



SCHEDULE DBP

DEMAND BIDDING 2012 PROGRAM

APPLICABILITY

The Demand Bidding ~~2012~~ Program (DBP) is a demand/energy bidding program that offers incentives to non-residential customers for reducing energy consumption and demand during a specific Demand Bidding Event described in the Special Conditions below. This program will end December 31st, ~~2012~~2014.

TERRITORY

Within the entire territory served by the Utility.

RATES

Day ~~Ahead-Of~~ DBP Incentive is \$500.00/MWh ~~of Actual Demand Reduction~~.
for customers who purchase commodity from the Utility (bundled customers)

The DBP Incentive for customers who purchase commodity from an Energy Service Provider or a Community Choice Aggregator (Direct Access or CCA customers) shall be calculated by the Utility by deducting the corresponding California Independent System Operator (CAISO) TH-SP15-GEN-APND day-ahead market locational marginal price (DAM LMP) from the DBP incentive for bundled customers. In no case will the customer be required to pay the Utility if the DAM LMP is greater than the DBP incentive. If the DAM LMP is greater than the DBP incentive, the customer does not receive an incentive for the event from SDG&E.

~~Pursuant to the provisions of Special Condition 7, the DBP Incentive Payment for customers who purchase commodity from the Utility (bundled customers) is calculated by multiplying the customer's Actual Demand Reduction by the DBP Incentive for a customer's accepted bid for a Demand Bidding Event.~~

~~The DBP Incentive Payment for customers who purchase commodity from an Energy Service Provider or a Community Choice Aggregator (Direct Access or CCA customers) shall be calculated by the Utility deducting the corresponding California Independent System Operator (CAISO) hourly ex-post zonal average energy price for SP15, as posted on the event day, from the DBP incentive for a customer's accepted bid for a Demand Bidding Event. In no case will the customer be required to pay the Utility if the ex-post price is greater than the DBP incentive. If the ex-post price is greater than the DBP program incentive, the customer does not receive an incentive for the event from SDG&E.~~

The DBP Incentive Payment is calculated as defined in special condition 8. The Utility will provide the DBP Incentive Payment as an adjustment to the customer's regular monthly bill, within 90 days of the Demand Bidding Event. The Utility will make DBP Incentive Payments only for those hours of Accepted Demand Reduction, ~~as set forth in Special Condition 4.~~as set forth in Special Condition 8.

SPECIAL CONDITIONS

1. Definitions: The definitions of terms used in this schedule are found either herein or in Rule 1, Definitions.
2. Qualifying Customer: This Schedule is applicable, in combination with a customer's otherwise applicable tariff(s), on a voluntary basis, to non-residential customers, including Direct Access and Community Choice Aggregation customers, who are capable of providing at least a 5 MW load reduction based on the customer's specific baseline. At the time of enrollment a customer may choose to aggregate no more than 5 billable meters for the purposes of qualification and settlement. The customer will reduce their energy consumption when requested at times when an SDG&E system emergency or statewide emergencies are declared by the California Independent

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System Operator (CAISO).

- | 3. Billable Meter: A billable meter represents the meter data used for the purpose of calculating a customer's UDC rate charges. In the event that a customer's meter data is combined for the purpose of calculating UDC charges a billable meter number represents the combined meter data.
- | 4. Program Operation:
 - | a. Demand Bidding Event: The Utility will declare a Demand Bidding Event for the following day and the Utility will request bids from the customer that will cover the period of the event.

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SPECIAL CONDITIONS (Continued)

4. Program Operation (Continued)

b. Demand Bid: A Demand Bid is the amount of MW per hour (MWh usage) that a customer commits to reduce for each hour of an Event.

i. For each hour the customer must submit the customer's Bid for a minimum demand reduction of 5 MWh.

c. Bid Submission: Customers will submit by ~~1316:00~~ daily Demand Bid for the next day and indicate the amount of MW curtailment they are offering ~~and the specific timeframe between 11:00 to 6:00~~ for which they are available to curtail.

d. Bid Evaluation: Unless a capacity level (megawatt quantity) is specified in the CAISO notification, the Utility will deem all qualified Demand Bids received by the deadline acceptable from customers. In evaluating late bids, the Utility will consider then-current conditions, including previous acceptance or rejection of timely bids submitted within the first hour.

Unless a capacity level (MW quantity) is specified in the CAISO or Utility event notification, the Utility will then evaluate the qualified bids received based on a first come, first served basis, taking bidder past performance and compliance into account, and accept or reject each bid.

e. ~~Bid Acceptance/Rejection Confirmation Notification~~: The Utility will notify the customer of ~~bid Demand Bidding Event 30 minutes prior to the event and confirm the value on bid submission. The customer will have the opportunity to increase or decrease their bid at this time. acceptances or rejections within one (1) hour after the Bid Submission deadline.~~

i. ~~Notification Confirmation~~ of bid ~~acceptances or rejections~~ will be sent via electronic mail (e-mail) ~~in the Event notification sent out a minimum of 30 minutes prior to an event, no later than 15:00 on the day before a Day Ahead Demand Bidding Event, . The Utility does not guarantee the reliability of the Internet site by which customers submit Demand Bids and receive information regarding this Schedule.~~

ii. ~~Day Ahead bid solicitations can be terminated prior to Acceptance Notification, up to the deadline of 15:00 based on CAISO notification that load relief is no longer needed.~~

5. Program Triggers: A Demand Bidding Event shall be initiated upon notice from the CAISO of a Stage 1, 2, 3 emergency or imminent statewide transmission emergency, or as conditions warrant by the Utility.

6. Program Availability: DBP is available ~~year round~~ **year round (or from May 1st to October 31st)** ~~July 1st (or first date of CPUC approval) through December 31st~~. There is no limit to the number of Demand Bidding Events per month or per year.

7. Customer Specific Baseline:

a. Customer Specific Baseline Weekdays: For customers enrolled in the program, the preliminary baseline for any given operational hour is defined as the consumption for that hour for the days from the immediately preceding similar day prior to the Event. Similar days will exclude weekends, holidays, days when a customer was paid to reduce load, when load reductions were requested, was subject to a Demand Response event and days in which the customer experienced a rotating outage.

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SPECIAL CONDITIONS (Continued)

7. Customer Specific Baseline (Continued):

The customer specific baseline will be calculated by multiplying the preliminary baseline by a day-of-adjustment factor. The Day-Of Adjustment factor will be calculated by dividing the average load used a two hour adjustment window prior to the event by the average load for the same hours of the preliminary baseline. This Day-Of Adjustment factor shall not exceed 1.40 and shall be no less than 0.6.

- b. Customer Specific Baseline Weekends: For customers enrolled in the program, the preliminary baseline for any given operational hour is defined as the consumption for that hour from the immediately preceding similar day prior to the Event. Similar days will exclude weekdays, days when a customer was paid to reduce load, when load reductions were requested, was subject to a Demand Response event and days in which the customer experienced a rotating outage.

The customer specific baseline will be calculated by multiplying the preliminary baseline by a day-of-adjustment factor. The Day-Of Adjustment factor will be calculated by dividing the average load used a two hour adjustment window prior to the event by the average load for the same hours of the preliminary baseline. This Day-Of Adjustment factor shall not exceed 1.40 and shall be no less than 0.6.

[c. If a customer chooses to aggregate billable meters for the purposes of qualification and settlement then a customer specific baseline will be calculated for each billable meter.](#)

- 8. [DBP Incentive Payment/Incentive/Energy Payment:](#) ~~If the actual load reduction for the hour is less than the minimum bid or~~ If the actual load reduction for the hour is less than the 50% of the customer's demand bid for the hour then no incentive will be paid. Otherwise, the demand bidding incentive for the hour will be calculated by multiplying the DBP incentive by the customer's Actual Demand Reduction. If the actual demand reduction exceeds 150% of the customer hourly bid then the incentive will be equal to the 150% of the customer bid multiplied by the DBP incentive.

- 9. Actual Demand Reduction: The Actual Demand Reduction [for any given operational hour](#) equals the difference between the Customer Specific Baseline and the recorded hourly MW consumption (MWh) during a DBP event [hour. If a customer chooses to aggregate billable meters for the purposes of qualification and settlement the actual demand reduction will be equal to the sum of the actual demand reductions from the billable meters.](#)

- 10. Event Notification/Communication: The Utility will notify the customer of Demand Bid Events Acceptance or Rejection by e-mail, or other communication means specified by the Utility. Customer shall be responsible for the cost and maintenance to receive such communications and to send Demand Bids via the Internet. The Utility does not guarantee the reliability of the Internet site or e-mail system used for such communications.

- 11. Event Cancellation: In the case where the CAISO cancels its Alert or Warning or more advanced CAISO Notice (Stage 1, 2 or 3 Emergency), the Utility will reject any bid that has not yet been accepted. Once a customer's Demand Bid has been accepted, the accepted bid shall not subsequently be rejected by the Utility, but payment shall continue to be based on the customer's actual performance, as measured by the Actual Demand Reduction.

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- 12. Contract Requirement/Request For Service: Customers must complete an Enrollment Application with the Utility and must provide all required information to participate in the program. Enrollment Applications are deemed "accepted" when all required information has been provided by the customer and validated by the Utility.
- 13. Multiple Program Participation: A customer may not participate simultaneously in DBP and any other Demand Response rate or program.
- 14. Termination of Schedule: This Schedule will be terminated on December 31st, 2012-4.
- 15. Metering Requirement: Customer's electric meter must be an interval data recorder with related telecommunications capability, compatible with the Utility's meter reading and telecommunications systems. If a customer meets the requirements of this tariff and does not have the correct metering equipment, the Utility will provide and install interval metering equipment and telecommunications systems at no cost to the customer.
 - a. For Direct Access and CCA customers, DBP compliance shall be determined from a telephone accessible electric revenue interval meter that can be read remotely by the Utility, and/or from alternative metering and telecommunications acceptable to the Utility. Direct Access and CCA customers are required to allow the Utility telecommunication access to its electric revenue meter for the purposes of determining DBP compliance.
- 16. Failure to Reduce Energy: No financial penalties will be assessed under this Schedule for a customer's failure to comply or participate during a Demand Bidding Event.
- 44-17. Dispute Resolution: Any dispute arising from the provision of service under this schedule or other aspects of the Demand Bidding Program will be handled as provided for in the Utility's Rule 10, Disputes.

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