



Term- and Auto-DLM Webinar

November 17, 2023

Agenda

- RFP Updates
- Term- and Auto-DLM Programs
- Application Process and Schedule
- Evaluation and Contracts
- Customer Eligibility
- Customer Enrollment
- Performance Evaluation and Payments

Updates

2025 and 2026 RFP

- Will now be accepting proposals for two Vintage Years (2025 and 2026)
- Tariff Petition filing
 - Applicants will be notified when Order is given
 - Petition requests are specified throughout RFP
- Adjustments to timeline
 - Third-Party Risk Assessment (TPRA) extends contract execution deadline
- Section regarding ESS
 - States required documentation

Term- and Auto-DLM Overview

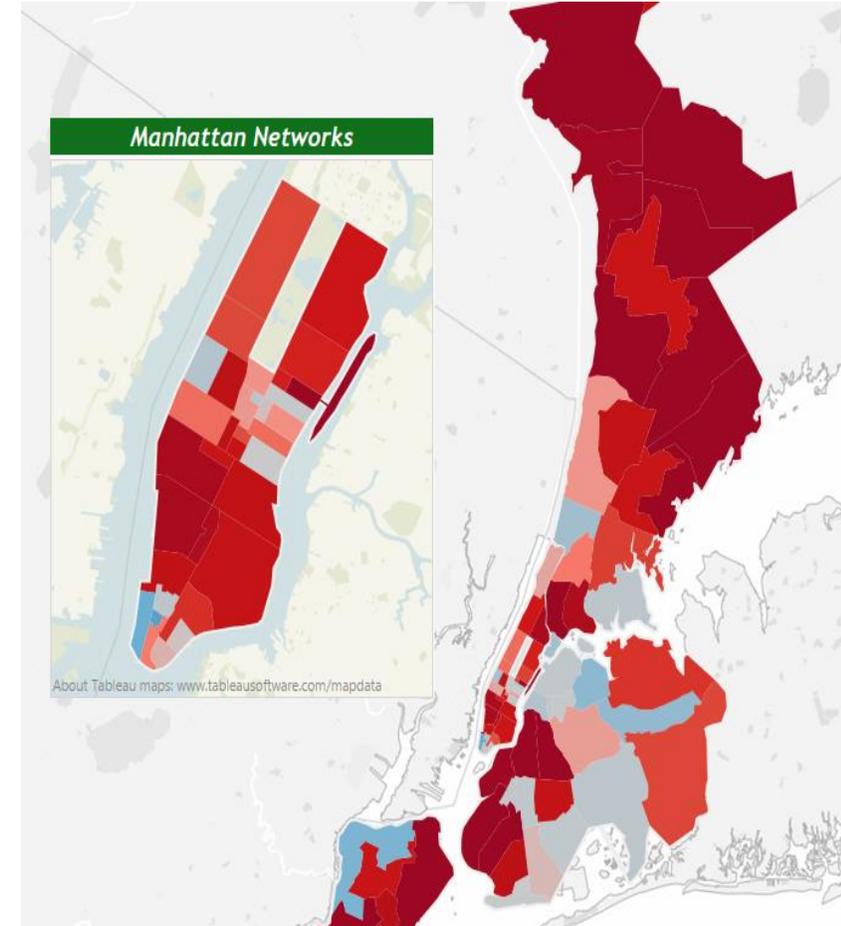
Long Term Contracts for DR Resources

- 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
- Applicants 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
 - Networks participate during 4-hour CSRP Call Windows
- 21-hour notifications
- One-hour test events
- Dual Participation with DLRP allowed with same Aggregator



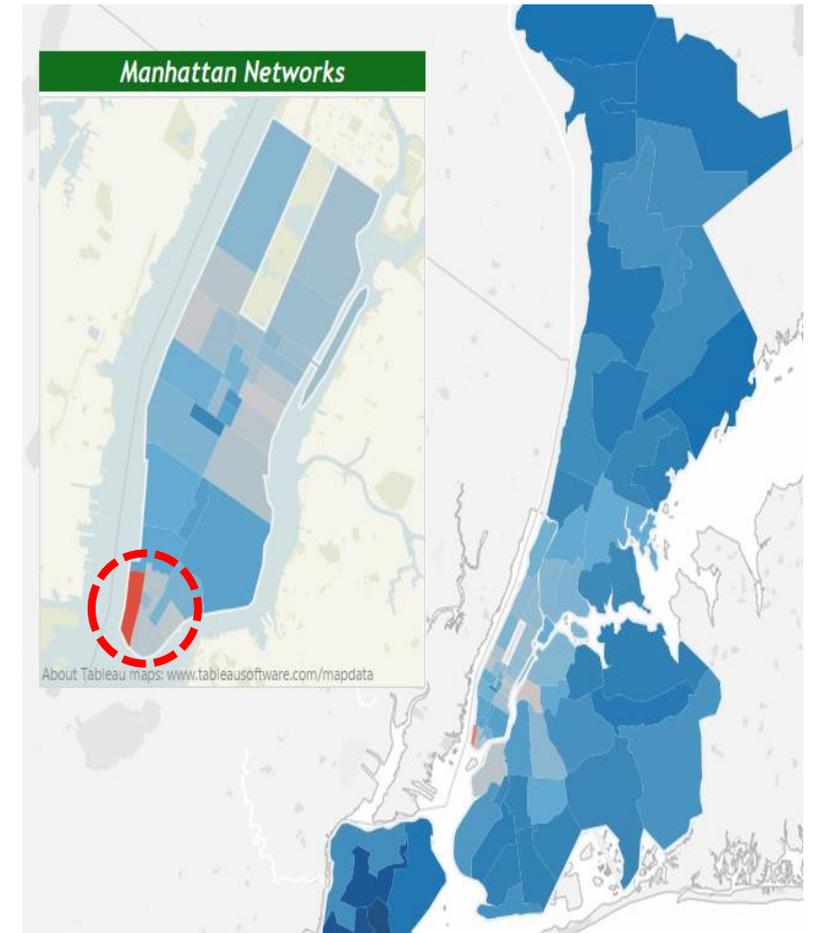
Term – DLM
Load Forecast Threshold + Event Frequency

| Year | 92 Percent of Forecasted Summer System Peak (kW) | 88 Percent of Forecasted Summer System Peak (kW) | Weekdays above 92 percent of Forecasted Summer System Peak (Days) | Weekdays above 88 percent of Forecasted Summer System Peak (Days) |
|------|--|--|---|---|
| 2018 | 12,300 | 11,800 | 6 | 12 |
| 2019 | 12,300 | 11,800 | 1 | 4 |
| 2020 | 12,100 | 11,600 | 0 | 3 |
| 2021 | 11,900 | 11,400 | 1 | 6 |
| 2022 | 11,600 | 11,100 | 6 | 8 |
| 2023 | 12,000 | 11,400 | 0 | 4 |

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
 - Call-Window 6AM – 12AM
 - Petition to change to 8AM – 12AM
- Cannot participate in CSR or DLRP



Auto – DLM Past DLRP Event Calling Frequency

| Year | Days with DLRP Events | Maximum 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 |
| 2023 | 11 | 3 | 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 2025 and 2026 Vintage Years |
|--|---------------------------------------|
| 1 Release RFP | Thursday, November 16, 2023 |
| 2 Webinar | Friday, November 17, 2023 |
| 3 Applicants submit clarification questions | Friday, December 8, 2023 |
| 4 Responds to clarification questions | Friday, December 15, 2023 |
| 5 RFP Response Deadline | Friday, February 2, 2024 |
| 6 RFP award notification/TPRA start date | Friday, March 8, 2024 |
| 7 Contract execution date | Friday, July 12, 2024 |
| 8 Early Exit deadline for 2025 Capability Period | Tuesday, November 1, 2024 |
| 9 Enrollment deadline | Tuesday, April 1, 2025 |
| 10 Capability Period start | Thursday, May 1, 2025 |
| 11 Capability Period end | Monday, September 30, 2025 |
| 12 Early Exit Fee deadline for 2026 Capability Period | Friday, November 1, 2025 |

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 cleared Aggregations**
- Aggregations must specify
 - 1) The Network for participation
 - 2) Amount of Load Relief the Aggregation will supply in kW (becomes the Cleared Quantity)
 - 3) The per kW Incentive Rate for each Aggregation: 100% seasonal performance will earn an annual per kW Reservation Payment equivalent to this Incentive Rate paid at the end of the season
 - 4) Program (Term- or Auto-DLM)
 - 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 if each provides 50 kW of Load Relief
- Sub-aggregations 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

Application Process and Schedule

Submission Form

- Proposal templates for 2025 and 2026 Vintage Years found on [Dynamic Load Management Request for Proposals](#) webpage
 - Three tabs within, including a cover sheet, Term-DLM proposal sheet, and Auto-DLM proposal sheet.
 - Ensure correct Vintage Year template

| DLM APPLICANT PROPOSAL SUMMARY TEMPLATE - Vintage Year 2025 | |
|--|---|
| <i>INSTRUCTIONS TO APPLICANTS: INPUT INTO YELLOW CELLS ONLY.</i> | |
| 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 2025 | |
| Total Pledged Load Relief (kW) in 2025 Term-DLM | - |
| Total Pledged Load Relief (kW) in 2025 Auto-DLM | - |

| DLM APPLICANT PROPOSAL SUMMARY TEMPLATE - Vintage Year 2026 | |
|--|---|
| <i>INSTRUCTIONS TO APPLICANTS: INPUT INTO YELLOW CELLS ONLY.</i> | |
| 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 2026 | |
| Total Pledged Load Relief (kW) in 2026 Term-DLM | - |
| Total Pledged Load Relief (kW) in 2026 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 2025 | | | | | | | | | | |
|---|----------------------------|---|------------------------------|---|------------------------------|---|------------------------------|------------------|--------------------------------|--------------------------------------|
| INSTRUCTIONS TO APPLICANTS: INPUT INTO YELLOW CELLS ONLY. | | | | | | | | | | |
| Each Network may only include up to 3 subaggregations. Each applicable Network is List below. | | | | | | | | | | |
| All quantities including load relief, kW and price, \$/kW, should be rounded to the nearest whole number. | | | | | | | | | | |
| Duration is limited to 3-5 years. | | | | | | | | | | |
| 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 | | | | | | | | 0 | #DIV/0! |
| 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! |

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
- 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 will be able to enroll by April 1, 2025 or April 1, 2026 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
- 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 14 of [this document](#)
- The priority networks are Crown Heights, Ridgewood, Richmond Hill, and Jamaica because of projected distribution constraints

Evaluation and Contracts

Contract Offers and Acceptance Options

- Con Edison will send contracts to successful bid winners upon approval of TPRA
- 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

Eligibility Requirements for Customers

| Customer falls under following category | Eligibility |
|--|---|
| Customer enrolled in DLRP | Cannot enroll in Auto-DLM |
| Customer enrolled in CSRP | Cannot enroll in Term- or Auto-DLM |
| Customer enrolled in Rider L | |
| Customer under Contract for Non-Wires Solution Project | |
| 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 |

Customer Enrollment Process

- Enrollments in [DR Portal](#) open March 1
- Only **APPROVED** Aggregators 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 applicable
 - Sub-aggregation number if applicable
 - Vintage Year
 - For Customers using Generation or ESS:
 - Load Relief via equipment (kW)
 - Equipment information including: Nameplate Capacity (kW), Asset Type, Capacity (kWh), Model year, Manufacturer, and any associated compliance documentation

Enrollment Submission Review

If there are issues in your uploaded file, you will need to fix them before continuing. You can also download the grid you're currently editing.

| ID | Status | Account Number* | Dem. Resp.. | Pay. Opti.* | Baseli ne | Load Reduct | Start Date | On-Site Generat... | Load Reduct | Gener ation | Gen erat |
|----|---------|-----------------|-------------|-------------|-----------|-------------|------------|--------------------|-------------|-------------|----------|----------|----------|----------|----------|----------|----------|
| 1 | Failure | 12345689112 | CSRP B... | Volunta... | Weath... | 160 | 05/01/2020 | | | | | | | | | | |
| 2 | Failure | 12345689112 | CSRP B... | | Weath... | 160 | 05/01/2020 | | | | | | | | | | |
| 3 | Success | 12345689112 | CSRP B... | Volunta... | Weath... | 160 | 05/01/2020 | | | | | | | | | | |

BACK SUBMIT

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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, 2025 or April 1, 2026 enrollment deadline for an Aggregation or customers may not be able to provide Load Relief during the first Capability Period (may result in penalties for under-performance)
- 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

- 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

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 alleviate previously calculated under-performance 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 may apply to the entire remaining length of the contract

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

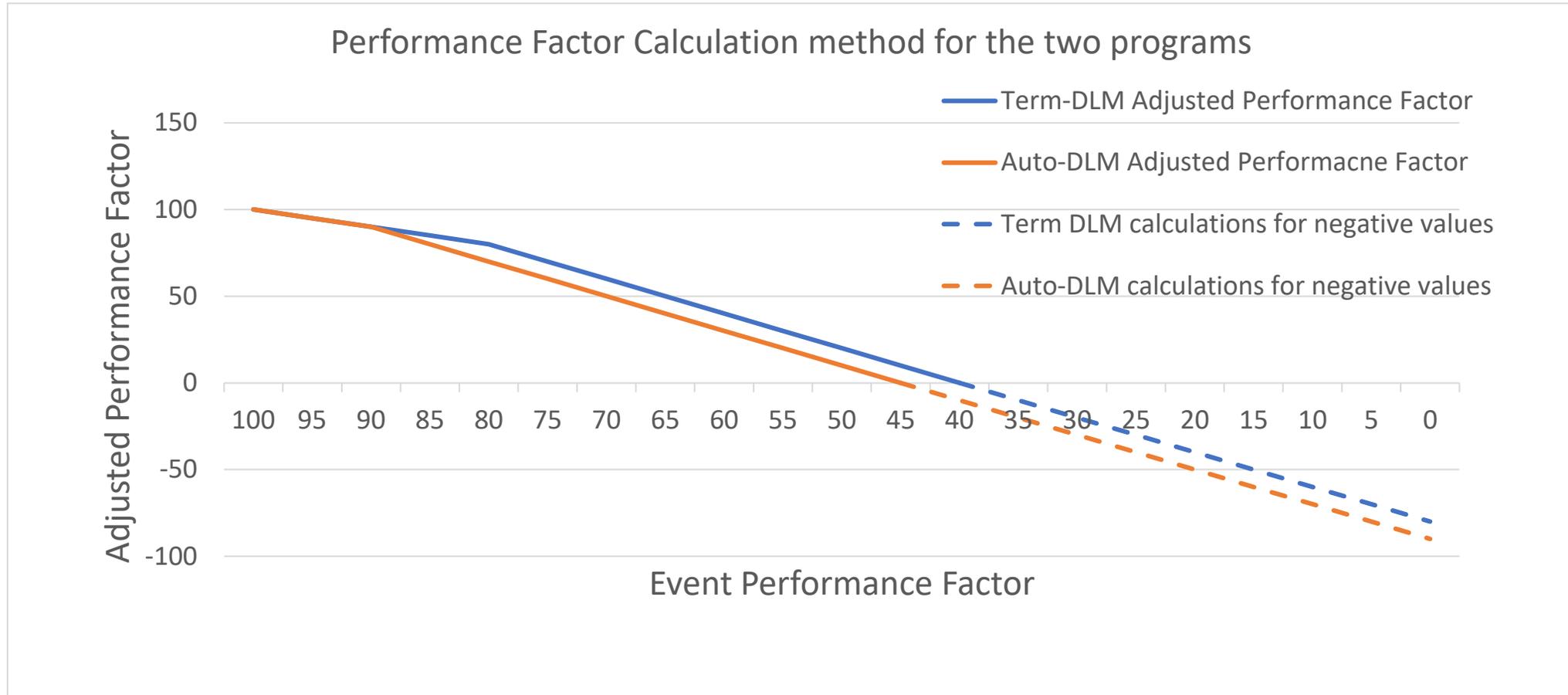
Performance Evaluation and Payments

Performance Calculation Example (Term-DLM)

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

Performance Evaluation and Payments

Performance Calculations



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

Q&A



DemandResponse@coned.com

www.coned.com/dr

