DOCKETED		
Docket Number:	21-DR-01	
Project Title:	Supply Side Demand Response	
TN #:	244107	
Document Title:	Presentation - CEDMC Incentive-Based Method Revised Penalty Structure	
Description:	N/A	
Filer:	Courtney Wagner	
Organization:	California Efficiency + Demand Management Council	
Submitter Role:	Public	
Submission Date:	7/15/2022 4:44:16 PM	
Docketed Date:	7/15/2022	

Incentive-Based QC Method – Revised Penalty Structure

CEC Supply Side DR QC Working Group

July 14, 2022



Advancing Our Clean Economy

Revised Penalty Structure



- Propose to revise penalty to closely match PG&E's proposed Capacity Bidding Program (CBP) structure in its 2024-2027 DR program application
- Greatly simplifies the penalty structure
- Implicitly addresses the weather-normalization issue because the penalty threshold is low enough that it should allow for temperature-related derates
- Will impose more severe penalties for non-performance

Hourly Delivery Capacity Ratio	Payment	Penalty
>=0.50 and <=1.0	Delivered Demonstrated Capacity up to 100% of Monthly Supply Plan QC	0
>=0 and <0.50	0	100% of Monthly Supply Plan QC



Questions?

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