load shed or exported energy quantity. However, a participant who is dually enrolled in BIP and ELRP will not have a pre-nomination requirement and therefore the 50 to 200 percent collar will not apply.⁵

3.2.1.1 Baseline for Sub-Groups A.1, A.3, and A.4.

Steps for calculating a participant's ELRP baseline:⁶

- 1) Calculate the Energy Baseline (EB) – A service account must have at least 10 days of interval meter data available in PG&E's billing system to have a valid baseline. Only the hourly average usage for the hours included in the event will be included in the EB determination.
- 2) The EB and Adjusted Energy Baseline (AEB) will all be calculated at the service account level. The EB and AEB will be calculated on an hourly basis using the average of the preceding *similar* days⁷, excluding those days when the customer: (1) was subject to an ELRP event, or (2) an event for a dually-enrolled DR program or rate, if applicable, or (3) was subject to a grid outage. *PG&E will elect to defer to exclude grid outages*

⁵ D.21-03-056, Attachment 1, pg. 10 stipulates that "...only the incremental reduction below the customer's pre-committed firm service level (FSL) is counted in ILR." Therefore, the FSLs serves as an implied ceiling from where a load reduction begins.

⁶ As it pertains to steps 2 and 3 under Section 3.2.1.1, PG&E seeks to limit the ELRP baseline to only one option for the ten-day selection or one option for the Day-Of adjustment by filing a Tier 1 Advice Letter consistent with D.21-03-056.

⁷ For weekday events, the 10 non-excluded weekdays will be selected; for weekend and holiday events, the 4 non-excluded weekend and holiday days will be selected.

from an ELRP baseline to a date no later than May 1, 2022 by filing an Advice Letter as permitted by D.21-03-056.

- 3) Calculate the Day-Of Adjustment Value (DOAV) – A DOAV shall not be less than 1.00 or greater than 1.40. The DOAV is a ratio of (a) the average load of the first three hours of the four hours prior to the event to (b) the average load of the same hours from the days selected in accordance with Step 2 above.
- 4) Calculate the Adjusted Energy Baseline (AEB) – A service account's AEB for an ELRP event is calculated by multiplying the EB by the DOAV.

3.2.1.2 Sub-Group A Special Conditions

- 1) In the case of customers dual enrolled in BIP and ELRP, for overlapping BIP and ELRP events, only the incremental reduction below the customer's pre-committed firm service level (FSL) for BIP is counted in ILR.
 - a) Load reduction by dual-enrolled BIP customers during an ELRP event outside of a BIP event is excluded from ILR (and not eligible for ELRP compensation).
 - b) Load reduction by dual-enrolled BIP customers during an ELRP event on a day with no BIP event is excluded from ILR (and not eligible for ELRP compensation).
- 2) If the customer has a Rule 21 interconnected device with export capability and permit, the customer may choose to count exported energy in ILR. In that case, the applicable ELRP baseline is modified to account for exported energy during non-event days and count exported energy in ILR.

3.2.1.3 Settlement Calculations for Sub-Group A.3.

For a customer on a CPP or RTP equivalent tariff, the ELRP baseline is deemed to be zero and only exported energy is counted in ILR.

For a customer not on a CPP or RTP equivalent tariff, the ELRP baseline defined under A.1 is utilized and modified to account for exported energy during non-event days and exported energy is counted in ILR.

3.2.1.4 Settlement Calculations for Sub-Group A.4.

The aggregator selected CPUC approved baseline for IOU's CBP is utilized and modified to account for exported energy during non-event days and count exported energy in ILR.