



**Orange & Rockland**

ORANGE & ROCKLAND UTILITIES, INC.

REQUEST FOR PROPOSALS

DYNAMIC LOAD MANAGEMENT SOLUTIONS TO PROVIDE  
DEMAND SIDE MANAGEMENT FOR SUBTRANSMISSION  
AND DISTRIBUTION SYSTEM LOAD RELIEF

2021 AND 2022 VINTAGE YEAR

ISSUED: December 1, 2020

SUBMISSION DEADLINE: January 15, 2021



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### Introduction

Orange & Rockland Utilities, Inc. is an investor-owned energy company located in the northwest suburbs of New York City, providing electric service to approximately 300,000 customers located in Orange, Rockland and Sullivan Counties, and gas service to approximately 130,000 customers in Orange and Rockland Counties.

By this request for proposal (“RFP”) Orange & Rockland Utilities, Inc. (the “Company” or “O&R”) is soliciting bid proposals from qualified and experienced vendors (“Applicants”) with the capability to deliver Dynamic Load Management (DLM), including Load Relief (kW) solutions, within O&R’s electric service territory. Applicants can bid to provide Load Relief in fixed four (4) hour Call Windows on weekdays with at least twenty-one (21) hours-notice as part of a Term-DLM Program, or with at least ten (10) minutes notice, eighteen (18) hours per day, seven (7) days a week as part of an Auto-DLM Program.

### Executive Summary

The New York State Public Service Commission adopted a statewide energy storage goal of installing up to 3,000 MW of qualified energy storage systems by 2030, with an interim objective of deploying 1,500 MW of energy storage systems by 2025. Further, the Commission ordered utilities, including O&R, to procure longer term Dynamic Load Management (DLM) resources in addition to maintaining existing Demand Response (DR) programs. The Commission required a minimum three-year term for contracts agreed to under the Procurement to foster capital-intensive technologies and provide increased Load Relief for utility systems. In addition to the Term-DLM program, the Commission required utilities to establish an Auto-DLM resource category with higher performance factors.

Following the guidance of the Commission, this RFP will help New York State achieve its energy storage targets by creating an environment for energy storage resources to provide benefits to the distribution system in a manner similar to existing tariff based Demand Response programs, but with longer-term price certainty. However, all DR participation strategies are welcome to respond to this RFP, including curtailment and onsite generation, with some restrictions listed in the eligibility section of this RFP.

The Company created two new DLM programs – “Term-DLM” and “Auto-DLM” – both of which will be competitively procured through this RFP for multi-year contracts. Term-DLM will require the provision



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of Load Relief when called with 21-hours of notification, five days per week during four-hour Call Windows that will be fixed for each Capability Period. Auto-DLM will require the provision of Load Relief for four-hours when called with 10 minutes of notification, seven days per week, and 18 hours per day, during the Capability Period. These programs are expected to improve system reliability by reducing the peak electricity demand in areas of the system on the hottest days of the summer, including weekends, and by reducing demand on specific parts of the system when experiencing contingencies. Specifically, the two programs are described as:

- 1) Term-DLM Program— Applicant will commit via 3-5 year contracts to provide a quantity of Load Relief for four-hours in fixed Call Windows on certain days during the Capability Period when (1) the Company's day-ahead system peak electric load is expected to be high. Participation in this program bars participation in Rider E's CSR program during the contracted years.
- 2) In the Auto-DLM Program—Applicant will commit via 3-5 year contracts to provide a quantity of Load Relief on days when the Company calls the Term-DLM as well as during electric system contingencies. As Auto-DLM provides the capabilities of Term-DLM plus the ability to rapidly respond to contingencies, the value attributed to Auto-DLM resources will be higher when evaluating responses to the Procurement. Participation in this program bars participation in Rider E's CSR program and Rider F's DLRP programs during the contracted years.

The Term and Auto-DLM Programs are offered as an alternative way for resources to provide benefits to O&R's distribution system. Alternatives to the Competitive Procurement include the demand response programs offered in Riders E and F.

The Company expects to conduct similar Term- and Auto-DLM Procurements annually with each RFP being conducted approximately 18 months prior to the start of the first Capability Period of the Program Agreement. For this Procurement only, the Company will issue an RFP for obligations commencing in both the 2021 and 2022 Capability Periods.

Applicants will be required, at a minimum, to detail the amount of Load Relief that they will provide, the geographic location of proposed resources, the Incentive Rate per kilowatt ("kW") per Capability Period, and other supporting information. This Incentive Rate will determine maximum annual per kW compensation. The price requested in the bid per kW, multiplied by the total kW pledged, multiplied by



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the number of years of the contract, represents the full contract value that can be achieved with 100% performance when called over the contract length. Applicants will also receive a \$1 per kilowatt hour (“kWh”) payment for every kWh of load reduction their Aggregations achieve during a Term- or Auto-DLM Event. An Applicant will be paid based on performance at the end of each Capability Period.

Performance will be evaluated by measuring how much Load Relief an Applicant (on behalf of a customer, where applicable) provides, compared to how much was committed. Applicants that submit bid proposals for the 2021 or 2022 Vintage Year Procurements shall submit separate applications for each Procurement.

## Process Flow and Timeline

A comprehensive process flow and timeline regarding the Order, RFP process, enrollment and capability periods can be found below:

**Orange & Rockland Dynamic Load Management (DLM) Program Timeline**

Milestones & Deadlines	2020		2021								
	November	December	January	February	March	April	May	September	November	December	
<b>DLM Competitive Procurement*</b>	RFP released for Vintage Years 2021 & 2022 on: <b>11/30</b>	O&R hosts webinar on: <b>12/09</b> Applicants submit questions by: <b>12/11</b> O&R responds to questions by: <b>12/18</b>	Applicants enabled in O&R's Oracle System by: <b>01/08</b> RFP Submittal Deadline: <b>01/15</b>	RFP Award Notification: <b>02/12</b> Contract Execution Deadline: <b>02/26</b>		Enrollment Period Opens: <b>03/01</b>				Early Exit Fee Deadline: <b>11/01</b> RFP release for Vintage Year 2023: <b>11/30</b>	O&R hosts webinar on: <b>12/09</b> Applicants submit questions by: <b>12/11</b> O&R responds to questions by: <b>12/18</b>
<b>Program Implementation**</b>						Enrollment Deadline: <b>04/01</b>	Summer Capability Period Starts: <b>05/01</b>	Summer Capability Period Ends: <b>09/30</b>			

Milestones & Deadlines	2021		2022								
	November	December	January	February	March	April	May	September	November	December	
<b>DLM Competitive Procurement*</b>	Early Exit Fee Deadline: <b>11/01</b> RFP release for Vintage Year 2023: <b>11/30</b>	O&R hosts webinar on: <b>12/09</b> Applicants submit questions by: <b>12/11</b> O&R responds to questions by: <b>12/18</b>	Applicants enabled in O&R's Oracle System by: <b>01/10</b> RFP Submittal Deadline: <b>01/17</b>	RFP Award Notification: <b>02/14</b> Contract Execution Deadline: <b>02/28</b>		Enrollment Period Opens: <b>03/01</b>				Early Exit Fee Deadline: <b>11/01</b>	TBD
<b>Program Implementation**</b>						Enrollment Deadline: <b>04/01</b>	Summer Capability Period Starts: <b>05/01</b>	Summer Capability Period Ends: <b>09/30</b>			

\*Note: Future RFPs to be released annually

\*\* Note: Enrollments will be completed annually for new & existing Aggregators



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### Program Description

#### Term-DLM

##### Purpose

For peak shaving.

##### Activation Conditions

Applicant will commit via a 3-5 year contract to provide a quantity of Load Relief for four hours in fixed Call Windows on weekdays during the Capability Period when the Company's day-ahead peak electric load is expected to be at least 88 percent of the forecasted summer system peak. When the Company's day-ahead peak electric load is expected to be at least 92 percent of the forecasted summer system peak, the Company will issue an Advisory to Applicants. The Company will activate Term-DLM by providing a minimum of 21 hours Advisory prior to the start of an event. Customers participating in this program will provide local peak reduction.

##### Availability

Fixed four-hour Call Windows five days per week during the Capability Period. Applicants using energy storage technology cannot charge during the Call Window associated with their pledge for the entirety of each Capability Period under contract.

#### Auto-DLM

##### Purpose

A reliability and peak shaving program whereby participants will provide Load Relief on not less than 10 minutes advance notice.

##### Activation Condition

Applicant will commit via a 3-5 year contract to provide a quantity of Load Relief on days when the Company calls the Term-DLM as well as during electric system contingencies. Auto-DLM customers will provide four-hours of Load Relief after receiving at least 10 minutes of notice. Events can be called in specific circuits, feeders, or geographical areas for peak shaving or reliability needs.



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### Availability

Applicants must be available to respond to Auto-DLM Events between 6 AM and midnight seven days per week during the Capability Period.

### Test Event for Term- and Auto-DLM

For both programs, the Company may hold Test Events to assess participants' response to a request for Load Relief. Test Events under these two programs will last one hour.

### Event Notification for Term- and Auto-DLM

The Company will notify the Applicant by phone, e-mail, or machine-to-machine electronic signal, or a combination thereof, in advance of the commencement of a Load Relief Period or Test Event. The Applicant shall communicate with O&R personnel to designate an authorized representative and an alternate representative to receive notifications. If a Customer is served by an Applicant in the Term- or Auto-DLM Program, only the Applicant will be notified of the Load Relief Period or Test Event, and the Applicant shall be responsible for notifying all of its Participating Customers.

### Historical Frequency of Conditions that May Trigger Term- or Auto-DLM Event Calls

For Term-DLM, an event may be called when the Company's day-ahead load forecast is 88 percent of forecasted summer system peak and will be called when the day ahead load forecast is 92 percent of forecasted summer system peak. The table below presents the number of days over the last five years when actual load rose above the 92 percent threshold, which triggers system-wide CSRP events in accordance with Rider E. A history of the day-ahead forecasts issued is not available but would likely show similar results.





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Year	Forecasted Summer System Peak (MW)	Number of DR Events from Exceeding 92 Percent of Forecasted System Summer Peak
2016	1,632	1
2017	1,625	0
2018	1,620	2
2019	1,585	0
2020	1,558	1

The activation condition for Auto-DLM is the same as for the Company's existing Distribution Load Relief Program (DLRP). Because events can be limited to individual circuits or geographic areas where an applicable contingency event is ongoing, the number of events called in the most areas during a given summer provides a good benchmark for the number of Auto-DLM events that could be called in a given Aggregation.

Year	Days with DLRP Events	Test Events
2016	0	1
2017	0	1
2018	2	1
2019	0	1
2020	1	1



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## RFP Process

### Timeline

Below is the expected schedule to be followed for this solicitation

	Milestones	Dates for 2021 Vintage Year	Dates for 2022 Vintage Year
1	Release RFP	Monday, November 30, 2020	
2	Webinar	Wednesday, December 9, 2020	
3	Applicants submit clarification questions	Friday, December 11, 2020	
4	Responds to clarification questions	Friday, December 18, 2020	
5	Deadline for Aggregator enablement in Oracle	Friday, January 8, 2021	
6	RFP response deadline	Friday, January 15, 2021	
7	RFP award/notification	Friday, February 12, 2021	
8	Contract execution date	Friday, February 26, 2021	
9	Early Exit Fee exercise & payment due	<u>NA</u> <sup>1</sup>	Monday, November 1, 2021
10	Enrollment deadline	Thursday, April 1, 2021	Friday, April 1, 2022
11	Capability Period start	Monday, May 3, 2021	Monday, May 2, 2022

### Application

#### Form of application and required inputs in each Aggregation

Applicants must apply for a minimum of 50 kW of Cleared Quantity associated with a single program and Vintage Year. Aggregations for Term- and Auto-DLM shall be declared on separate tabs which are

<sup>1</sup> Due to the compressed schedule for a 2021 solicitation, there is insufficient time to allow Applicants to use Early Exit Fees to reduce their Portfolio Quantity in 2021.



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labeled for each of the two programs. Applications for the 2021 and 2022 Vintage Year RFPs shall be submitted using separate forms.

Each row shall contain:

1. Amount of Load Relief requested, in integer values of kW.
2. \$ per kW bid associated with the Aggregation (“Incentive Rate”). This Procurement’s clearing mechanism is Pay-as-Bid and each bid will be made to the nearest dollar and will determine the level of compensation if the bid is accepted. These Incentive Rates determine the maximum per kW annual Reservation Payment an Applicant can receive for its Aggregation.
3. The Vintage Year for which the Applicant is applying, which is the starting year of the contract. Separate workbooks will be submitted for the Aggregations associated with each Vintage Year.
4. Contract duration requested ranging from three to five years.
5. The Program for which the Aggregation is intended to participate. Separate tabs are available for the Term- and Auto-DLM programs

It is expected that the Applicant is capable of fulfilling all Load Relief pledges for which the Applicant is applying and therefore overlapping pledges using the same Customers should not be made. This applies both in the case of bids for Aggregations across the two programs or across different Vintage Years. For example, if an Applicant bids 100 kW for Term-DLM and 200 kW for Auto-DLM and both bids clear, then the Applicant will be expected to deliver 300 kW of Load Relief when called with 21 hours of notification. The same applies for an Applicant making bids for both the 2021 and 2022 Vintage Years. All bids that clear will be offered as a bundled contract that must be fully accepted as a package, or fully rejected by the Applicant. Therefore, an Applicant should plan on being able to satisfy all obligations associated with Aggregations bid for and should assume that all may be awarded.

Up until December 11, 2020, Applicants may submit clarifying questions regarding the RFP to our supply chain contact, [armelyl@coned.com](mailto:armelyl@coned.com). These will be answered by the Company publicly on the RFP website by December 18, 2020, where all Applicants will have access. Interested Applicants shall contact



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[armelyl@coned.com](mailto:armelyl@coned.com) to request access to the Company's Oracle system for the purpose of submitting bids. Applications shall be submitted to O&R by January 15, 2021 using the Company's Oracle system.

### Description of Terms that Will Result in More Favorable RFP Consideration

#### Program choice

As Auto-DLM provides the capabilities of Term-DLM plus the ability to manage contingencies fitting program dispatch criteria via availability on 10 minutes notice, the value attributed to Auto-DLM resources will be higher when evaluating responses to the Procurement. Term-DLM provides similar Load Relief capabilities as the Company's CSR program and will therefore be valued as such when evaluating bids. In contrast, Auto-DLM combines Load Relief capabilities provided by Customers enrolled in the Company's CSR and DLR programs and therefore Auto-DLM Aggregations will be evaluated based on the combined value of those two programs.

#### Tier 2 Geographic Locations

Aggregations in Tier 2 geographic locations will be awarded greater consideration in the Procurement. Tier 2 geographic locations are listed in [this document](#) for the 2021 Capability Period.

#### Application submission

All applications shall be submitted using the Oracle RFQ system.

The following information must be uploaded in the standard templated format(s) provided:

1. Complete quantitative submittal, for each applicable Vintage Year.
2. DR Aggregator questionnaire (Attachment A)
3. Applicant checklist form (Appendix A)

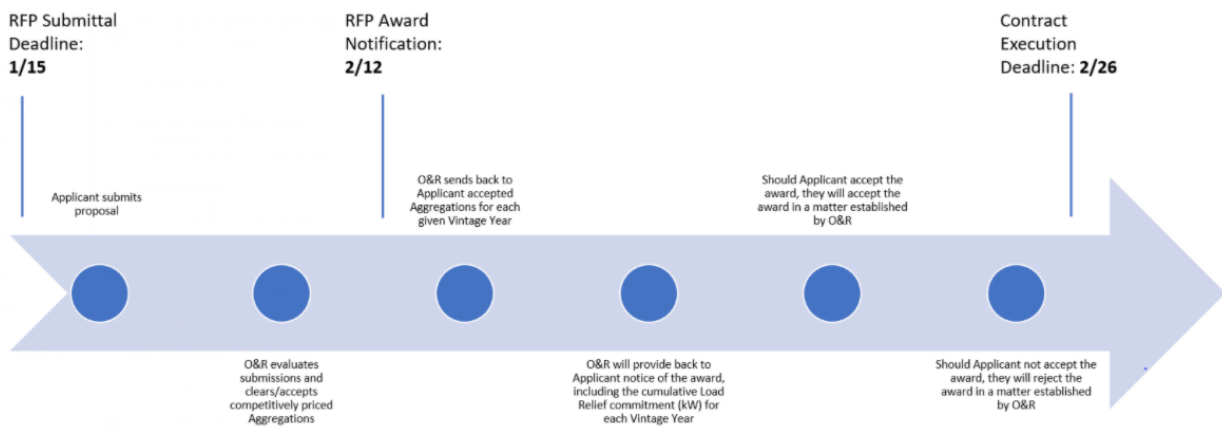
To be considered as an Applicant to the RFP, Applicants must submit a completed Application by the application deadline of January 15, 2021. Each Applicant must submit an application with a maximum of one bid for each program. All Bids will be treated as Sealed Bids. Receiving the full contract value is contingent upon meeting the performance requirements described in the 2021/2022 DLM Program Agreements.



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## Instructions and General Process Flow

1. Applicant will submit a proposal (i.e., Complete quantitative submittal) for each applicable Vintage Year (excel template) detailing proposed geographic locations, Load Relief, and pricing etc.
2. O&R will evaluate bid submissions, and clear competitively priced bids.
3. O&R will summarize within Applicant's excel template, which bids clear, and which have not cleared.
4. O&R will provide Applicant a summary of the cumulative Load Relief commitment for each given Vintage Year.
5. Should Applicant desire to accept the O&R award, Applicant will accept the award in the manner established by O&R.
6. Should Applicant desire to reject the O&R award, Applicant will reject the award in the manner established by O&R.



## Evaluation

### Clearing based on BCA evaluation of Aggregations

Aggregations proposed in response to this RFP will be reviewed in detail by O&R. O&R will utilize an evaluation framework to examine proposals listed in the table below. The review process is intended to be fair and equitable, with the objective being to provide the greatest value to O&R ratepayers. Applicant should note that although O&R will be reviewing Applicant's solution if the submission criteria are met,



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there is no guarantee that Applicant’s proposal will be selected. Proposals will be reviewed at the Aggregation level, meaning that individual Aggregations can be accepted or rejected.

The Company will use a Benefit-Cost Analysis (BCA) framework as outlined in the [BCA Handbook](#) filed with the New York State Public Service Commission as part of its determination of which bids are accepted. Each Aggregation will be evaluated separately.

The 2021/2022 Vintage Year DLM RFP is a multiple award, pay-as-bid market solicitation, meaning that more than one Applicant can be awarded, and Incentive Rates proposed by Applicants are not subject to being changed once proposed.

Review Approach	Objective
<p><b>Proposal</b></p>	<p>Information requested is complete and has been provided in the specific format requested i.e., the Applicant Summary Proposal Template, by Vintage Year, checklist, and completed bids in the provided excel template.</p>
<p><b>Incentive Rate (\$/kW)</b></p>	<p>The cumulative incentive rate (price) proposed, by Geographic Location, per Vintage Year.</p> <ul style="list-style-type: none"> <li>- Proposals in Tier 2 geographic locations will be valued higher than other Proposals.</li> <li>- Proposals for Auto-DLM Aggregations will be valued higher than for Term-DLM aggregation because Auto-DLM Aggregations provide Load Relief value associated with both the Company’s CSR and DLRP programs</li> <li>- More than one Applicant may be awarded a contract under this RFP.</li> <li>- Submitted Incentive Rates are <b>non-negotiable</b>.</li> <li>- Applicants may only submit one Proposal (Excel file) per vintage year which will be considered the Applicants “best and final.” Any overlapping proposals will be considered separately, and Applicant will be expected to deliver the full amount of Load Relief, if multiple awards are accepted.</li> <li>- If Applicants have been awarded Aggregations for both the 2021 and 2022 Vintage Years, they are expected in 2022, and for the length of time those obligations overlap, to meet those obligations to deliver Load Relief separately. Each Aggregation assigned to distinct Vintage Years must meet Load Relief obligations with distinct groups of Customers.</li> </ul>



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### Contract awards and signature

#### Form of contract

The award made to the Applicant shall list all accepted Aggregations for a Vintage Year along with contract terms. Unless otherwise requested by the Applicant, O&R expects to enter into a contract containing comparable terms and conditions with the Program Agreement proposed to the Applicant at the time of the award. Where the Applicant proposes contractual terms that differ substantively from those appearing in the Program Agreement, O&R will consider the risks and costs in connection with the proposed terms and conditions.

#### Acceptance options

The Applicant will have the option of accepting or rejecting the Aggregation listed in the award in full but not in part. If accepted, the Cleared Quantity of Load Relief for the Aggregation shall become the Cleared Quantity associated with the Aggregation.

#### Early Exit options and fees

With the exception of the 2021 Capability Period for the 2021 Vintage Year, Applicants shall have the opportunity to declare a Deficient Quantity in an aggregation and pay an Early Exit Fee on or before November 1 prior to the forthcoming Capability Period. To declare a Deficient Quantity, the Applicant shall submit a request to [ordemandresponse@oru.com](mailto:ordemandresponse@oru.com) and submit payment for the Early Exit Fee at that time.

If the Applicant declares a Deficient Quantity, it must pay the Early Exit Fee, which is calculated as the product of the Deficient Quantity, multiplied by the Incentive Rate, multiplied by ten percent (10%), multiplied by the remaining years of the contract.

Payment of an Early Exit Fee does not absolve the Applicant of the requirement to pay penalties owed as a result of program participation for prior Capability Periods. This payment will be due within 30 days after an invoice is submitted to the Applicant.

If an Aggregation achieves an Average Season Performance Factor of less than 0.00 for the Term-DLM Program or the Auto-DLM Program, the Company can at its own discretion cancel the Portfolio Quantity



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associated with that Aggregation and assess the associated Applicant the Early Exit Fee along with any penalties for poor performance accumulated to that point.

### Eligibility

#### Program exclusions

1. Customer accounts enrolled in Term-DLM may not enroll in CSRP.
2. Customer accounts enrolled in Auto-DLM may not enroll in either CSRP or DLRP.
3. Customers participating in Term- or Auto-DLM and taking service under the Value Stack Tariff will be ineligible for the DRV and LSRV components of Rider P for the duration of the contract term applicable to the Aggregation. By accepting the award, Applicant will be acknowledging that the enrollment of Customers in Term- or Auto-DLM Programs that are also taking service under the Rider N - Value Stack Tariff will represents a decision on behalf of those Customers to forgo DRV or LSRV compensation for the length of the Applicant's contract under the Value Stack Tariff.
4. Net Energy Metering customers may not enroll in either Term- or Auto-DLM.
5. Customers enrolling in the 2021 Capability Period must have an existing account number, or new account number upon completion of the New York Standard Interconnection Process ([link](#)) as defined on pages 7-8 of the Company's [tariff addendum](#). To enroll in Term- or Auto-DLM, an account number is required prior to the April 1 Enrollment deadline.
6. Customers with existing Non-Wires Solutions contracts cannot participate in Term- or Auto-DLM.
7. Applicants in Term- and Auto-DLM can bid Load Relief above and beyond the Portfolio Quantities associated with individual Aggregations to Non-Wires Solutions RFPs so long as Load Relief provided by Customers participating in both counts first to satisfy the Term- or Auto-DLM Aggregations.

#### Technology exclusions and restrictions

Diesel-fired Electric Generating Equipment will not be permitted and if used by a customer will be grounds for cancelling a contract associated with an Aggregation. No limit or cap will be placed under Term- or Auto-DLM on the following: natural gas-fired rich burn Electric Generating Equipment that





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incorporates three-way catalyst emission controls; natural gas lean-burn Electric Generating Equipment with an engine of model year vintage 2000 or newer; or Electric Generating Equipment that has a NO<sub>x</sub> emissions level of no more than 2.96 lb/MWh.

### Additional Guidance Regarding Electric Generating Equipment

If Applicant requests to operate Electric Generating Equipment for Load Relief purposes under the Term- or Auto-DLM Program, during enrollment the application must state generator information, including nameplate rating, manufacturer, date of manufacture, fuel type or energy source, and the kW enrolled using this equipment. Without this information, the enrollment cannot be accepted. The Applicant must state as part of enrolling Customers using Electric Generating Equipment whether the Customer's unit incorporates three-way catalyst emission controls (natural gas-fired rich burn), a natural gas lean-burn engine of model year vintage 2000 or newer or whether it has a NO<sub>x</sub> emission level of no more than 2.96 lb./MWh. If the generating equipment has a NO<sub>x</sub> emission level of no more than 2.96 lb./MWh, but is not natural gas-fired rich burn generating equipment that incorporates three-way catalyst emission controls or natural gas lean-burn engine of model year vintage 2000 or newer, the Applicant must provide written certification by a professional engineer at the time of Customer enrollment. The certification must be attached to the application attesting to the accuracy of all generation-related information contained in the application, including the NO<sub>x</sub> emission level. Without such information and certifications as necessary about a Customer's Electric Generating Equipment, the associated enrollment will be rejected.

Applicants with contractual Load Relief obligations in the 2025 Capability Period and beyond, that include Electric Generating Equipment, must comply with all local, state and federal rules, including, at a minimum, in addition to the following NO<sub>x</sub> emissions limits, from the beginning of their contractual obligations (the first contracted Capability Period):

1. Combustion turbines firing natural gas: 25 parts per million on a dry volume basis corrected to 15 percent oxygen;
2. Combustion turbines firing oil: 42 parts per million on a dry volume basis corrected to 15 percent oxygen;
3. Spark ignition engines firing natural gas: 1.0 grams per brake horsepower-hour.



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Applicants should be familiar with rule 6 NYCRR Part 222 and comply when applicable. Written evidence of extensions granted by the Department of Environmental Conservation to a participant under the provisions of §222.4(c), must be provided to the Demand Response team at [ORdemandresponse@oru.com](mailto:ORdemandresponse@oru.com), during enrollment. Where applicable, a copy of the required New York State Department of Environmental Conservation (“DEC”) permit or registration must be included with the Term- or Auto-DLM customer enrollment. If the permit or registration has not yet been issued, a copy of application to the DEC for the required permit or registration may instead be submitted; provided, however, that a copy of the actual DEC permit or registration must be submitted before commencing service under Term-or Auto-DLM. By participating in Term- or Auto-DLM, Applicants (on behalf of their customers, as applicable) agree to permit the Company to provide information regarding the Electric Generating Equipment to the DEC for its review, subject to the DEC’s agreement to keep this information confidential.

### Enrollment

#### Pre-condition: Aggregator approval and access to DR Portal

Enrollment will take place in the DR Portal which is accessible for O&R Customers and current or prospective Aggregators. Enrollment applications for each Customer must be submitted electronically by the Applicant.

Before submitting enrollments, Applicants should complete the Aggregator eligibility process which will provide access to the DR Portal, if Applicant has not already completed this process.

The process of enrolling as an approved O&R Demand Response Aggregator requires the completion of the following forms:

1. A Demand Response Program Application
2. A Demand Response Program New Aggregator Questionnaire
3. A Data Security Agreement
4. Financial documents:
  - a. To receive payments via check:
    - i. W-9



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- ii. Remittance Letter
- b. To receive payments via wire transfer:
  - i. W-9
  - ii. Remittance Letter
  - iii. ACH Form
  - iv. Bank letter or copy of a voided check

### Customer Enrollments

Each enrollment entered onto the DR Portal must state the valid O&R account number, the Demand Response Program, the Baseline Verification Methodology, Load Relief via Curtailment (kW) with those participating solely by generation filling in 0 kW, and Vintage Year the Customer is being enrolled as part of, and whether or not there is on-site generation being used to provide Load Relief. If on-site generation is being used to provide Load Relief, Applicant must submit the Load Reduction via Generation (kW), Nameplate Capacity (kW), Asset Type, Capacity (kWh), Model year, Manufacturer, and any associated compliance documentation. Compliance documentation must be submitted with the enrollment. Each account enrolled in the programs will be placed in the Applicant's Aggregation. Applicants will specify the Vintage Year for each Aggregation.

The Company will accept completed enrollments on or before the first weekday of April prior to the start of each Capability Period. For the purpose of this RFP, this is referred as the "Enrollment Deadline".

All accepted enrollments will have valid account numbers and corresponding interval meters prior to the Enrollment Deadline. Any errors on the enrollment application must be corrected no later than seven (7) business days before the commencement of the Capability Period. Only the Load Relief of approved enrolled customers will be considered for calculating the Performance Factor and associated payments.

### Performance and Payment Calculations

#### CBL approach and option details

The Customer Baseline Load is calculated using the Company's Customer Baseline Load methodology. Currently approved Customer Baseline Load methodologies are described in the Company's baseline operating procedure, which is published on the Company's [website](#). The Company will advise



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Aggregators and Department of Public Service Staff of any potential changes to baseline options in the methodology by December 1 of each year. If the Company proposes any changes, the Company will hold a meeting with concerned parties to obtain feedback about those changes by January 1 of each year. The Company will advise Aggregators and Department of Public Service Staff of any potential additional baseline options to be added to the methodology and, if the Company proposes any changes, hold a meeting with concerned parties to obtain feedback about those additional baselines at least one month before they are to go into effect.

Performance will be evaluated by measuring how much Load Relief an Aggregation provides compared to how much was committed. The Baseline Verification Methodology will be used by the Company to verify the actual Load Relief provided (measured in kW and kWh) during each hour of each designated Load Relief Period or Test Event. Actual load levels are compared to the CBLs to verify whether the Applicant provided the kW of contracted Load Relief; provided, however, that the Company may estimate data in accordance with its operating procedure if data is not available for some or all intervals required.

A single Baseline Verification Methodology will be used for each Customer account to assess both energy (kWh) and demand (kW) Load Relief.

An Applicant may change their selection of Baseline Verification Methodology associated with each Customer for the upcoming Capability Period provided the request is received prior to the Enrollment Deadline.

### Calculation of Event Performance Factor

For all Event Performance Factors, the contracted Load Relief shall be the Portfolio Quantity associated with the Aggregation. The hourly kW of Load Relief provided is based on the sum of Load Relief provided by the Customers comprising the Aggregation.

1. Event Performance Factor under Term DLM: When a Term-DLM Event is called, is the ratio of: (i) the average hourly kW of Load Relief provided during the Contracted Hours up to the kW of contracted Load Relief to (ii) the kW of contracted Load Relief. The Event Performance Factor is rounded to two decimal places and has an upper limit of 1.00 and a lower limit of 0.



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2. Event Performance Factors under Auto-DLM: When an Auto-DLM or Term-DLM Event is called, is the ratio of: (i) the average hourly kW of Load Relief provided during the first four-hours of the Load Relief Period up to the kW of contracted Load Relief to (ii) the kW of contracted Load Relief. The Event Performance Factor is rounded to two decimal places and has an upper limit of 1.00 and a lower limit of 0.
3. Test Event Performance Factor under Term- and Auto-DLM: Event Performance Factor, when a Test Event is called, is the ratio of (i) the average hourly kW of Load Relief provided during the Test Event hour up to the kW of contracted Load Relief to (ii) the kW of contracted Load Relief. The Test Event Performance Factor is rounded to two decimal places and has an upper limit of 1.00 and a lower limit of 0.

### Calculation of Adjusted Performance Factor

The Adjusted Performance Factor for each Term-DLM Event is equal to (1) the Event Performance Factor when greater than or equal to 0.80 and (2) when below 0.80 is equal to the difference of the Event Performance Factor and the difference of 0.80 and the Event Performance Factor. If the Company's Request for Clarification is not confirmed, then for Event Performance Factors below 0.40, the Adjusted Performance Factor shall be set to 0.00. (Refer to Request for Clarification description section below.)

The Adjusted Performance Factor for each Auto-DLM Event is equal to (1) the Event Performance Factor when greater than or equal to 0.90 and (2) when below 0.90 is equal to the difference of the Event Performance Factor and the difference of 0.90 and the Event Performance Factor. If the Company's Request for Clarification is not confirmed, then for Performance Factors below 0.45, the Adjusted Performance Factor shall be set to 0.00. (Refer to Request for Clarification description section below.)

### Request for Clarification description

On October 19, 2020, the Company filed a Request for Clarification to determine whether Applicants could be assessed negative Adjusted Performance Factors if they achieve Event Performance Factors on Term-DLM Events of below 0.40 and Auto-DLM Events of below 0.45. In the event the Public Service Commission validates the assessment of such negative Adjusted Performance Factors, the Request for Clarification shall be considered "confirmed". If not, it shall be considered "not confirmed."



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### Calculation of Average Season Performance Factor

The average of all Adjusted Performance Factors recorded for the Aggregation during that season. The Average Season Performance Factor is rounded to two decimal places and has an upper limit of 1.00 and a lower limit of -0.80 for Term-DLM and -0.90 for Auto-DLM. An Average Season Performance Factor below 0.00 results in a penalty with money due to the Company. For example, if an Applicant's Aggregation consists of 100 kW and with an Incentive Rate of \$100 per kW, an Average Season Performance Factor of -0.20 would result in the Applicant owing \$2,000 to the Company at the end of the Capability Period.

### Description of Reservation Payment Calculation

The Reservation Payment, which is issued annually, is equal to the applicable Incentive Rate per kW per Capability Period multiplied by the Applicant Portfolio Quantity multiplied by the Applicant Aggregation Average Season Performance Factor. An Applicant will end up owing O&R money following the Capability Period if this calculation results in a negative value.

### Timing of Reservation Payment Issuance

Reservation Payments will be issued to Applicants by the end of November following the Capability Period. If amounts are owed to the Company by the Applicant, the Company will issue an invoice that will be due by January 15<sup>th</sup> of the following year. If the Company does not receive payment in full, the Applicant may be barred from current and future participation in other Company programs. If payment is not received for the preceding Capability Period, the Company may vacate any award received by that Applicant for future Capability Periods and charge the Applicant the Early Exit Fee in addition to money already owed which must be paid within 30 days of receiving an invoice. If the Applicant participates in the Company's CSRP or DLRP Program under the Company's Tariff, the Applicant agrees that payments from those programs can be collected by The Company to satisfy outstanding debts to the Company incurred through Term- or Auto-DLM participation.

### Performance Payments

The Company will provide a Performance Payment for participation in events at the rate of \$1/kWh. The Performance Payment is equal to the applicable \$1/kWh multiplied by the average hourly kWh of Load Relief provided by the Applicant Aggregation during the event multiplied by the number of event hours.



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Performance Payments for Test Events are equal to \$1/kWh multiplied by the average hourly kWh of Load Relief provided by the Applicant during the Test Event up to the contracted Portfolio Quantity multiplied by the number of event hours.

Applicants will not receive Performance Payments for Load Relief provided by Customers who participate in DLRP if those Customers are called during the same hours for Term-DLM and DLRP events

All Performance Payments for a Capability Period will be issued at the same time as an Applicant's Reservation Payments.

### Metering Requirements

Participating in Term- or Auto-DLM requires that the entire service for each Customer account be measured by Interval Metering with telecommunications capability. If an Aggregator participates in Rider P, all customers of the Aggregator must meet the metering and telecommunications requirements specified hereunder to be enrolled.

If, at the time of enrollment, the Company does not bill the Customer account using Interval Metering, the Customer shall arrange for the furnishing and installation of Interval Metering with telecommunications capability to be used for billing and arrange for telecommunications service, at the Participant's expense, net of any discount or rebate received by the participant. The Company will issue an invoice within three business days of its receipt of a completed request for a meter that communicates by landline. If metering that communicates wirelessly is requested and the wireless service meets the Company's security requirements, the Company will charge \$200.00 to visit the premises to determine whether or not wireless communication is viable. Within 14 business days of receiving payment, the Company will visit the premises to determine wireless viability and, within three business days of the visit, issue an invoice that contains the cost of an upgrade to a meter that communicates wirelessly or, if wireless communications are not viable, a meter that requires use of a landline. The Company will not be required to meet the 14 business-day timeframe if there are reasons outside of the Company's control, such as a major storm or denial of access to the meter. The process and rules pertaining to meter upgrades are described in the Meter Upgrade Manual posted on the Company's website.



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If, at the time of enrollment the Company does not bill the Customer account monthly using Interval Metering, the telecommunications must be in place by the time the Company calculates Reservation and Performance Payments. If communications are not established by the time Reservation Payments are calculated, then the Customer account will be assigned Event Performance Factors of 0.00 for all Events during the Capability Period where data was unavailable to calculate Event Performance Factors. If insufficient data are available after communications are established for calculating performance as a result of previously unavailable communications, then Event Performance Factors of 0.00 will be assigned for all Events during the Capability Period where data was unavailable to calculate Event Performance Factors.

For customers seeking an Interval Meter who do not already have an AMI Meter or a communicating hourly pricing meter, requests for the Company to install a new meter must be made at least 21 business days before April 1 to ensure the Interval Meter is installed prior to the Enrollment Deadline. If so, the Company will install Interval Metering within 21 business days of the later of the Company's receipt of an Applicant's payment for an upgrade to Interval Metering, so long as the Customer seeking an Interval Meter already has an account number and is interconnected, and: (i) evidence that a request has been made to the telephone carrier (e.g., receipt of a job number) to secure a dedicated phone line for a meter with landline telecommunications capability or (ii) the active Internet Protocol ("IP") address that the wireless carrier has assigned to the modem's ESN for a meter with wireless capability. If the Company misses the installation time frame before the start of the Capability Period, it will assign Event Performance Factors of 1.00 to the Applicant for all Term- or Auto-DLM Events that occurred prior to Interval Meter installation, unless the meter delay was caused by a reason outside the Company's control, such as the telephone company's failure to install a landline or, if, at the Company's request, the Commission grants the Company an exception due to a condition such as a major outage or storm.

The Company will visit the premises at the request of the Customer to investigate a disruption of normal communications between the phone line or wireless communications and the meter, or operation of external pulses from the meter to the Customer's energy management equipment. The Company will charge for its visit based upon the cost to the Company as defined in the Company's tariff. If the Company cannot collect data needed to calculate Event Performance Factors from AMI Meters and the Customer has allowed the Company access to its premises to make repairs upon request, it will assign





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Event Performance Factors of 1.00 to the Applicant for all Term- or Auto-DLM Events for which Event Performance Factors could not be calculated. If the Company has attempted to make repairs but the Customer has denied access to its premises, the Company will assign Event Performance Factors of 0.00 to the Applicant for all Term- or Auto-DLM Events for which Event Performance Factors could not be calculated.

### Transferring Aggregations

An Applicant may elect to transfer part or all of its Portfolio Quantity for an Aggregation prior to the enrollment deadline of a Capability Period to another Applicant who is an approved Aggregator. All transfers must be completed before the Enrollment Deadline to take effect for the forthcoming Capability Period. Otherwise the transfer shall take effect after the end of that year's Capability Period. The recipient of an Aggregation takes on the full contractual responsibilities of the previous Applicant associated with the Aggregation upon submitting a transfer request. If an Applicant elects to transfer part or all of its Portfolio Quantity to another Applicant who is an Approved Aggregator, the existing Program Agreements must be updated, or a new Program Agreement must be created to reflect these transfers. The amended or new Program Agreement must be signed by the Applicant receiving the transfer. If the recipient of the Aggregation has an existing Aggregation for that Vintage Year, then the transferred Aggregation will be added to the existing Aggregation.



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### Definitions

**Auto-DLM Program:** Applicant will commit via a 3-5 year contract to provide a quantity of Load Relief for a contingency program activated to prevent or mitigate critical situations on the utility's electric grid or for peak shaving purposes using the same activation criteria as for Term-DLM. A contingency may be designated under Auto-DLM on specific circuits, feeders, or if a voltage reduction of five percent or greater has been ordered.

**Adjusted Performance Factor:** An Adjusted Performance Factor is calculated for each event using the Event Performance Factor and reducing the value based on a formula described in the Calculation of Adjusted Performance Factor section of this RFP.

**Advisory:** Refers to the Company's notice that the Company's day-ahead forecasted load level is at least 92 percent of the forecasted summer system peak. The Company may also send Advisory notices when the day-ahead forecasted load level is at least 88 percent of forecasted summer system peak for selected geographic locations.

**Aggregation:** All Customers represented by an Applicant within either Auto- or Term-DLM.

**Aggregator:** Refers to a party other than the Company that represents and aggregates the load of Customers who collectively have a Load Relief potential of 50 kW or greater under Term- or Auto-DLM for a particular Vintage Year and that is responsible for the actions of the Customers it represents, including performance and, as applicable, repayments to the Company.

**AMI Meter:** An Advanced Metering Infrastructure equipped meter.

**Applicant:** For the purpose of this RFP, an individual and/or entity, replying to this RFP, including O&R customers and/or Aggregators acting on a customer's behalf. Applicants may include new and/or existing Customers or Aggregators.



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**Average Season Performance Factor:** The average value of all Adjusted Performance Factors calculated for an Aggregation during a Capability Period.

**Baseline Verification Methodology:** Performance will be evaluated by measuring how much Load Relief an Aggregation provides compared to how much was committed. The Baseline Verification Methodology will be used by the Company to verify the actual Load Relief provided (measured in kW and kWh) during each hour of each designated Load Relief Period and Test Event. Actual load levels are compared to the CBLs to verify whether the Applicant provided the kW of contracted Load Relief; provided, however, that the Company may estimate data in accordance with its operating procedure if data is not available for some or all intervals required.

A single [CBL Verification Methodology](#) will be used for each Customer account to assess both energy (kWh) and demand (kW) Load Relief. Customers using generators to provide Load Relief cannot be enrolled under a CBL Verification Methodology that includes a weather adjustment.

An Applicant may change the CBL Verification Methodology or kW of pledged Load Relief for the upcoming Capability Period during each enrollment period by the enrollment deadline.

**Benefit Cost Analysis (BCA):** A defined process for comparing the benefits and costs associated with the program to determine whether the benefits associated with an Aggregation sufficiently outweighs the costs associated with an Aggregation to justify the awarding of Cleared Quantity to an Aggregation.

**Call Window (AKA Contracted Hours):** Refers to the four-hour period within a weekday, Monday through Friday during the Capability Period, excluding federal holidays, during which the Applicant contracts to provide Load Relief whenever the Company designates a Term-DLM Event. The Contracted Hours are established by the Company based on needs and will be posted on the Company's website no later than January 1 for the upcoming Capability Period. The Contracted Hours for any SC 15 Customer who exports power to the Company shall be the Contracted Hours established by the Company unless the Company assigns an alternate four-hour period. If the Company assigns an alternate four-hour period, it will notify the Applicant within ten calendar days of enrollment.



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**Capability Period:** May 1 through September 30.

**Cleared Quantity:** The amount of Load Relief, measured in kW, awarded to an Aggregation through the RFP.

**Curtailement:** The provision of Load Relief without use of Electric Generating Equipment or Battery Energy Storage.

**Customer:** Means an individual O&R electricity account holder. All performance is calculated at an account level rather than at the meter level.

**Customer Baseline Load (CBL):** The Customer Baseline Load as calculated under the Company's Customer Baseline Load methodology using the baseline options listed in the methodology. The Customer Baseline Load methodology is described in the Company's baseline operating procedure, which is published on the [Company's Website](#).

**Deficient Quantity:** Means the portion of the Cleared Quantity, measured in kW, that a demand response provider requests, on or prior to November 1 of the calendar year prior to a Capability Period to be relieved of its commitment for contract Load Relief and for which an Early Exit Fee shall be paid.

**DR Portal:** A Customer management platform that Applicants can use to enroll Customers electronically in the Term- and Auto-DLM Programs. The portal is accessible only to Applicants who have completed the Company's Aggregator enrollment process.

**Dynamic Load Management (DLM):** Public Service Commission ordered programs run by utilities with the aim of addressing distribution level grid conditions during times of acute need. These include the Company's programs under Rider D, Rider E, Rider F, and Rider P in the Company's tariff.



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**Early Exit Fee:** A fee paid to the Company prior to the beginning of a Capability Period to reduce the amount of Portfolio Quantity associated with an Aggregation. The Early Exit Fee is equivalent to the product of the Deficient Quantity, multiplied by the Incentive Rate, multiplied by ten percent (10%), multiplied by the remaining years of the contract.

**Electric Generating Equipment:** Refers to: (a) electric generating equipment at the premises of a Customer served under Standby Service, Rider N or SC 15 and used to provide Load Relief under O&R's tariff; or (b) emergency electric generating equipment that is interconnected and operated in compliance with General Information Section No. 8.4 and used to provide Load Relief under O&R's tariff.

**Event:** A period where Load Relief was requested under Term- or Auto-DLM.

**Event Performance Factor:** The ratio between the Load Relief provided by an Aggregation during a Term- or Auto-DLM Event and the Aggregation's Portfolio Quantity.

**Incentive Rate:** The \$ per kW per Capability Period bid made by an Applicant associated with each Aggregation.

**Interval Meter:** Means a meter with communications capability that records electric usage in increments of 15 minutes or less and includes meters installed under the Company's AMI program.

**Load Relief:** Refers to power (kW) and energy (kWh): (a) ordinarily supplied by the Company that is displaced by use of Electric Generating Equipment and/or reduced by the Applicant at the Customer's premises; or (b) produced by use of Electric Generating Equipment by an SC 15 Customer or a Rider N Customer taking service under the Value Stack Tariff at the time of enrollment in O&R's Rider P, and delivered by that Customer to the Company's distribution system during a Load Relief Period. The amount of Load Relief delivered during an Event is determined by the Company's Baseline Verification Methodology.



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**Load Relief Period:** Refers to the hours for which the Company requests Load Relief during: (a) Term-DLM Event; or (b) an Auto-DLM Event. The Company will not request Load Relief under Auto-DLM between the hours of 12:00 AM and 6:00 AM.

**Pay-as-Bid:** A form of Procurement in which the \$/kW Incentive Rate associated with each Aggregation is determined by the bid provided by the Applicant.

**Performance Payment:** Payments made to Applicants based on the kWh of Load Relief an Aggregation provides during a Term- or Auto-DLM Event.

**Portfolio Quantity:** For each Aggregation of an Applicant, the initial Cleared Quantity less any Deficient Quantities associated with the payment of Early Exit Fees for each Aggregation.

**Procurement:** Process by which the Company evaluates different proposed Aggregations using the same framework to determine which should be approved and included in Program Agreements offered to successful Applicants.

**Program Agreement:** Refers to the specific terms and conditions that apply to Applicants based on signed agreements associated with their Vintage Year. These agreements will include a list of all Aggregations for which an Applicant has been awarded a Cleared Quantity.

**Renewable Generation:** Means behind-the-meter electric generating equipment that is not fossil-fueled and has no emissions associated with it. Electric Energy Storage systems do not emit pollutants at their source and are therefore included under this definition.

**Request for Clarification:** A pending request filed with the New York State Public Service Commission to clarify whether the Company can assign negative values for Event Performance Factors.

**Reservation Payment:** Payments made to Applicants at the conclusion of each Capability Period based on an Aggregation's Portfolio Quantity, its Incentive Rate, and its Average Season Performance Factor.



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**Rider P:** The section of O&R's Tariff describing the treatment of Term- and Auto-DLM.

**Sealed Bid:** A form of Procurement in which the bids submitted by one Applicant will remain unknown to other Applicants.

**Term-Dynamic Load Management (DLM) Program:** Applicant will commit via a 3-5 year contract to provide peak shaving during Contracted Hours when the day-ahead system electric load forecast reaches at least 88 percent of its forecasted summer system peak.

The Company will call a Term-DLM event on not less than two hours' advance notice. A Term-DLM Event will not be called unless an Advisory was issued at least 21 hours in advance.

**Test Event:** Refers to the Company's request under either Term- or Auto-DLM for Customers and Aggregators to provide Load Relief in order to test participants' response to a request for Load Relief. Test events will last one hour for both programs.

**Vintage Year:** Refers to the first Capability Period an Applicant is contractually obligated to participate in.