

# SDGE&E's 2017 DRP DEMO C

---

## Questions & Answers (FAQs)

---

### 1. General

**1.1. Does SDG&E prefer 100% baseload renewable power?**

We have no preference on technology. All technologies must meet the Distribution Deferral Capacity required in this RFO.

**1.2. The RFO schedule has CPUC approval in late April, with a delivery date on June 1, 2018. Will it be moved or is there an absolute date available?**

For projects that are supposed to come online by June 1, 2018, they must be online by that date, there is no leeway. SDG&E needs these resources for reliability and will provide that reliability with a conventional solution if the DER cannot.

**1.3. What is the Primary reason for the tradition solution? With Peak loads on the system what will be the contribution to peak loads?**

The primary reason for these resources is load growth in this area.

**1.4. What needs to be online by the June 1<sup>st</sup>, 2018 timeline?**

The entire capacity for 2018 needs to be online by June 1, 2018.

**1.5. For an Energy Storage Resource, does the RFO require us to put charged energy back on the grid? Or can we sell it to a Third Party?**

The resource will have to respond when dispatched by SDG&E's distribution operations team and provide the required power. SDG&E will only be buying the resource's distribution capacity, you may sell all other attributes to other parties.

**1.6. Are there specific times my energy storage device must charge?**

No. The device must be ready to meet capacity requirements during the appropriate window, but can operate freely outside those requirements.

**1.7. Is SDG&E bidding into this RFO as well?**

Yes, SDG&E has formed an internal group that may bid into this RFO called the “Cost Development Team” or “CDT”. There are controls and firewalls in place to make sure non-public information is not shared with the CDT. All bidder’s will be treated equally and be evaluated on an equal footing. This process is being overseen by the independent evaluator. If you would like to contact the CDT, please send an email to [LAbcede@semprautilities.com](mailto:LAbcede@semprautilities.com)

**1.8. Is this RFO primarily geared towards Distributor/Manufactures of said products (EE, PV etc.) or Installers of the products?**

This RFO is for companies that will own and operate the facilities; however, that can also be the same companies that install and manufactures the products or they can work with the owner/operators.

**1.9. I would like to share my information with other bidders/Can you put me in touch with other bidders.**

No. Per the RFO, Section 9, “EXCEPT WITH THE PRIOR WRITTEN CONSENT OF SDG&E, RESPONDENTS MAY NOT DISCLOSE (OTHER THAN BY ATTENDANCE ALONE AT ANY MEETING TO WHICH MORE THAN ONE RESPONDENT IS INVITED BY SDG&E) TO ANY OTHER RESPONDENT OR POTENTIAL RESPONDENT THEIR PARTICIPATION IN THIS RFO, AND RESPONDENTS MAY NOT DISCLOSE, COLLABORATE ON, OR DISCUSS WITH ANY OTHER RESPONDENT, OFFER STRATEGIES OR THE SUBSTANCE OF OFFERS, INCLUDING WITHOUT LIMITATION THE PRICE OR ANY OTHER TERMS OR CONDITIONS OF ANY INDICATIVE OR FINAL OFFER.

**1.10. Is there a DBE goal for this RFO?**

SDG&E encourages DBEs to participate and will take this into account where possible but there are no specific requirements or quotas in this RFO.

**1.11. What is CREZ?**

CREZ stands for Competitive Renewable Energy Zone. This is part of the California Renewable Energy Transmission Initiative (RETI). More information can be found below:

1. CEC RETI (1.0) CREZ
  - i. <https://databasin.org/datasets/7e64e413f44c46d8b67a125e4587b978>
  - ii. <https://databasin.org/maps/9f1b0370b3a64147b3f07c996f5e58af>
  - iii. <http://www.energy.ca.gov/reti/documents/>
  - iv. [http://www.energy.ca.gov/reti/documents/maps2/CREZ\\_Map.pdf](http://www.energy.ca.gov/reti/documents/maps2/CREZ_Map.pdf)
2. RETI 2.0 Databasin
  - i. <https://reti.databasin.org/>

## 2. Circuit/Customer Information

### 2.1. Will we be shown a map of exactly where the circuit is and how do we confirm if a residential or commercial customer is on that circuit?

Prior to executing a contract, full detailed exact maps are not available due to grid security issues. After executing a contract and executing an NDA, SDG&E will work with the winning bidder to provide the necessary detailed information for their project following approved guidelines. For DR and EE, each customer's bill has their circuit number on it, and the customers can provide this to you prior to executing a contract.

To see the latest maps, go to:

<https://www.sdge.com/generation-interconnections/enhanced-integration-capacity-analysis-ica>

As described in the RFO, customer data is available to the winning bidders, upon request, after contracts are signed, including SDG&E's non-disclosure agreement, in accordance with the standard privacy practices of SDG&E. For more information go to (the link which is also in the RFO):

<https://energydata.sdge.com/showDataAccessAndRelease>

Certain criteria must be met by the receiver of the data, including meeting system and cyber security requirements to protect SDG&E's customers' data, so please read carefully and signing a contract with SDG&E is not a guarantee of meeting all requirements for data. If a contract is signed and requirements are met, SDG&E can provide comprehensive data to the vendor, including a list of the customers on the circuit, broken out by customer class.

### 2.2. For the circuits, if the bidding is tailored to individual circuits, how do we get to the number of customers on each circuit, not individual information on each customer but total number of customers?

See response above to 2.1.

### 2.3. The Utility's GIS mapping link for two of the circuits don't appear when they have been clicked on, will that be updated?

Those maps have been updated as of Monday October 30, 2017.

### 2.4. Does SDG&E have information at the Distribution level on how these programs are allocated? For example, if our program is 10 MW of capacity, are those 10 MW already assumed to be in the forecast, like an Energy Efficiency curtailment program for example?

SDG&E's forecast has considered SDG&E's current EE and DR programs and allocated them at a distribution level.

**2.5. How many of the commercial customers are industrial >200 kW? How many of the commercial customers are in the MUSH market segment?**

Please see the responses above and the RFO protocols for the information SDG&E is releasing about the customers on these circuits.

**2.6. Could you confirm for me whether circuit 597 is a buried circuit or a to be constructed circuit?**

Circuit 597 is an existing circuit with both overhead and underground conductor. The area encircled in the mapping tool is primarily comprised of underground system, and has been identified as the optimal area to interconnect DER on circuit 597 from an electrical standpoint. This RFO is seeking DERs that might defer the need to construct an additional new circuit.

**2.7. There are two colleges within the circuits listed in the RFO. Can they be used in a DR or EE program?**

In general, any customer may be used as part of a DR or EE program as long as they meet the eligibility and incrementality requirements of the RFO.

## 3. Eligibility

### 3.1. Are we able to offer competing programs?

The portion of your program that is not like existing utility programs can be counted as incremental and will qualify for this RFO. The portion of your program that is like an existing program, would not be incremental and would therefore not count for this RFO.

### 3.2. For EE offers is it acceptable that the Offeror not own or operate the equipment associated with the EE measure?

The Respondent may subcontract out work or use different ownership structures to achieve this, but Respondent must have direct or indirect operational control of the projects.

### 3.3. For an energy storage offer, can you confirm whether a project needs to have both site control and permit applications submitted by the bid due date or just site control?

The respondent must show reasonable progress towards developing their project so that SDG&E can have confidence the project is viable. This includes at least having land options and having started the permitting process by the time that bids are submitted.

### 3.4. Appendix B, per each circuit, there are Annual Two-hour MW Commitments that must be available at any time of year for planned maintenance or unplanned emergencies. (In yesterday's bidders conference deck, these commitments were referred to as 'Exceptional Dispatch Windows' on Slide 22.) Would you please confirm that this 2-hour MW requirement may happen on any day at any time during the year? For example, on Circuit 298, the minimum requirements show that MWs are only required from 10 a.m. through 6:59 p.m. from June through October... however, is it true that the Annual Two-hour MW Commitment/Exceptional Dispatch Window may be called in January from midnight through 2:00 a.m.?

Yes, this can happen at any time on any day, even during the deferral window, not to exceed the maximum MW for the year and circuit in question. For example, the DER on 298 may be called once per year in January from Midnight through 2:00 a.m.

- 3.5. Is SDG&E seeking a different project for each circuit, or could one project of sufficient size and interconnected to a given circuit meet the needs of more than one circuit? For example, could a project interconnected to Circuit 597 meet the capacity needs of 295 and 298?

A project interconnected to Circuit 295 could not provide reliability to 597 and/or 298. However, that project can consist of multiple pieces (e.g. solar plus battery plus DR), although SDG&E is only willing to sign one contract.

- 3.6. For an Energy Storage offer, although energy and A/S can be sold separately, and therefore you provide only a MW not MWh need, does this effectively mean, however, that the system must be sized to meet the sum of the daily hourly MW needs in each year? For example, in 2020 for Circuit 597 coming online after June 1, 2018, the peak need is 0.98 MW at hour 20:00, but the total capacity need, summing all hours of the day, is 3.23 MW. Does that mean the resources' minimum size must be 0.98 MW, 3.23 MWh?

Yes, it must meet the sum. While the resource might not be dispatched all the time, SDG&E requires resources to have the ability to be dispatched every day during all hours shown in the deferral window. In the case of the circuit in the example, SDG&E concurs that the total MWhs would be 3.23 MWh.

- 3.7. Can natural gas be purchased from SDG&E to create electricity through generation? If so, what is the cost per therm?

Please review the RFO protocols on eligibility requirements of fossil fueled generation to make sure your resource qualifies. In general, resources that use natural gas can purchase that commodity through SDG&E; however, those purchases will not be part of the contract from this RFO. SDG&E is only purchasing distribution capacity from this RFO and won't entertain a tolling agreement structure. For potential new gas service and applicable rates, please contact SDG&E's customer service. Please keep in mind that SDG&E cannot guarantee what those rates will be in the future.

- 3.8. Is fuel switching allowed?

In general, yes; however, please see the RFO protocols on eligible requirements of fossil fueled generation.

- 3.9. For EE projects, is operational control required or can the facility owner have operational control of the projects?

Please see 3.2

- 3.10. Are copayments for EE measures from customers allowed in this concept?

The Respondent may propose any concept that is appropriate for their program to be successful and achieve the proposed goals. The proposals will be evaluated accordingly.

- 3.11. Will SDG&E consider bids that meet a portion (but not the entirety) of the Minimum Availability required of the Project during the Deferral Period Windows? For example, if an offer bids a resource that does not meet 100% of capacity needs would SDG&E be amenable to building this into a portfolio of other available resources for that circuit? In addition, does SDG&E's answer change depending on whether the resource can meet the maximum MW during all Exceptional Dispatch Windows?

A Respondent may assemble a group of different types (DR, EE, Renewables, Energy Storage, etc.) of resources in order to meet all the requirements, but as stated in the RFO, SDG&E will only contract with one counterparty per circuit to provide the deferral capacity.

- 3.12. What time frame is SDG&E going to use for peak usage? Are the peak hours going to be different for residential and commercial usage? If so, what will the time frames be?

The Respondents must meet the timing of the capacity deferrals as stated in Appendix B in the RFO. This can be met by residential, commercial, or industrial customers or a mix thereof.

- 3.13. Are communications systems and equipment required for EE projects?

SDG&E has not made specific requirements about the Measurement and Verification (M&V) plans for EE or DR offers. Respondents must include a full M&V plan that will be evaluated by SDG&E.

## 4. Evaluation

### 4.1. With Circuit 597, there are two separate dates, are these evaluated differently?

The earlier online date for circuit 597 would defer a cutover project and a circuit build-out. The later online date, will just defer the circuit build-out. Offers for each will be evaluated separately but using the same evaluation methodology.

### 4.2. Will SDG&E evaluate bids for Circuit 295 and 298 that cannot meet the June 1, 2018 on-line date, if we include the earliest we can bring our project online.

No, those offers would be non-conforming. (Note, this also applies to circuit 597 offers that want to come online by June 1, 2018).

### 4.3. How do I submit offers for multiple circuits? What if I want to do all three only?

Please submit a single offer form per circuit per variation. If you would like to offer a combined package for all three circuits, please submit three offer forms, one per circuit, and put in the offer forms (in the appropriate box near the top of the Pricing worksheet) whether they are mutually exclusive or inclusive of other offers.

### 4.4. Since EE customers and potential EE measures will not be identified by the offer due date is it acceptable to insert TBD in some areas of the Offer Form?

While it is acceptable to answer N/A if the question does not relate to your resource (for example asking for a solar resource report from an EE project), the respondents must fill in all questions that are related to their product. For example, while you may not know exactly what customers will be in your program, an EE program should have a general idea of the number of customers they intend to target and the EE measures they are going to use to achieve the energy savings.

### 4.5. Can you give any more details about a traditional solution, specifically the different costs we would be competing with?

SDG&E will not be releasing the costs beforehand. The traditional solution is noted in the RFO, specifically in SDG&E's Advice Letter 3052.

### 4.6. What is the rate that will be paid for each kWh used during peak hours? Will SDG&E be willing to pay for energy outside of peak hours?

SDG&E is only purchasing distribution capacity in this RFO and will not be paying for energy or other project attributes. Respondents are responsible for pricing their projects based on a fixed payment schedule (in dollars for each specific month of the delivery period).



## 5. Interconnection

### 5.1. Could a fast track project making a new interconnection request in November make the June 1<sup>st</sup>, 2018 COD deadline?

It would be tight to complete, depends on location, and distribution upgrades. Best case, it would be a challenge but SDG&E is willing to work hard to try and make it happen but there are no guarantees. In general, this pilot is partially designed to test the process and see if DERs can meet these short RFO timelines needed for an annual distribution process.