

Demand Response Commercial and Industrial Program

Terms and Conditions

The Demand Response (DR) Program is designed to help participating customers earn incentives for reducing their electricity use on days when demand is high, which helps reduce LADWP's annual peak electricity demand. The Program's incentive payments share the anticipated savings between the utility and Program Participants.

Through the Program, LADWP will provide monetary incentives to participating customers who are able to reduce their electrical usage when called upon by LADWP during high load periods in the summer. The DR Program Terms and Conditions are outlined below. Interested Participants need to file an application by May 01 in order to be eligible to participate in the Program on its start date of June 15.

1. Defined Terms:

- 1.1. Adjusted Baseline:** The Baseline multiplied by a Morning-of Adjustment Factor to capture the anticipated change in the Participant's Baseline usage on the day that LADWP calls for a reduction in energy usage.
- 1.2. Baseline:** A Participant's typical hourly energy usage in the absence of a Peak Load Reduction (PLR) Event, calculated from the average daily usage of the three highest of previous ten weekdays, excluding PLR Event Days, weekends and Program Holidays.
- 1.3. Incentive Payment:** A capacity payment of **\$8** per committed kW per month (\$8/kW/month) for day-ahead advance notice or **\$12** per committed kW per month (\$12/kW/month) for 2-hour advance notice during the curtailment season of June 15 - October 15, and an additional **\$0.25/kWh** for demand curtailment, per event.
- 1.4. LADWP:** Los Angeles Department of Power and Water.
- 1.5. Estimated PLR Quantity:** The amount of load that a Participant commits to curtail during a PLR Event specified in kW, which is set by a Participant on their application form.
- 1.6. Full Performance:** A Peak Load Reduction equal to or greater than the Estimated PLR Quantity for the full PLR Event Duration.
- 1.7. Program Holidays:** Memorial Day, Independence Day, and Labor Day.
- 1.8. Kilowatt (kW):** Electricity capacity measurement unit.
- 1.9. Kilowatt-hour (kWh):** A unit of energy in which one kW of power expended for one hour results in one kWh of energy usage.
- 1.10. Demand Response Management System (DRMS):** The LADWP program used to record electricity usage in 15-minute interval data format that can be retrieved and displayed in graphical or tabular format by the customer or by LADWP staff.

- 1.11. Non-Performance:** Failure of a Participant to respond to a PLR Event Notification by 11:30 a.m. Pacific Standard Time for 2 hours advance notification or by 10:00 a.m. Pacific Standard Time for day ahead notification on the day of PLR Event, or a Peak Load Reduction that is less than 50% of the Estimated PLR Quantity.
- 1.12. Participant:** LADWP commercial customer participating in the DR Program.
- 1.13. Demand Response Season:** From June 15 through October 15. The Demand Response Season excludes weekends and Program Holidays.
- 1.14. Peak Load:** Participant's electrical load during the hours of 1 p.m. to 6 p.m. during the Demand Response Season, specified in kW.
- 1.15. Peak Load Reduction (PLR):** The decrease in a Participant's Peak Load during a PLR Event.
- 1.16. PLR Event:** A LADWP request for Participants to reduce their load for the date and hours specified by LADWP. PLR Events will typically be called for hot summer days when LADWP's load is projected to go above a certain value and /or the annual peak.
- 1.17. PLR Event Day:** The calendar date for which a Peak Load Reduction is requested.
- 1.18. PLR Event Duration:** The number of hours that each PLR Event lasts in any given day.
- 1.19. Program:** DR Program that will be administered by LADWP.
- 1.20. Participation Period:** Participants will be enrolled for a **period up to December 31, 2024 regardless of application submittal date**, after LADWP accepts the application. Please see Par. 4 for additional detail.

2. Commercial and Industrial (C&I) Curtailable Load Program Description

C&I customers receive monthly capacity payments in return for providing kW load reduction of a pre-specified amount when requested by LADWP. Additional incentives are provided based on responses to PLR Events.

2.1 Demand Response Season

June 15 through October 15

2.2 Eligibility

Non-residential customers with ability to curtail at least 100 kW of load weekdays between 1 p.m. and 6 p.m., June 15 through October 15, are eligible.

2.3 Notification and Response Time

C&I Curtailable Load: 2-hour or day-ahead advance notification before DR Event.

2.4 Event Limits

Number of events will be limited to a maximum of 12 per year and 4 hours per event, not to exceed 1 event per day. Period of events is limited to weekdays, June 15 through October 15. In certain pre-specified levels of extreme system emergency, LADWP may call the customer to curtail load, even if the customer has already curtailed the maximum number of events per curtailment season

or hours per event. The lack of participation in such cases will not count as a non-performance event against the Participant.

2.5 Baseline

The baseline load is calculated from among the 10 similar (e.g., typically non-weekend) preceding days and adjusted prior to event depending on extreme circumstances.

2.6 Customer Incentives

Customers receive two types of financial incentives, based on the calculated load reductions during PLR Events:

- **\$8.00/kW** monthly capacity payment during curtailment season, June 15- October 15, for day-ahead notification or **\$12.00/kW** monthly capacity payment during curtailment season, June 15- October 15, for 2-hour advance notice
- **\$0.25/kWh** for demand curtailment, per event

In keeping with other similar Auto DR programs in California and around the country, LADWP when implementing Auto DR, will partially reimburse Auto DR Participants for the incremental expenses required to enable their participation, as discussed in the section below.

Failure to reduce load down to or below the committed curtailment level during an event between the peak hours of 1 p.m. to 6 p.m., will result in foregoing a portion of capacity payments for the month. Customers will not receive penalties for opting out of the DR Event. Customers, however, must not opt out more than twice per DR season, if they wish to remain in the program.

LADWP will calculate and finalize the Participants' average and overall performance at the end of the DR season, after October 15. The capacity incentive amount is directly proportional to the Participants' average performance, in kW, during the DR season.

2.7 Dependent Technology

Semi-Auto DR requires a communication channel between LADWP and the customers, which might include text message, email or telephone in order to test the customer's and LADWP's capabilities for Semi-Auto DR. LADWP will semi-automatically send DR event notifications via text message, email, or telephone upon event initiation, and customers will then semi-automatically curtail their energy usage, through their Building Energy Management System (BEMS), after receipt of DR event notification. Semi-Auto DR requires a BEMS, a load control device, or breakers on specific circuits.

3. Notification of a PLR Event

3.1. LADWP will notify the Participant by email by noon Pacific Standard Time, on the business day prior to the PLR Event Day or with two hours advance notice prior to the PLR Event. If Monday is a PLR Event Day, LADWP will notify Participants by noon on the Friday immediately preceding the PLR Event. This notification will contain the following information:

- Date of the PLR Event
- PLR Event Duration

4. Participation in the Program

- 4.1. C&I customers may enroll in the Program by submitting a completed “Application Form to Participate in Los Angeles Department of Water and Power Demand Response C&I Program” to the LADWP’s DR Team at Demand.Response@ladwp.com.
- 4.2. After LADWP accepts the application, the Participant is enrolled in the Program for the duration of the Participation Period or until a written notice to exit the Program is provided via e-mail to the LADWP’s DR Team at Demand.Response@ladwp.com, with accordance to Article 5.1.
- 4.3. During the participation period, the Participant may modify the value of estimated PLR quantity (in kW) by submitting a new, completed application form to the LADWP’s DR Team at Demand.Response@ladwp.com. The participant’s new PLR quantity will become effective starting the following business day after LADWP’s DR Team has received the new application. The Participant may revise the PLR quantity a maximum of one time during each DR season.
- 4.4. LADWP will notify the Participant of any modifications or addendum to the Terms and Conditions, with the effective date, via email sent to the addresses provided by the Participant.

5. Exiting the Program

- 5.1. Participant may leave the Program at any time, by providing a written, five-business-day-prior notice to LADWP, via e-mail to the LADWP’s DR Team at Demand.Response@ladwp.com.
- 5.2. LADWP may terminate a Participant’s involvement in the Program at any time by providing a written, five-business-day-prior notice, via email sent to the address provided by the Participant on its Program Application.

6. Program Administration and Termination

LADWP reserves the right to modify or terminate the Program and any of its Terms and Conditions at any time, for any reason. If LADWP terminates the Program, it will provide all Participants written notice by email and first class mail sent to the addresses provided by the Participants on their Program Applications, of LADWP’s intent to terminate the Program on a set date. LADWP agrees to pay any amounts earned by Participants under the Program within ninety (90) days of the date of Program termination. The DR performance will be calculated after each event and the results will be shared with the participants. The incentives will however be paid at the end of the DR season, after October 15, to the Participants in the form of a check or credit on their utility bill.