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California Efficiency + Demand Management Council Incentive-Based Method DR Counting Proposal

Introduction

The California Efficiency + Demand Management Council (“Council”) provides its Incentive-Based Method demand response (“DR”) counting methodology proposal for inclusion in the California Energy Commission’s (“CEC”) Phase 2 Supply Side DR Working Group (“Working Group”) report as a long-term approach for determining the Qualifying Capacity (“QC”) values of IOU and third-party DR. As explained in greater detail below, the Council believes that an entirely new approach to determining the QC value of DR is needed because the existing approach stifles the growth of third-party DR and is does not fit well within a paradigm of market-integrated DR.

The overriding goal of the effort to develop a new long-term DR counting methodology should be to encourage customer DR participation, attract market entry of DR providers while encouraging IOU DR program growth, and promote high quality, reliable DR. The Load Impact Protocols (“LIPs”) and the associated LIP process promote none of these outcomes. For DR to grow, a new approach is needed that will accurately reflect the capabilities of each IOU and DR provider, be transparent in how a DR portfolio QC value is determined, incur a reasonable cost, and require a reasonable amount of time to implement.

The Existing LIP-Based DR Counting Process Is Problematic on Many Levels

Since the LIPs were approved in D.08-04-050, they have been utilized to determine the Resource Adequacy (“RA”) value of IOU DR programs. In CPUC Decision (“D.”) 19-06-026, the CPUC expanded application of the LIPs to third-party DR providers to determine their QC values beginning with the 2020 RA year.¹ Since then, it has become very apparent that the LIPs are highly problematic for DR providers for several reasons, all of which combine to act as a significant barrier to third-party DR participation in California:

1. The effectiveness of the LIPs in accurately predicting QC values is unclear. The LIPs rely heavily on historical DR performance to forecast future performance. This has generally been adequate for most IOU DR programs because they have historically tended to be more static or at

¹ D.19-06-026, at Ordering Paragraph 18.

least more predictable than third-party DR providers' portfolios. In contrast, under the current paradigm, DR provider portfolios can vary significantly in size and customer composition from year to year based on their success, or lack thereof, in gaining Demand Response Auction Mechanism ("DRAM") contracts or bilateral contracts with IOUs or other LSEs. DR providers have a financial interest in sizing their portfolios to meet their market commitments, so their customer enrollment levels often directly reflect their contractual commitments.

Further exacerbating the comparatively fluid nature of DR provider portfolios is the extended LIP process timeline which leads to performance data being used from up to two years prior to the RA Delivery Year. For example, the LIP process that kicked off in December 2021 uses data from the 2021 RA year to derive QC values for the 2023 RA year. Under a majority of circumstances, it is difficult to argue that data up to two years old is relevant to forecasting performance.

2. The LIP process is very time-consuming and limits participation in solicitations. The LIPs entail a ten-month process beginning in December each year that leads to a LIP report for each IOU and DR provider on April 1. The LIP reports are then assessed by the CPUC Energy Division over the following five months to determine the QC values of these DR programs in September. Receiving QC values this late in the year is problematic for DR providers because the Energy Division assigns preliminary RA requirements to IOUs and LSEs in June. This often kicks off the process by LSEs to begin contracting RA for the following year, so because DR providers do not know the exact amount of RA capacity they have available to sell until September puts them at a disadvantage. This is anti-competitive because it favors more static "steel in the ground" resources, whose QC values are generally fixed and therefore have more certainty as to their QC values from year to year.
3. The LIP process is costly with no guarantee of cost recovery by DR providers. The LIP process entails extensive analysis and reporting which requires the use of specialized consultants. This is very costly (typically more than \$100,000), especially for comparatively small portfolios because there is typically a floor to the consultant fees, regardless of the portfolio size. IOUs are guaranteed recovery of these costs from ratepayers through their DR program budgets but DR providers do not have that luxury. This creates a clear competitive advantage for IOU DR programs versus third-party DR and reduces the motivation of IOUs to seek a less costly DR counting approach. Such a significant investment by DR providers, with no promise of cost recovery, as a cost of entry to the RA market has discouraged some DR providers from participating in the LIP process. Consequently, the quantity of third-party DR is artificially depressed for non-IOU LSEs.
4. The need for consultants to perform the LIP analysis acts as a bottleneck. While DR providers are permitted to perform their own LIP evaluations, many choose not to due to a lack of internal expertise and/or to avoid the perception of bias. There are a limited number of consultants who are able to perform the LIP analysis and, due to the intensive nature of this work, many consultants are limited in the number of LIP analyses they can perform for any given year. This

leads to many IOUs and DR providers chasing a limited number of consultants which can lead to DR providers being frozen out of the LIP process and unable to sell their capacity through RA contracts.

5. The Energy Division assessment of LIP reports lacks transparency. Once IOUs and DR providers submit their LIP reports on April 1, the Energy Division then determines whether to approve the QC that is claimed in each LIP report or to discount it if the claimed QC is overly optimistic. To the extent that a discount is applied to a DR provider's claimed QC, no explanation is typically provided to the DR provider as to the exact reasons for the discount. For example, the Energy Division can discount a DR provider's QC based on the per-customer load impact, enrollment forecast, or both. However, the Energy Division will not always explain the approved per-customer load impact and enrollment levels; instead, it will often simply provide the approved overall QC value with no explanation as to the underlying reasoning behind any changes to the IOU's or DR provider's claimed QC values. To the Energy Division's credit, it has developed its *Guide to CPUC's Load Impact Protocols (LIP) Process* to provide information on best practices for LIP reports, but transparency remains a significant problem.
6. There is no process for directly linking CAISO market performance with QC values. The current LIP process does not compare the QC value of an IOU DR program or third-party DR contract to CAISO market performance. The primary reason for this is that the LIPs require that ex post DR performance be normalized to peak 1-in-2 weather conditions in order to compare performance to its ex ante load impacts on an "apples to apples" basis. This prevents a direct comparison of DR performance to QC values.

A More Streamlined DR Counting Methodology with a Standardized Enforcement Mechanism Is Needed

The Council believes that most future DR growth will occur primarily through third parties because they have a commercial interest in growing their portfolios whereas IOUs do not have this motivation. To attract this third-party DR, a more streamlined DR QC methodology is needed that better suits the more dynamic nature and associated business needs of DR providers while being equally effective in determining DR QC values for IOUs and DR providers. Specifically, the new methodology should:

1. Reflect IOU and DR provider assessments of their capabilities based on the most current information possible. This will better ensure that the QC values awarded by the Energy Division reflect the most recent enrollment and per-customer load impact data.
2. Minimize the time required to receive a QC value from the Energy Division. This will better enable DR providers to participate in IOU and LSE solicitations as they come up.
3. Be as transparent as possible. It is critical that DR providers understand the reasoning behind Energy Division assessments of their QC values. Without the Energy Division's clear feedback, DR providers will have no opportunity to apply lessons learned in order to develop the optimal portfolio.

4. Minimize the cost to DR providers and ratepayers. The cost to gain a QC value should be low to attract as many DR providers and, by extension, DR capacity, as possible and reduce the cost to IOU ratepayers.
5. Eliminate the need for outside consultants. The QC methodology should be simple enough for reasonably sophisticated DR providers and all IOUs to utilize it without the need to retain a consultant, if they choose not to.
6. Reduce the Energy Division workload to determine DR QC values. The output of the QC methodology should be streamlined so as to accurately inform the Energy Division in its assessment of QC values without overwhelming them.

The Incentive-Based Method DR Counting Proposal Reduces Barriers to DR Providers While Providing More Rigor

The Council proposes its Incentive-Based Method on the basis that it meets all of the requirements discussed above. Its general approach is also consistent with that used by the PJM, ISO-New England, and New York Independent System Operator capacity markets in which each DR provider provides its proposed QC values and supporting documentation to the market operator, but with no constraints on the DR provider with regard to their method for estimating their proposed QC values. The market operator then makes a determination on the amount of capacity each DR provider is authorized to sell in the next capacity auction. To ensure that capacity sold in the capacity auction is delivered, an IOU or DR provider failing to deliver its sold capacity is subject to penalties.

From a conceptual standpoint, the approach taken with the Incentive-Based Method differs greatly from the LIPs. The LIPs utilize a great deal of quantitative up-front rigor through a set of numerous regression analyses to forecast the load impact of a DR program or resource under a specific set of weather conditions. In theory, this initial rigor is sufficient to ensure that QC values awarded by the Energy Division are accurate enough to be generally consistent with actual QC deliveries. However, the LIPs are not nimble enough to account for short-term changes to inputs that could undermine the accuracy of the associated analyses. The Incentive-Based Method takes the opposite approach and places a majority of the rigor on the actual, rather than the weather-normalized, performance of the DR programs and resources by incorporating a penalty mechanism to ensure that there are repercussions for significant performance shortfalls.

The Council stresses that its proposed penalty mechanism, explained in greater detail below, is meant to be a minimum, standardized penalty structure. As DR providers themselves, IOUs are currently not subject to penalties for failure to deliver on their committed DR QC values, yet they collect penalties from under-performing DR aggregators that participate in their Capacity Bidding Programs (“CBP”) and Base Interruptible Programs (“BIP”). For third-party DR RA contracts, it is already generally standard practice by IOUs and LSEs to include penalty provisions for liquidated damages should the DR RA provider fail to deliver on its contract terms. However, the specific terms on each contract are a result of negotiations between both parties, so the Council’s proposed penalty structure provides some degree of transparency and minimum protection for ratepayers. This freedom by IOUs and LSEs to negotiate additional penalty provisions with DR providers also eliminates the necessity to adopt a more rigorous penalty structure than the already-rigorous one the Council proposes.

Methodology Process

The Incentive-Based Method involves the following primary steps:

- 1. IOU/DR Provider Analysis:** Once per year (with the option of a mid-year update), the IOU/DR provider would perform an analysis using its choice of analytical tools to calculate its Claimed QC (i.e., the amount of QC the IOU/DR provider forecasts that it can provide) for each hourly slice for each month of the upcoming (current, in the case of an update) RA Delivery Year based on the prevailing CPUC RA framework and DR availability requirements.

Claimed QC values would be made at the System-level and, optionally, at the Local Capacity Area (“LCA”)-level if the IOU/DR provider intends to provide Local RA. IOUs/DR providers could seek QC values for up to three years in advance for purposes of IOU planning and to allow DR providers to execute multi-year RA contracts. Even with multi-year contracts, fresh QC assessments would continue to be required no less frequently than annually to ensure a continued capability to meet commitments.

The IOU/DR provider would then provide the Claimed QC values and specified Supporting Data to the CPUC Energy Division for review and assessment, just as is currently done under the LIP process. The Council proposes that the Supporting Data consist of those listed below but this could be adjusted in the future as greater experience is gained with this method:

- a. Current and projected number of Service Accounts
 - b. Customer class, size, and technology type, if applicable
 - c. Projected aggregated load (aggregated capacity in the case of behind-the-meter (“BTM”) energy storage)
 - d. Projected % of load impact or reduction (projected % of capacity delivered for energy storage)
 - e. Nature of load being aggregated
 - f. Dispatch method
 - g. Historical performance data
- 2. Energy Division Assessment:** The Energy Division would assess the IOU/DR provider’s Claimed QC values and Supporting Data. If necessary, the Energy Division could request additional documentation or submit clarifying questions. This step is similar to the current step under the LIP process in which the Energy Division reviews LIP reports and may request additional information if necessary. The Council acknowledges concerns that allowing each IOU/DR provider to use the methodology of its choice could place a greater burden on the Energy Division. However, as discussed in detail below, there would be a penalty structure in place to provide after-the-fact rigor, so it will not be necessary that the Energy Division apply the same degree of up-front rigor it uses under the LIP process. Furthermore, the Energy Division would retain the prerogative of unilaterally discounting an IOU/DR provider’s Claimed QC, but it would be required to provide a clear explanation for doing so. Once the Energy Division made a determination on the IOU/DR provider’s Awarded QC values, it would post the QC values on the current CPUC NQC List for the period requested by the DR provider.
 - 3. Contracting and Allocating DR Capacity:** Once an IOU received its Awarded QC values, it would then be allocated to LSEs on a pro rata basis as is currently done. DR providers would be free to sell their Awarded QC through RA contracts.

- 4. Demonstrated Capacity:** DR performance would be tracked through an annual Demonstrated Capacity process that would directly align CAISO market settlement with capacity performance. This would be necessary to ensure that IOUs and DR providers are bidding into the CAISO market and performing consistent with their committed QC values.

On an annual basis, for each DR program (in the case of IOUs) or RA contract (in the case of DR providers), IOUs and DR providers would submit to the Energy Division a completed Demonstrated Capacity template comparing their monthly performance in delivering capacity consistent with their committed QC values. IOU DR programs are currently not required to be on Supply Plans so the IOU Demonstrated Capacity template would compare monthly QC values for each program to Demonstrated Capacity; conversely, third-party DR contracts must be on Supply Plans so the DR provider template would compare monthly Supply Plan values to Demonstrated Capacity. Consistent with current practice under the Demand Response Auction Mechanism (“DRAM”), in months for which the local IOU has provided less than 95% of Revenue Quality Meter Data (“RQMD”) to a DR provider, the DR provider would be exempt from providing Demonstrated Capacity data and therefore not subject to a penalty. This provision is necessary because without complete RQMD, a DR provider would be at risk of under-reporting its Demonstrated Capacity through no fault of its own.

Demonstrated Capacity would be assessed at the subLAP level for each DR program or contract and would be based on the following delivery types during the required hour(s) of availability:¹

1. CAISO market economic dispatch; if a DR resource is scheduled for less than its monthly QC value (for DR programs) or monthly Supply Plan value (for DR contracts), the ratio of its performance relative to its schedule would apply;
2. Full dispatch test event (pursuant to prevailing CPUC testing rules); or
3. CAISO market bids during the applicable Must Offer Obligation (“MOO”) hours.

Demonstrated Capacity reporting would utilize a template similar to the one currently used by DR providers under the DRAM. A draft Demonstrated Capacity template is attached as Appendix A. However, a working group process would be needed to ensure that the final template meets the needs of all parties involved.

The following Demonstrated Capacity guidelines would apply:

1. The current order of Demonstrated Capacity is as follows: 1) if there is a market dispatch of a resource in a month, the results must be used for Demonstrated Capacity even if the scheduled quantity is less than the monthly QC value; 2) if there is a test of a resource in a month but no market dispatch, the test results must be used for Demonstrated Capacity; and 3) only if there is no dispatch or test of a resource in a month can the bidding detail for a resource under the MOO be used for Demonstrated Capacity.
2. For market dispatches, Demonstrated Capacity would be assessed based on a resource’s performance during the best hour; i.e., the hour during which the ratio of delivered energy to scheduled energy is closest to 1.0. The Council acknowledges that there are pros and cons to this approach but the intent is to encourage IOUs and DR providers to dispatch their

¹ The availability requirements of DR programs and resources under the 24-Slice framework is to-be-determined. Regardless, the Demonstrated Capacity would be assessed consistent with the prevailing availability requirements of the DR program or contract.

resources more frequently without risk of depressing their Demonstrated Capacity value. If Demonstrated Capacity from a market dispatch was instead based on average performance, then there might be a motivation not to dispatch a DR resource more than once in a given month if the first dispatch resulted in a good score.

3. For market dispatches, resources located within the same subLAP but with different dispatch schedules could net out their performance. The Demonstrated Capacity of resources within a subLAP could not be netted out if they used different Demonstrated Capacity methods within a given month (e.g., one resource uses a market dispatch and another uses CAISO market bids during the MOO).
4. Each resource within a DR program or contract could provide a different ratio of full economic dispatches, test events, and market bids, subject to the prevailing DR testing rules. For example, a DR provider with a monthly Supply Plan of 4 MW of RA capacity using two 2-MW resources. Resource 1 could meet its Demonstrated Capacity requirement in a given month using an economic dispatch, whereas Resource 2 could meet its Demonstrated Capacity requirement for the same month using only market bids during its MOO hours.
5. A market dispatch need not be for the full resource monthly QC/Supply Plan value to count toward Demonstrated Capacity; however, a resource's market performance relative to its market schedule would be applied on a pro rata basis to its monthly QC/Supply Plan value.
6. To count toward Demonstrated Capacity, test events must conform with the prevailing CPUC DR testing rules.
7. Customer location movement between resources within a month would be prohibited, except under the following circumstances:
 - i. Newly enrolled customers can be added to a resource.
 - ii. A customer who unenrolls from a program or resource may be dropped from a resource.
 - iii. If the above changes make a resource trigger the CAISO's 10 MW telemetry requirement, or have it drop below the minimum Proxy Demand Response size of 100 kW resources, resources may be split or combined mid-month to continue to meet CAISO market requirements.
8. The IOU or DR provider must avoid any potential double counting of customer performance associated with service account movement permitted by the exemptions when invoicing Demonstrated Capacity. In order to mitigate double counting of customer performance, all customers not having been dispatched through an economic dispatch must be tested within the same month.
9. The baseline method used for energy settlement at the CAISO must be the same as the baseline method used to invoice Demonstrated Capacity.

The Incentive-Based Method differs greatly from the current LIP process because the LIP process has no mechanism to directly compare the QC value of an IOU DR program or third-party DR contract to CAISO market performance. Instead, the LIPs normalize DR performance to 1-in-2 peak weather conditions to more easily compare it to its ex ante load impacts. However, the CAISO market settlement process does not allow for this weather normalization in its settlement process. Within the context of the Incentive-Based Method, in which an IOU's or DR provider's success in delivering their committed QC amount is directly measured by their performance in the CAISO market during economic dispatches, test events, and market bids, the comparison of weather normalized ex post and

ante load impacts has little to no relevance. In this respect, the Incentive- Based Method is more aligned with how conventional resource performance is measured against their committed QC values.

5. Penalty Assessment: After each RA Delivery Year, the Energy Division would assess the monthly Demonstrated Capacity reports of each IOU and DR provider. The level of assessment would be at the program level for each IOU and at the contract level for DR providers. Any monthly shortfalls could lead to a penalty, depending on the magnitude of the shortfall. DR providers could also be subject to additional penalties pursuant to the terms of their bilateral contract. All penalties would be assessed based on monthly performance and aggregated to a total penalty for the year. No netting of under- and over-performance would be allowed from one month to the next. IOU penalty payments would be made as a reimbursement to ratepayers through a to-be-determined channel and DR provider penalty payments would be made to contracting LSEs. Penalty amounts for DR providers would be based on their kW-month contract price; however, additional discussion would be needed to determine an appropriate basis for IOU penalties.

The Council originally proposed to use the penalty structure used for the DRAM but elected to switch to the structure currently used by Pacific Gas and Electric Company (“PG&E”) for its CBP in order to maintain comparability and equitability between IOU and third- party DR. However, in its 2024-2027 DR program application in Application (A.) 22-05-002 et al, PG&E has proposed a new CBP penalty structure which the Council proposes instead. Should the CEC or CPUC consider rejecting the Council’s proposal based on its proposed penalty structure, the Council is open to consideration of alternative penalty mechanisms. As PG&E states in its testimony in support of its proposed CBP penalty structure, this revised penalty structure will “[lower] the threshold for penalties” which “ensures poor-performing aggregators will face more substantial penalties, with a penalty cap of 100 percent of the total capacity incentive.”² If this penalty structure is deemed by PG&E to result in improved performance by DR providers participating in its CBP, then the Council presumes that PG&E and the other IOUs would support adoption of this structure, given that the same DR providers that participate in their respective CBPs may also be participating in the RA market. The Council does not believe that DR providers should be subject to more rigorous penalties when not participating in an IOU DR program.

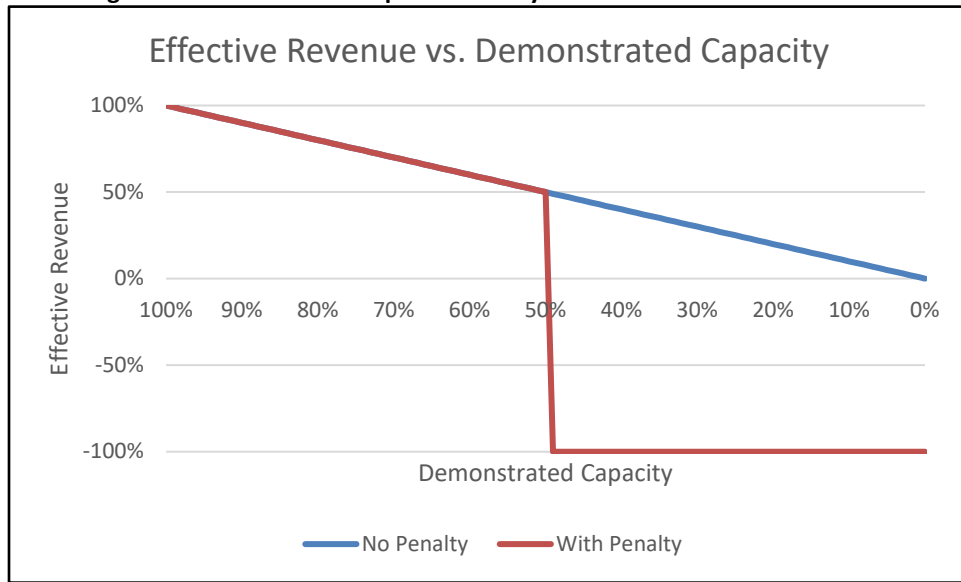
Table 1 provides the Council’s proposed penalty structure and Figure 1 provides a graphic illustration.

Table 1: Proposed Penalty Structure

Delivered Capacity Ratio	Payment	Penalty
≥ 0.50 and ≤ 1.0	Unadjusted Hourly Capacity Payment; Hourly Delivered Capacity Ratio Capped at 1.0	0
≥ 0 and < 0.50	0	Unadjusted Hourly Capacity Payment

² PG&E 2024-2027 DR Testimony, at p. 3-18.

Figure 1: Illustration of Proposed Penalty Structure



Applied to a DR provider, payment would be commensurate with delivered capacity; i.e., if it delivers less capacity than its committed QC down to 50 percent, then it would only be paid for what it delivered. Below 50 percent performance, a DR provider would receive no payment and would be required to pay a penalty equal to the contract value for the month being assessed. Because IOUs receive no payment for their DR capacity, any performance down to 50 percent would have no immediate repercussions but a significant shortfall could precipitate greater scrutiny and potential discounting by the Energy Division during subsequent reviews of Claimed QC values. The 50 percent “tolerance band” may appear substantial but this is balanced out by the absence of weather normalization when assessing Demonstrated Capacity. Without weather normalization, performance of a given weather-dependent DR resource would be lower under cooler conditions and higher during warmer conditions. Therefore, the tolerance band would encourage more frequent DR resource dispatch during cooler conditions because there would be a lower risk of penalties being assessed.

The tolerance band would also offset the downward bias of the current 1-in-10 (for non-residential customers) and 1-in-5 (for residential customers) wholesale DR baselines that rely on prior “like day” weather conditions even if event day temperatures are significantly higher. If the event day temperatures are higher than the prior “like day” temperatures, event day performance will be understated. This occurred during the 2020 heat storms and precipitated the CAISO to create its alternative day-of-adjustment option and to commission a proof-of-concept study by Recurve to demonstrate the utility of using universal control groups as a DR baseline option.

Example:

A DR provider receives a contract to provide 10 MW of QC from HE 17-HE 22 for \$5/kW-month (monthly contract value of \$50,000). The capacity will be delivered through two resources (Resource A and Resource B) located in the same subLAP. Table 2 provides a hypothetical example of how the Demonstrated Capacity assessment would be applied to determine whether a

penalty is warranted.

Table 2: Demonstration of Penalty Structure

[A] Month	[B] Monthly Supply Plan QC (MW)	[C] Resource A Demonstrated Capacity (MW)	[D] Resource B Demonstrated Capacity (MW)	[E] Aggregate Demonstrated Capacity (MW)	[F] Performance Ratio ([E]/[B] x 100%)	[G] Payment (If [F]>=50% (max. 100%), then = [E] x \$5,000; if [F]<50%, \$0))	[H] Penalty (If Applicable) ([B] x \$5,000)
January	10	3	4	7	70%	\$35,000	
February	10	4	4	8	80%	\$40,000	
March	10	4	0	4	40%	\$0	(\$50,000)
April	10	3	2	5	50%	\$25,000	
May	10	4	3	7	70%	\$35,000	
June	10	6	2	8	80%	\$40,000	
July	10	7	3	10	100%	\$50,000	
August	10	7	4	11	110%	\$50,000	
September	10	7	4	11	110%	\$50,000	
October	10	6	4	10	100%	\$50,000	
November	10	5	3	8	80%	\$40,000	
December	10	4	0	4	40%	\$0	(\$50,000)
					Totals	\$415,000	(\$100,000)
					Net Aggregate Payment	\$315,000	

QC Process Timeline

The year-ahead QC process timeline should begin late enough in the year prior to the RA Delivery Year to maximize the quality of the data inputs to the Claimed QC values. In addition, like the current LIP process, a mid-cycle update would be allowed during the RA Delivery Year. Both timelines could overlap such that the Energy Division would perform one round of assessments rather than two staggered sets of assessments (one for year-ahead Claimed QC and another for intra-year adjusted QC). The final timeline could be adjusted based on the feedback of IOUs, DR providers, and Energy Division staff.

- Annual Year-Ahead/Intra-Year Update Cycle
 - April 1: Claimed Year-Ahead QC for the following one to three years to Energy Division or Updated Intra-Year QC
 - June 1: Awarded QC issued by Energy Division
- Annual Demonstrated Capacity Assessment
 - January 15: Prior-year Demonstrated Capacity templates due to Energy Division
 - February 15: Energy Division notifies IOU and DR providers if they incurred penalty payments
 - April 15: DR providers transfer, as applicable, penalty payments to contracting LSEs; IOU process for transferring penalty payments is TBD

Conformance with 24-Slice Resource Adequacy Framework

The Incentive-Based Method would easily conform with the 24-Slice RA framework currently being developed in the CPUC's Resource Adequacy rulemaking. The exact format used by IOUs and DR providers to present their respective hourly QC values would be determined by the Energy Division, as is it today.

Conclusion

The Council's Incentive-Based Method addresses the key requirements in a new DR QC methodology. Specifically, it 1) better reflects actual IOU and DR provider capabilities, 2) significantly reduces the timeline for QC value determination, 3) is more transparent, 4) minimizes the cost to DR providers, 5) reduces the need for outside consultants, 6) reduces Energy Division workload, and 7) provides a minimum degree of assurance that the awarded DR QC values are delivered. In addition, this method maintains the Energy Division's role as an "emergency brake" to ensure that Claimed QC values are achievable.

Appendix A

DRAFT DEMONSTRATED CAPACITY TEMPLATE

Form of Notice of Demonstrated Capacity

Showing Month:

Seller:

Seller Contact Name:

Seller Contact Phone:

SCID:

Total Qualifying Capacity (MW):

Total Demonstrated Capacity (MW):

DC-QC Ratio:

Contract (if applicable):

DR Program (if applicable):

[illegible]

Total Demonstrated Capacity: