Term- and Auto-DLM Webinar

November 18, 2022

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

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Updates
2023 Vintage Year Program Changes

- Revisions to the Term- and Auto-DLM bid evaluation procedure

- A requirement that if a day-ahead notification for Term- or Auto-DLM is issued, charging between 11AM and midnight will be barred

- New restrictions on enrollments across multiple demand response programs

- Changes to the implementation of penalties and Early Exit Fees

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Term- and Auto-DLM Overview
Long Term Contracts for DR Resources

- Competitively procured long term contracts vs. yearly enrolled Rider T programs

- 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 for each bid 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

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

- 21-hour notifications

- One-hour test events

- Dual Participation with DLRP allowed with same Aggregator

Manhattan Networks

About Tableau maps: www.tableausoftware.com/mapdata

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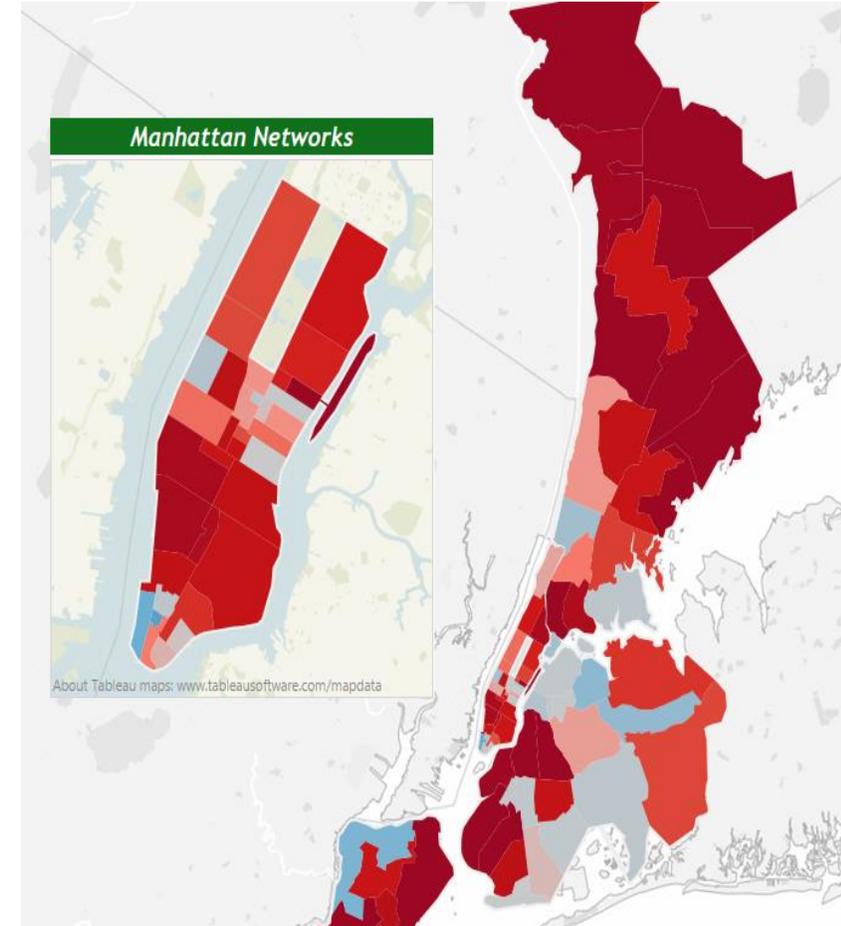
Term – DLM
Load Forecast Threshold + Event Frequency

Year	92 Percent of Forecasted Summer System Peak (kW)	88 Percent of Forecasted Summer System Peak (kW)	Number of Planned CSRP Events	Weekdays above 88 Percent of Forecasted Summer System Peak
2018	12,300	11,800	4	12
2019	12,300	11,800	2	4
2020	12,100	11,600	0	3
2021	11,900	11,400	4	6
2022	11,600	11,100	6	8

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Auto – DLM
Key Features

- Purpose: Peak shaving and Reliability

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

- System wide and/or one or several networks

  - At least 10 min. notifications

- 7 days a week program

- Four-hour events, one-hour test events

- Cannot participate in CSRP or DLRP
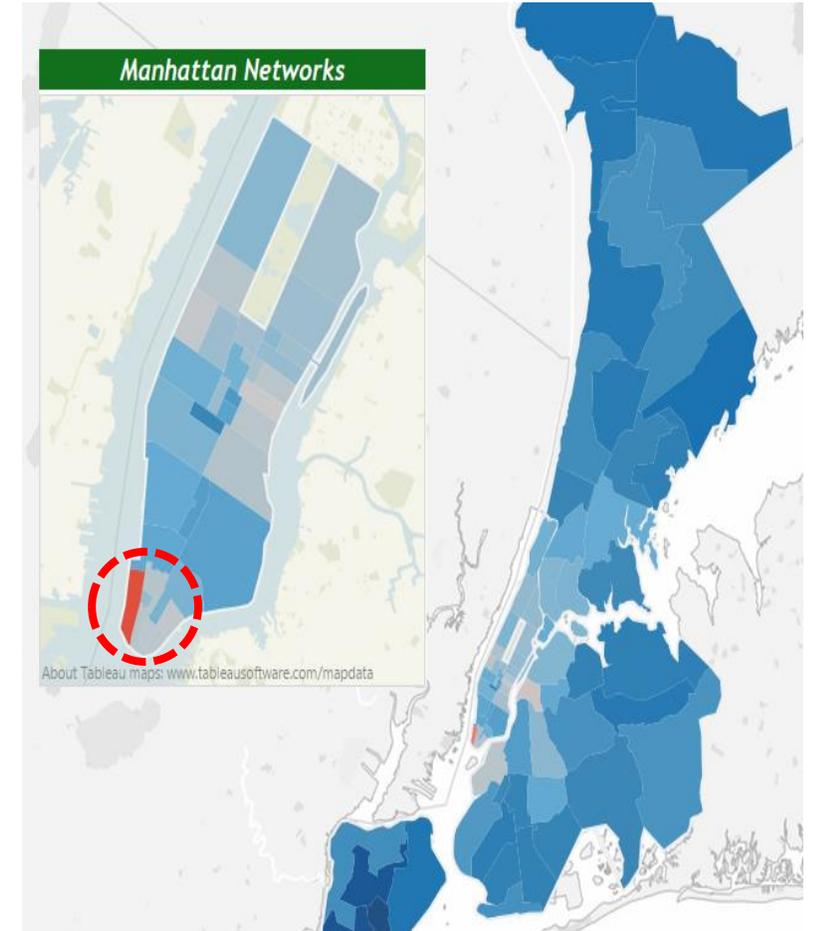
Auto – DLM
Past DLRP Event Calling Frequency

Year	Days with DLRP Events	Maxiumum Events any Network was Called For	Test Events
2018	4	2	1
2019	8	5	1
2020	18	13*	1
2021	9	4	1
2022	8	2	1

* In 2020 three networks faced a multiday contingency causing a large number of events to be called in a short period

Application Process and Schedule
Key Dates

	Milestones	Dates for 2023 Vintage Year
1	Release RFP	Friday, November 11, 2022
2	Webinar	Friday, November 18, 2022
3	Applicants submit clarification questions	Monday, December 5, 2022
4	Responds to clarification questions	Friday December 16, 2022
5	RFP Response Deadline	Friday, February 3, 2023
6	RFP award/ notification	Friday, March 3, 2023
7	Contract execution date	Friday, May 5, 2023
8	Early Exit Fee exercise & payment due	Wednesday, November 1, 2023
9	Enrollment deadline	Monday, April 1, 2024
10	Capability Period start	Wednesday, May 1, 2024

Application Process and Schedule
Process

- Applications will contain one or more Aggregations, which are bids to provide a quantity of Load Relief in a Network, **successful Applicants will have to accept all Aggregations they are cleared for**

- Aggregations must specify

  1) Amount of Load Relief the Aggregation will supply in kW -> If accepted this becomes the Cleared Quantity

  2) The per kW Incentive Rate an Aggregation is seeking: Participants who perform perfectly on all events will earn an annual per kW Reservation Payment equivalent to this Incentive Rate which is paid at the end of the season

  3) The Network Load Relief will be supplied in

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

  5) Desired contract length from 3-5 years

- Each row represents a separate Aggregation

- As many as three Sub-aggregations can be submitted for each Network so long as each provides 50 kW of Load Relief. Each of these will be evaluated separately for clearing purposes.

Application Process
Example

Program	Monthly per kW Incentive Rate (Fixed)	Annual per kW Incentive Rate (Bid)	Annual Reservation Payment with 100% Performance
CSRP	$18		$18 x 5 months = $90
CSRP + DLRP	$18 + $18 = $36		$36 x 5 months = $180
Term-DLM		$90	$90
Auto-DLM		$180	$180

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

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Application Process and Schedule
Process

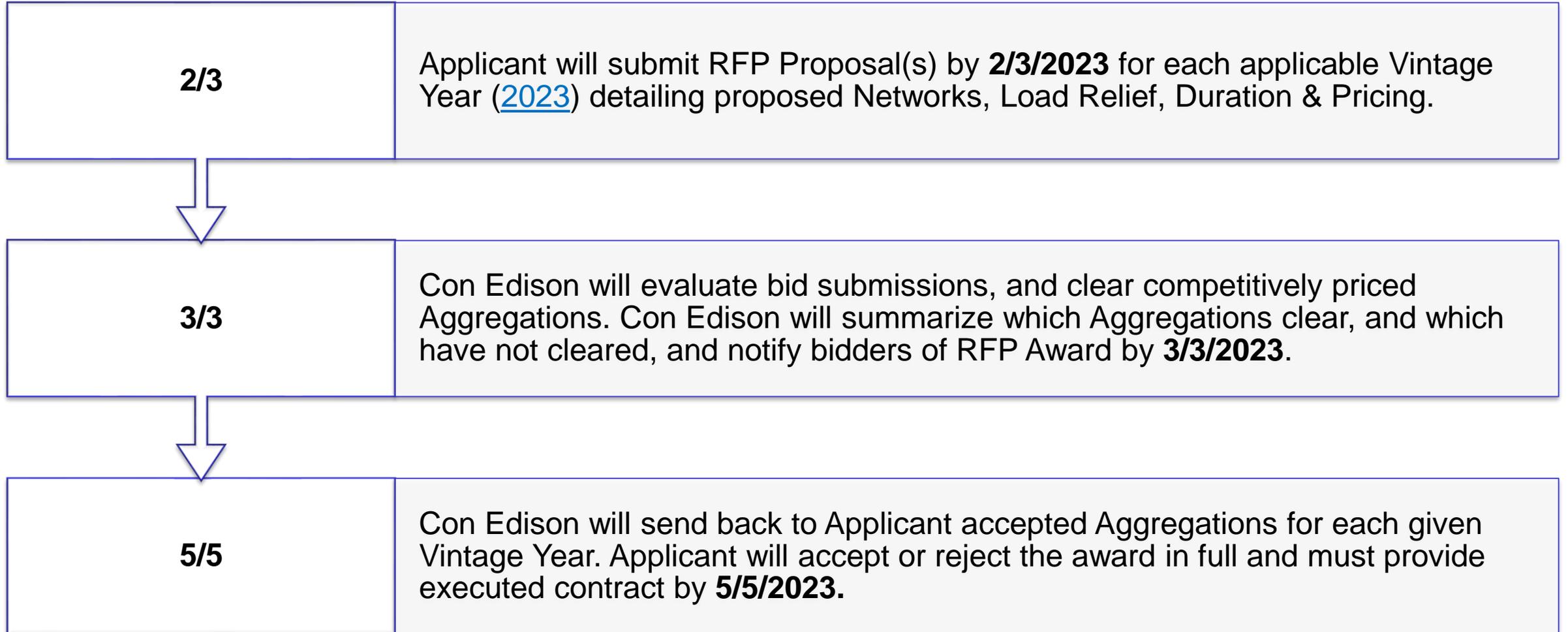|	
11/18	Con Edison Hosts Webinar on **11/18/2022**. Con Edison will collect questions from the Webinar. Applicants should submit any additional questions to demandresponse@coned.com.
12/16	Con Edison will consolidate all questions and post responses to the DLM RFP Website, by **12/16/2022**. After which, no additional questions will be accepted.
2/3	Applicants must submit completed RFP Proposal(s) to demandresponse@coned.com

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Application Process and Schedule
Process

2/3	Applicant will submit RFP Proposal(s) by **2/3/2023** for each applicable Vintage Year ([2023](#)) detailing proposed Networks, Load Relief, Duration & Pricing.
3/3	Con Edison will evaluate bid submissions, and clear competitively priced Aggregations. Con Edison will summarize which Aggregations clear, and which have not cleared, and notify bidders of RFP Award by **3/3/2023**.
5/5	Con Edison will send back to Applicant accepted Aggregations for each given Vintage Year. Applicant will accept or reject the award in full and must provide executed contract by **5/5/2023.**

Application Process and Schedule
Submission Form

- Excel file "DLM Applicant Proposal Summary Template" for the 2024 Vintage Year.
  - Three tabs within, including a cover sheet, Term-DLM proposal sheet, and Auto-DLM proposal sheet.

DLM APPLICANT PROPOSAL SUMMARY TEMPLATE - 2023

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	
Applicant Proposal Summary Vintage Year 2023	AUTO CALCULATED FROM TABS 2 & 3 [DO NOT MODIFY]
Total Pledged Load Relief (kW) in 2023 Term-DLM	-
Total Pledged Load Relief (kW) in 2023 Auto-DLM	-

Application Process and Schedule
Submission Form

- Term- and Auto-DLM inputs
  - Please read the instructions in red. Each Network may only include up to 3 sub-aggregations

TERM-DLM PROPOSAL - VINTAGE YEAR 2023

Borough	Load Relief Area (Network)	Aggregation #1 Pledged Load Relief (kW)	Aggregation #1 Price ($/kW)	Aggregation #2 Pledged Load Relief (kW)	Aggregation #2 Price ($/kW)	Aggregation #3 Pledged Load Relief (kW)	Aggregation #3 Price ($/kW)	Duration (Years)	TOTAL PLEDGED LOAD RELIEF (kW)	TOTAL POTENTIAL COMPENSATION ($/kW)
MN	Battery Park City	1	90					3	1	90
BK	Bay Ridge								0	#DIV/0!
MN	Beekman								0	#DIV/0!
QN	Borden								0	#DIV/0!
BK	Borough Hall								0	#DIV/0!
MN	Bowling Green								0	#DIV/0!
BK	Brighton Beach								0	#DIV/0!
WS	Buchanan								0	#DIV/0!
MN	Canal								0	#DIV/0!
WS	Cedar Street								0	#DIV/0!
BX	Central Bronx								0	#DIV/0!
MN	Central Park								0	#DIV/0!
MN	Chelsea								0	#DIV/0!
MN	City Hall								0	#DIV/0!
MN	Columbus Circle								0	#DIV/0!
MN	Cooper Square								0	#DIV/0!

Application Process and Schedule
Useful Tips

- Begin the Aggregator Enrollment Process immediately if you are not already a Con Edison approved Aggregator by contacting demandresponse@coned.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

- Participants will have to accept or reject all cleared Aggregations 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

- Ensure that all customers you are counting on will be able to enroll by April 1, 2024 and can satisfy both permitting and metering requirements

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

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Evaluation and Contracts
Evaluation and Clearing

- All Aggregations will be evaluated individually

- Con Edison 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

Evaluation and Contracts
Evaluation and Clearing

- The value attributed to Term-DLM Aggregations will be 60 percent of an equivalent Auto-DLM Tier 1 Aggregation

- Auto-DLM Aggregations in Tier 2 Networks and other priority Networks will be valued at 140 percent of an equivalent Auto-DLM Aggregation in Tier 1 Networks.

- Aggregations in Tier 2 Networks are listed on page 11 of **this document**

- The priority networks are Crown Heights, Ridgewood, and Richmond Hill because of projected distribution constraints

Evaluation and Contracts
Contract Offers and Acceptance Options

- Con Edison will send contracts to successful bid winners

- These contracts will list all Aggregations that have cleared

- Each line will contain:

  - Cleared Quantity Load Relief in kW

  - Incentive Rate

  - Network

  - Program

  - Length of obligation from 3-5 years

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

- Applicants cannot accept or reject individual Aggregations

Customer Eligibility and Metering Requirements
Eligibility Requirements for Customers

Customer falls under following category	Eligibility
Customer enrolled in DLRP	Cannot enroll in Auto-DLM
Customer enrolled in CSRP	
Customer enrolled in Rider L	
Customer under Contract for Non-Wires Solution Project	Cannot enroll in Term- or Auto-DLM
Customer enrolled in Net Energy Metering	
Diesel Generator	
In Term- or Auto-DLM	Forgo DRV and LSRV payments for as long as the Applicant's contractual obligations
	Must meet permit and emissions requirements, if relying on generation
	Aggregator/ customer relationship is exclusive *does not apply to the existing 2021/2022 Vintage Year Contracts
	May bid additional Load Relief capacity into future Non-Wires Solutions projects

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Customer Eligibility and Metering Requirements
Metering Requirements

- Customer must have an interval meter or an AMI meter

  - All customers will have AMI by 2023

  - See the **Con Edison Smart Meter website** for more details

- Customers >500 kW Demand

  - Con Edison may provide an interval meter at no cost

- Customers <500 kW Demand

  - The customer is responsible for interval meter costs

- 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

- The Enrollment deadline is April 1

- All Customer enrollments include:

  - Account Number

  - Program Choice (Term- or Auto-DLM)

  - Baseline Verification Methodology

  - Load Relief via Curtailment (kW, if any)

  - Sub-aggregation number if any

  - Vintage Year

  - For Customers using Generation:

    - Load Relief via Generation (kW)

    - Generator information including: Nameplate Capacity (kW), Asset Type, Capacity (kWh), Model year, Manufacturer, and any associated 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 3, 2023 enrollment deadline for an Aggregation or else those customers may not be able to provide Load Relief during the first Capability Period

- 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

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Performance Evaluation and Payments
Event Performance Assessment and Payments

- Early Exit Fees can be paid to reduce the Portfolio Quantity for an Aggregation over the remainder of a contract

- If an Aggregator fails to enroll Customers in an Aggregation, a cancellation can be implemented during a Capability Period and an Early Exit Fee will be assessed immediately

- 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

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Performance Evaluation and Payments
Early Exit Fees

- When Participants accept a contract, each Aggregation has a Cleared Quantity of Load Relief in kW

- Participants may declare a Deficient Quantity in an Aggregation to establish a new Portfolio Quantity for the remainder of the contract term. The notice of a deficient Quantity must be provided prior or on November 1st of the calendar year prior to the Capability Period.

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

- Payment of the Early Exit Fee is due within 30 days after an invoice is submitted to Applicant.

- Paying an Early Exit Fee does not quash obligation to pay already accumulated 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

- Early Exit Fees apply to the entire remaining length of the contract

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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** =

Program	Event Performance Factor	Adjusted Performance Factor
Term-DLM	≥ 0.80	= Event Performance Factor
	< 0.80	= Event Performance Factor – (0.80 – Event Performance Factor)
Auto-DLM	≥ 0.90	= Event Performance Factor
	< 0.90	= Event Performance Factor – (0.90 – Event Performance Factor)

- **Average Season Performance Factor** = Average of all Adjusted Performance Factors for Events held during a Capability Period
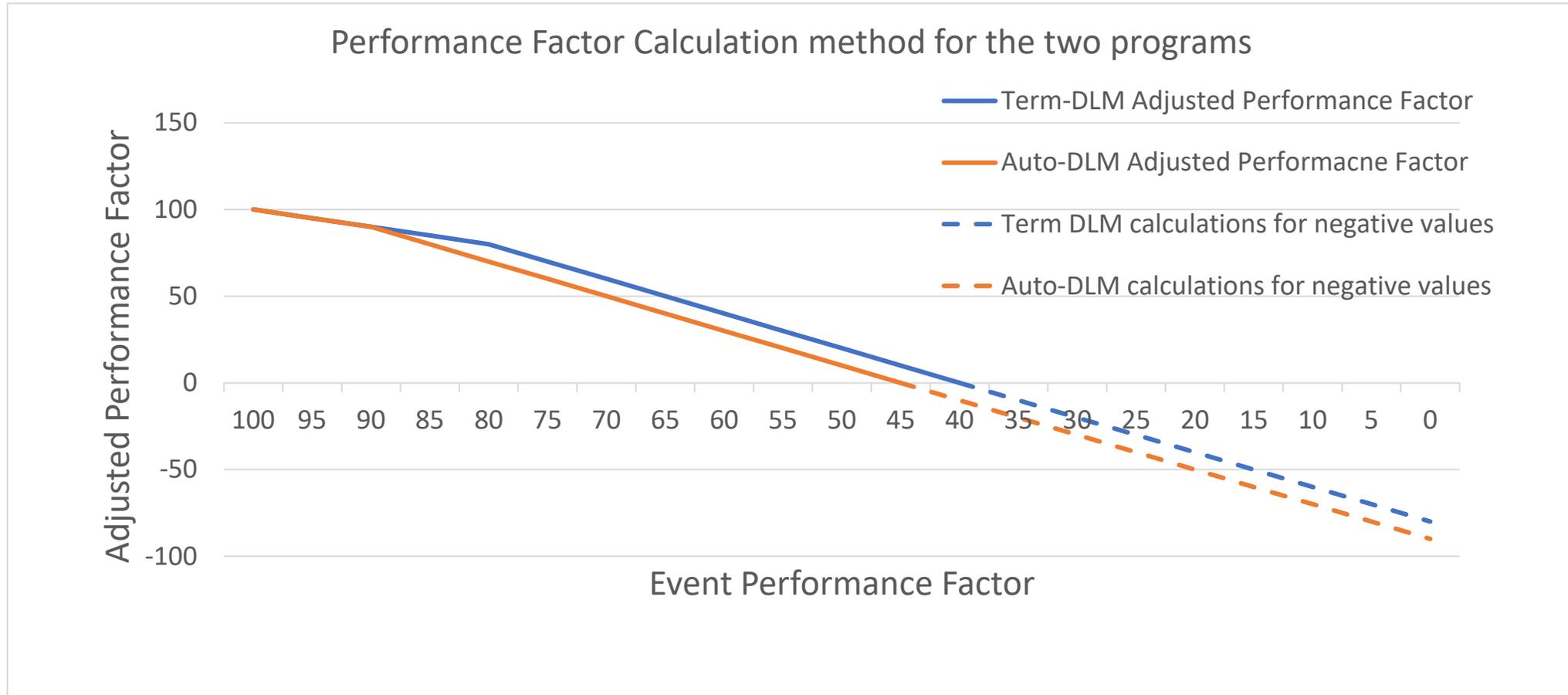
Performance Evaluation and Payments
Performance Calculation Example (Term-DLM)

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**

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Performance Evaluation and Payments
Performance Calculations

Performance Factor Calculation method for the two programs

- Term-DLM Adjusted Performance Factor
- Auto-DLM Adjusted Performacne Factor
- Term DLM calculations for negative values
- Auto-DLM calculations for negative values

Adjusted Performance Factor

Event Performance Factor

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 R

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Q&A

DemandResponse@coned.com

www.coned.com/dr

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