



# **2014 Solicitation DGS Request for Proposals & ADGS Request for Information Conference**

**July 1, 2014**

# Overview of the Conference

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- ◆ Information Sought by SCE
- ◆ Process & Schedule

## ◆ Questions & Answers

- ◆ [DistributedGenerationSolutions@sce.com](mailto:DistributedGenerationSolutions@sce.com)
- ◆ [AlternativeDistributedGenerationSolutions@sce.com](mailto:AlternativeDistributedGenerationSolutions@sce.com)

## DGS & ADGS Overview (1 of 2)

- **Objective**

Using distributed generation as an alternative to building distribution upgrades to accommodate forecasted load growth on the distribution system.

- **What is DGS?**

- The Distributed Generation Solution (DGS) Request for Proposal (RFP), will solicit proposals from owners and operators of distributed generation facilities (Distributed Generators) and designated load customers (DLC) to reduce a specified amount of load in the identified distribution system area.

- **What is ADGS?**

- The Alternative Distributed Generation Solutions (ADGS) Request for Information (RFI), will solicit informational proposals from interested parties, including owners and operators of distributed generation facilities and/or load customers (Participants) on solutions for providing distribution grid reliability using distributed energy resources (DERs).

## DGS & ADGS Overview (2 of 2)

- **DGS and ADGS are not:**
  - Energy Procurement Solicitation
    - Local Capacity Requirements (LCR) RFO
    - Solar Photovoltaic Program (SPVP) RFO
    - Renewable Market Adjusting Tariff (ReMAT)
  - Net Energy Metering (NEM) Program
  - Preferred Resource Pilot (PRP)

For more information on these programs visit:

Energy Procurement: [www.sce.com/energyprocurement](http://www.sce.com/energyprocurement)

Net Energy Metering: [www.sce.com/nem](http://www.sce.com/nem)

Preferred Resource Pilot: [www.sce.com/wps/portal/home/about-us/reliability/meeting-demand/our-preferred-resources-pilot](http://www.sce.com/wps/portal/home/about-us/reliability/meeting-demand/our-preferred-resources-pilot)

# DGS & ADGS Overview



2014 DGS & ADGS Schedule	
Date	Event
May 13	SCE Notifies Commission Service Lists
June 13	SCE releases DGS RFP & ADGS RFI
July 1	SCE hosts a Proposal Conference
<b>August 15</b>	<b>Deadline for Submission of Proposals</b>
September 15*	Deadline for SCE to advise Distributed Generators on the status of their Proposals relative to SCE's short list
October 30*	Deadline for SCE and short-listed Distributed Generators to complete negotiation of the Final Agreements
November 14*	Deadline for SCE and Distributed Generators (and Designated Load Customer, as applicable) to execute Final Agreements
December 12*	Deadline to submit report on the results of the Pilot DGS RFP to the CPUC

\* These dates apply only to the DGS RFP, and are subject to change

## DGS RFP – Products Sought by SCE

- **Distributed Generation**

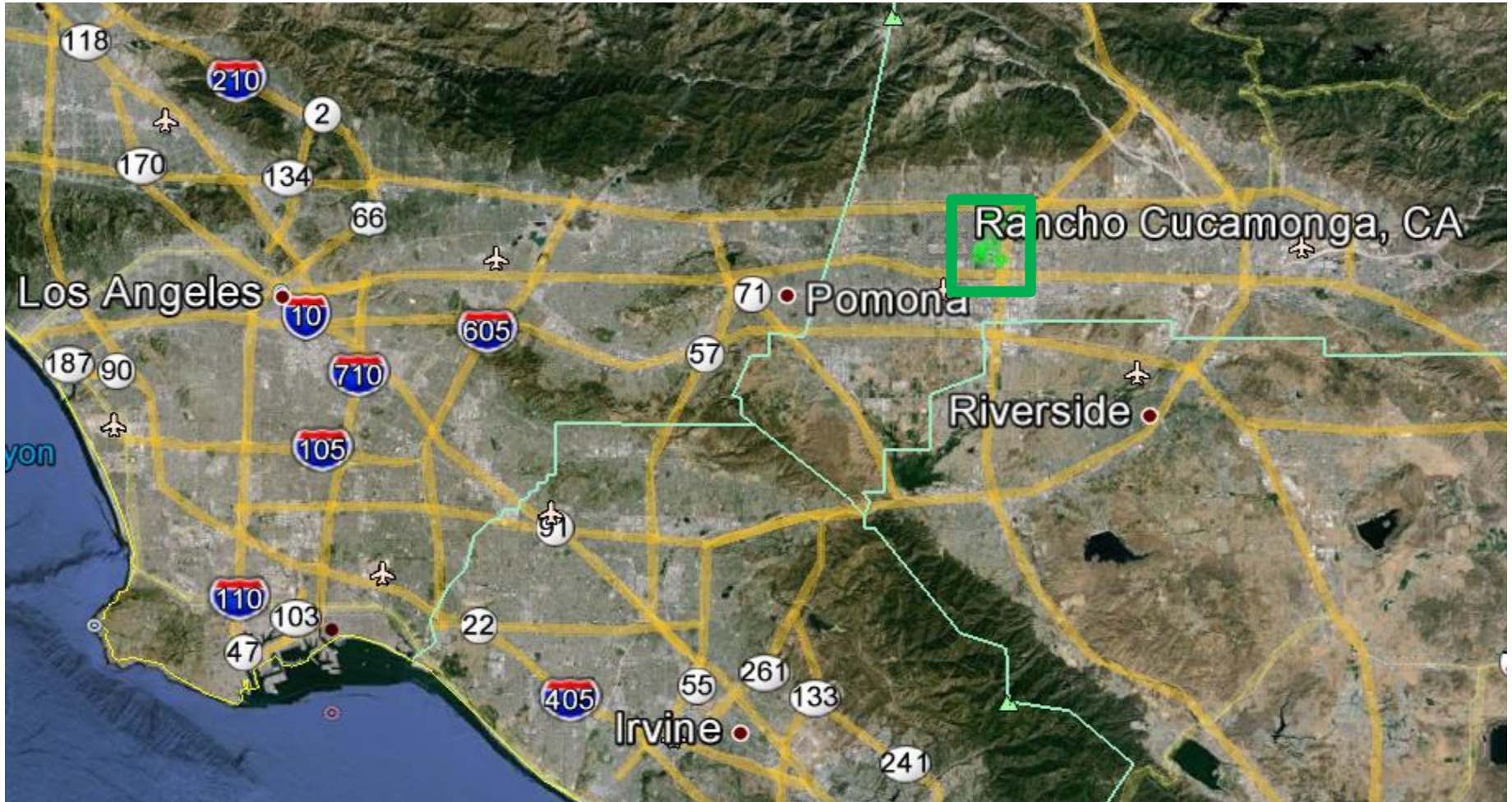
- Any viable electricity generation technology (i.e. currently in commercial operation)
- Rancho Cucamonga area
- Minimum capacity = 1.9 MW
- Commercial Operation by June 1, 2016

- **Physical Assurance**

- Ability to automatically disconnect Distributed Generator and Designated Load Customer from the distribution system if net load exceeds a certain threshold (Firm Service Level)
- Proposal must identify Designated Load Customer
- Minimum load-reduction capacity = 1.9 MW
- Must be in operation during Peak Hours (i.e. 1-7 PM) in Peak Months (June 1<sup>st</sup> to September 30<sup>th</sup>)



# Products Sought by SCE - Location



## Products Sought by SCE – Physical Assurance

- **Automatic Load Reduction Scheme (ALRS) Operation**
  - **Monitor** the Electric Net Demand (Load – Generation)
  - **Disconnected** all Load and Generation if the Electric Net Demand exceeds a predetermined amount (*FSL*)\*
  - **The breaker will be reset** automatically after 5 minutes
  - If Electric Net Demand still exceed FSL the ALRS will **disconnect the generation and load again and will remain open** until customer contacts Grid Operations.
- **The ALRS will be operational during certain conditions**
  - Summer months: June 1<sup>st</sup> – September 30<sup>th</sup>
  - Peak daytime hours: 1:00 pm – 7:00 pm
- **The RFP includes a Customer Installed ALRS Option**
  - The customer installed option must be reviewed and approved by SCE as described in section 2.02 of the DGS RFP Instructions

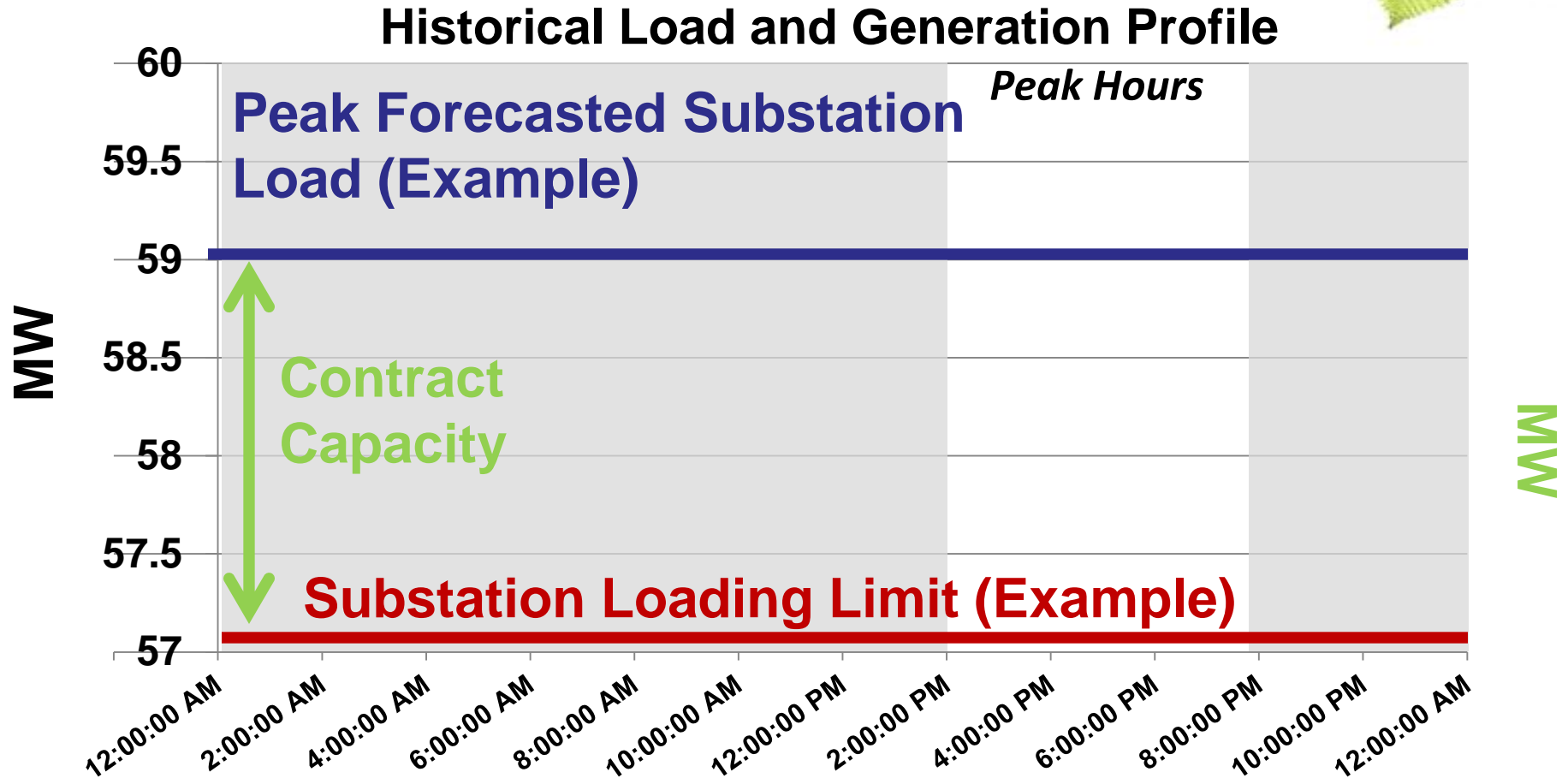
*\*Firm Service Level (FSL) = On Peak Load – Contract Capacity*



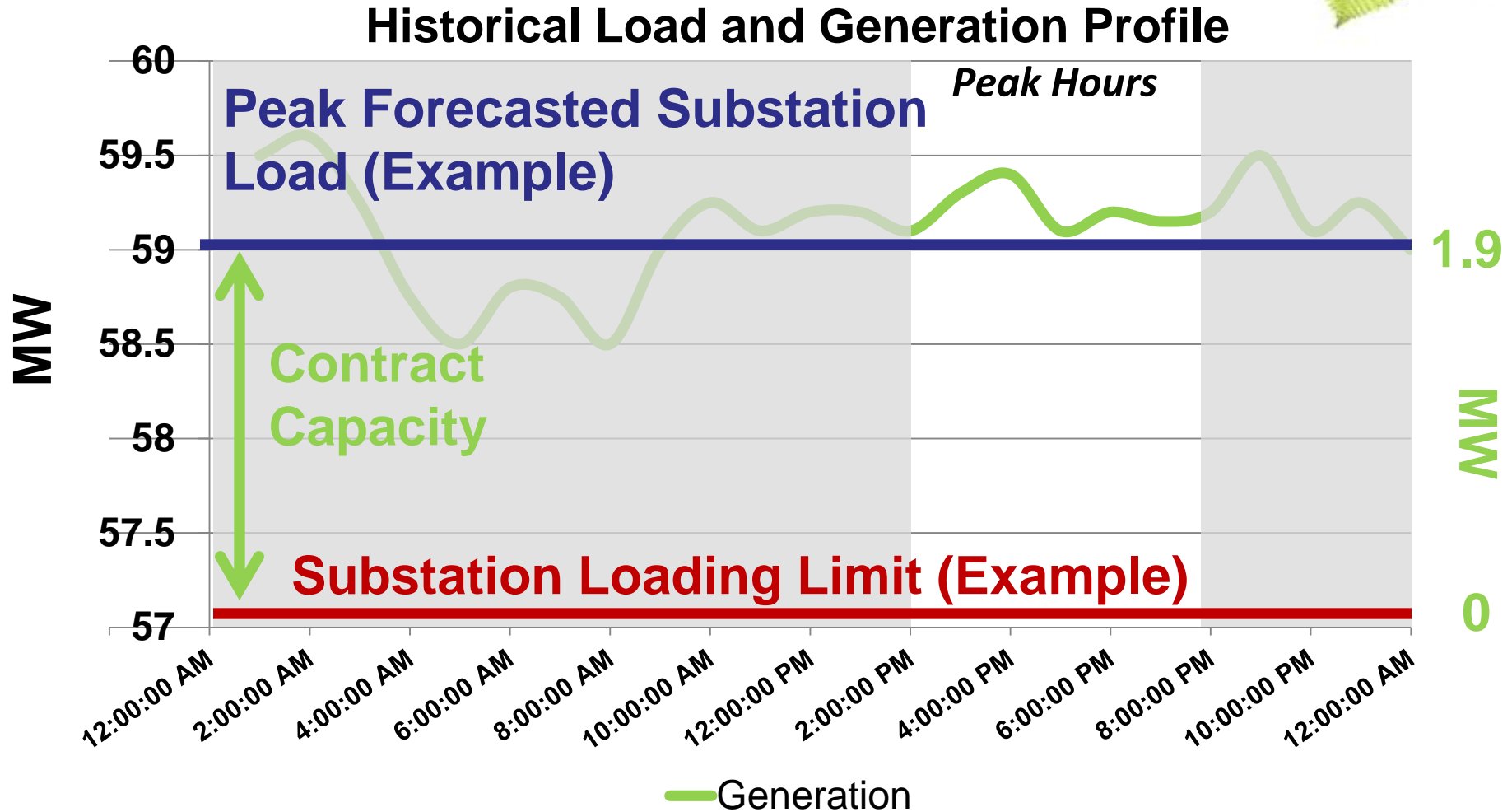
## ALRS Specifics

- **Cost per ALRS**
  - ALRS Cost = ~\$255k
  - Salvage Value = ~ <\$60k>
  - Removal Labor = ~\$35k
  - Total Customer Cost (excluding civil) = \$230k
- **Added Facilities Monthly Charge per ALRS**
  - \$800 (assuming \$255k ALRS Cost)
- **Customer Work Required**
  - Conduits
  - 3 – Padmount Structures
    - 8' x 10'
    - 6' x 8'6"
    - 5' x 10'6"
- **Location of ALRS**
  - Electrically before Generator and Designated Load

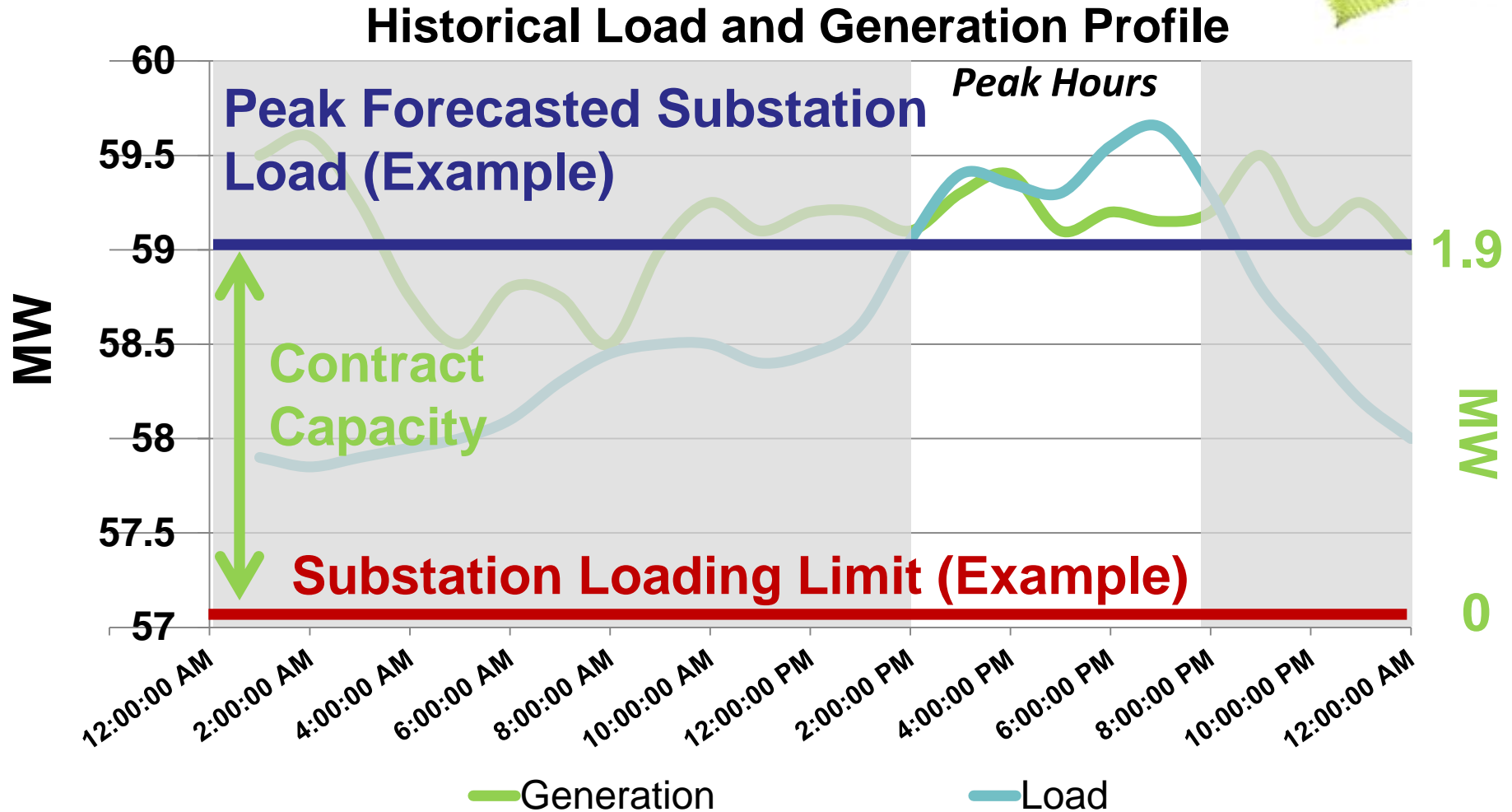
# DGS Example – Qualifying Proposal (1 of 3)



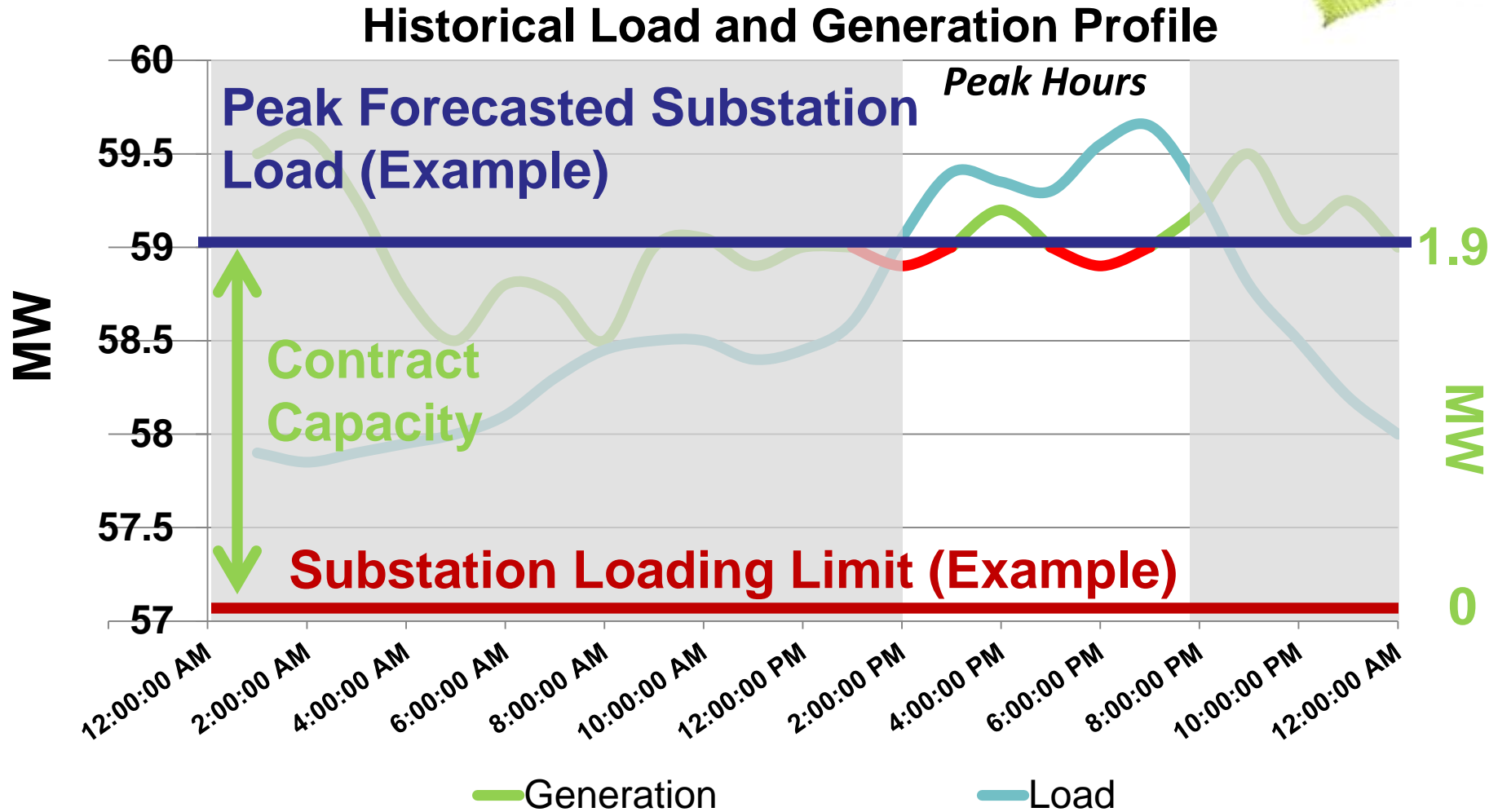
# DGS Example – Qualifying Proposal (2 of 3)



# DGS Example – Qualifying Proposal (3 of 3)

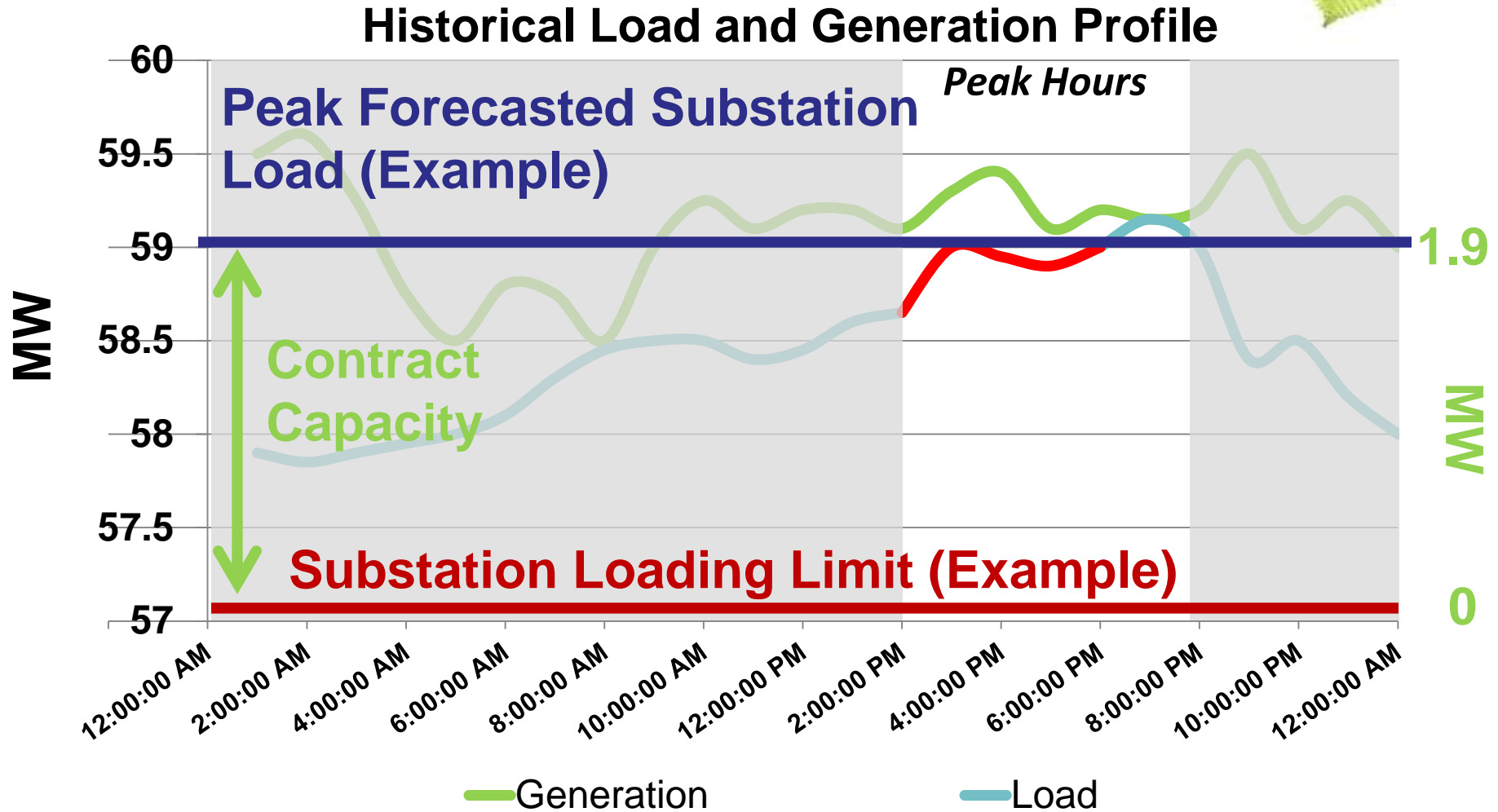


# DGS Example – Non-Qualifying Proposal (Gen)





# DGS Example – Non Qualifying Proposal (Load)



## DGS RFP Process

- **When to Submit a Proposal**

- Distributed Generators must submit Proposals no later than August 15, 2014

- **List of Documents to include in a Proposal**

1. Proposal Structure Letter
2. DGS Proposal Template
3. Distributed Generator Facility Description and One line diagram
4. Designated Load Description
5. Proposed Changes to the Applicable Agreements
6. Site Description
7. Site Map

- **How to Submit a Proposal**

- Save documents to a USB Flash Drive
- Submit USB Flash Drive with Proposal in the required format to:

3 Innovation Way, Pomona, CA 91768  
Attention: Christopher Ohlheiser  
Transmission & Distribution

# DGS RFP Proposal Selection Process

- **Proposal Selection Process**
  - After the Proposal Due Date:
    - SCE will check all proposals for conformity & completeness
    - Evaluate & rank proposals
    - Select a Short-List
    - Notify participants
    - Open negotiations
    - Final Selection
    - Agreement Execution

## **DGS RFP Proposal Evaluation**

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- **How should I price my bid?**
  - The bid will be in the form of a monthly payment amount for the duration of the contract term (36 months)
- **How will the bid be evaluated?**
  - The bid amount must be less than SCE's expected savings for deferring the project
- **How will the bid be shortlisted?**
  - SCE will shortlist the lowest cost bids

## **SCE's *Pro Forma* Contracts**

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- **Non-Disclosure Agreement (NDA)**
  - Distributed Generator and Designated Load Customer must electronically accept the terms and conditions of this Non-Disclosure Agreement by no later than the Proposal due date by selecting “Yes” to the input field contained in Section E of the DGS Proposal Template.
  - The form of the NDA is attached to the DGS RFP Instructions as Exhibit C
  - The NDA is non-negotiable



# SCE's *Pro Forma* Contracts

- **DGS Agreement**
  - DGS In-Service Date: The date by which the Project must be in full commercial operation (i.e. June 1, 2016)
  - Project specifications: location, technology type, contract capacity, point of interconnection, project development milestone schedule, generating facility description, etc.
  - Collateral Amount: Distributed Generator must post collateral (cash or LOC) in the amount of \$20/kW of Contract Capacity

If Distributed Generator fails to achieve Commercial Operation by the DGS In-Service Date, SCE can terminate the DGS Agreement and will keep the Collateral Amount

## **SCE's *Pro Forma* Contracts**

- **DGS Agreement (cont.)**

- Payment Terms: Contract price will be fixed monthly payments (\$/mo.) for the 36 months that the Project must be in operation
- ALRS: The ALRS stays in effect until the earlier of (i) one year after an early termination of the DGS Agreement, or (ii) the end of the original Term of the Agreement
- Insurance: Must be in effect as of the Effective Date (i.e. the date the DGS Agreement is signed)
- Designated Load Agreement (DLA) and Added Facilities Agreement (AFA) incorporated as exhibits to the DGS Agreement

## **SCE's *Pro Forma* Contracts**

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- **Designated Load Agreement (DLA)**
  - Three-way agreement between SCE, Distributed Generator and Designated Load Customer
  - Specifies the requirements for Physical Assurance
  - No Payment Terms
    - SCE does not pay designated load customer

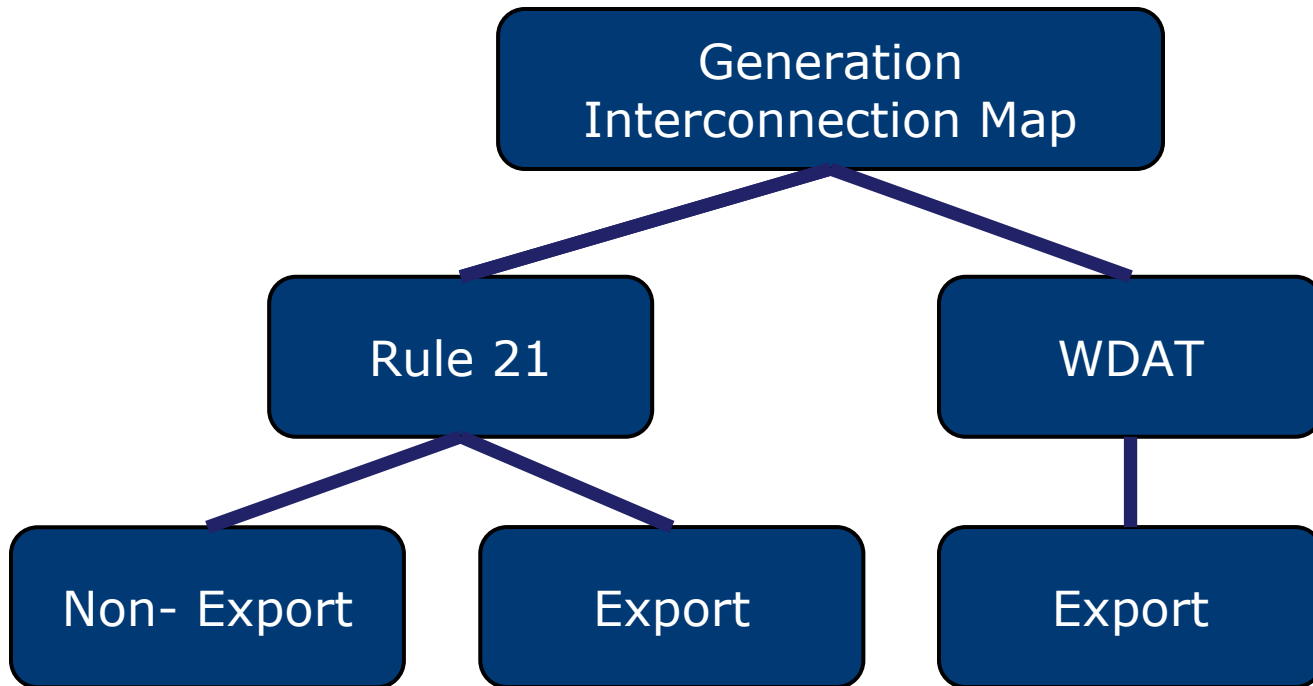
## **SCE's *Pro Forma* Contracts**

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- **Added Facilities Agreement (AFA)**
  - Agreement between SCE and the Distributed Generator
  - Contract Length - 20 years
    - For DGS RFP contract will be terminated after 3 years
    - Distributed Generator pays for Removal less Salvage Value
  - Not an Interconnection Facilities Agreement

# Generation Interconnection Information

- There are various Generation Interconnections Agreements
- The Interconnection process can vary from 3 months – 24 months





# Generation Interconnection Questions?

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- Website: [www.SCE.com/wps/portal/home/regulatory/open-access-information](http://www.SCE.com/wps/portal/home/regulatory/open-access-information)
- Email: [InterconnectionQA@sce.com](mailto:InterconnectionQA@sce.com)

## ADGS RFI – SCE Reliability Overview

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- **Reliability Requirements for Resolving Distribution System Needs**
  1. The solution must satisfy the peak load at the time a projected facility overload occurs
    - Contract Capacity and Peak Hour Requirements
  2. The solution must do so for the duration of the projected overload
    - Contract Length
  3. The solution must be located so that the peak loading of the target asset will be decreased and reliability and operability of the grid is not reduced.
    - Physical Assurance

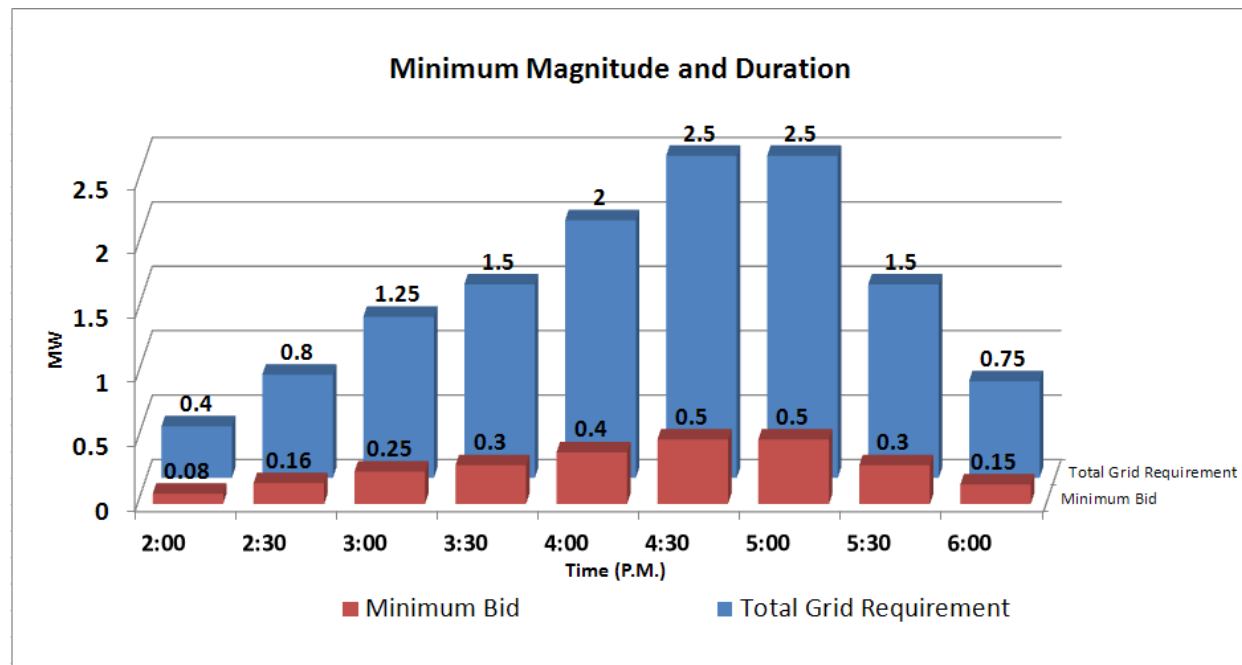
# ADGS RFI – Proposal Options

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- **Option 1 – Customer Owned ALRS**
  - SCE recognizes that other methods may exist that could provide a similar level of grid reliability without the use of a utility-owned Automated Load Reduction Scheme. As an alternative, Participants may provide one or more Proposals based upon other physical load reduction assurance options.
  - Participant proposals for physical load reduction assurance could utilize customer-owned equipment and control schemes, devices, technologies, arrangements, and methodologies that would reduce, limit or disconnect the load as needed to assure grid reliability.
- **Option 2 – Physical Assurance Alternative**
  - Participants may provide proposals that could eliminate the need for physical load reduction assurance. This alternative could include, for example, combining multiple DERs to reach the target load reduction amount.

# ADGS: Example Reliability Requirements

- The graph below gives an example of one possible load offset requirements that could be satisfied by sufficient generation or load reductions, shown in 30 minute increments, required over the peak loading period of 2PM to 6PM during the summer months of June through September.



## ADGS RFI Process

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Attention: Christopher Ohlheiser

Transmission & Distribution

## Contact Information

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For Questions regarding the Distributed Generation Solutions RFP please email us at:

- [DistributedGenerationSolutions@sce.com](mailto:DistributedGenerationSolutions@sce.com)

For Questions regarding the Alternative Distributed Generation Solutions RFI please email us at:

- [AlternativeDistributedGenerationSolutions@sce.com](mailto:AlternativeDistributedGenerationSolutions@sce.com)

For additional information regarding these solicitations, please visit us at:

- [On.sce.com/dgs](http://On.sce.com/dgs)

# Questions and Answers

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