



Schedule CBP
CAPACITY BIDDING PROGRAM

Sheet 1

APPLICABILITY

The Capacity Bidding Program (CBP) has a Day-Of Option and a Day-Ahead Option that are available to a Participant, defined herein as a Bundled Service, Direct Access, or Community Choice Aggregation Service customer with a single participating service account, and where such service account is currently served under an SCE general service or agricultural rate schedule. This Schedule is also available to an Aggregator, defined herein as an entity that aggregates two or more service accounts of end-use customers, or multiple service accounts of a single end-use customer, or a single service account of an end-use customer, for the purposes of participating under this schedule as an Aggregator. An Aggregator may join together two or more eligible service accounts under a single Product type and a single capacity bidding resource. An Aggregator may also form a single capacity bidding resource via a single service account. An Aggregator, third party or not, is subject to the terms and conditions of this Schedule and all applicable Agreements. Each capacity bidding resource formed by an Aggregator must consist of service accounts that are consistent in service characteristics, whereas all service accounts must consist of either Bundled Service accounts only, or all service accounts must be Direct Access accounts only, or all service accounts must be Community Choice Aggregation Service accounts only. Participants and Aggregators are eligible for compensation under this Schedule. When applicable, the Aggregator is responsible for Capacity Nomination bid penalties, not the Aggregator's individual service accounts. However, metering requirements must be met by participating service accounts as defined in special conditions, prior to participation under this Schedule.

This Schedule is not applicable to customers served under Schedules GS-APS, GS-APS-E, RTP-2, TOU-BIP, PA-RTP, CPP, DBP, or the CPP rate structure. A customer's participation in other demand response programs may affect a customer's eligibility for service under this Schedule (see Special Conditions). (T)

TERRITORY

Within the entire territory served

RATES

All charges and provisions of a Participant's Otherwise Applicable Tariff (OAT) shall apply. All OAT charges and provisions applicable to each service account of a participating Aggregator shall apply. When applicable, 80% of the following Capacity Credits and 100% of the Energy Credits shall apply to Participants, whereas 100% of the Capacity Credits and 100% of the Energy Credits shall apply to Aggregators:

Hours per Day	Day-Of Option - Capacity Credit Rate (\$/kW-month)						Average
	May	June	July	August	September	October	
1 to 4	\$ 4.66	\$ 7.25	\$ 17.08	\$ 19.67	\$ 10.87	\$ 2.59	\$ 10.35
2 to 6	\$ 5.69	\$ 8.86	\$ 20.87	\$ 24.04	\$ 13.29	\$ 3.16	\$ 12.65
4 to 8	\$ 5.69	\$ 8.86	\$ 20.87	\$ 24.04	\$ 13.29	\$ 3.16	\$ 12.65

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Day-Ahead Option - Capacity Credit Rate (\$/kW-month)ⁱ

Hours per Day	May	June	July	August	September	October	Average
1 to 4	\$ 4.05	\$ 6.30	\$ 14.85	\$ 17.10	\$ 9.45	\$ 2.25	\$ 9.00
2 to 6	\$ 4.95	\$ 7.70	\$ 18.15	\$ 20.90	\$ 11.56	\$ 2.75	\$ 11.00
4 to 8	\$ 4.95	\$ 7.70	\$ 18.15	\$ 20.90	\$ 11.56	\$ 2.75	\$ 11.00

CBP Event/Test Event Maximum Energy Credit

All Hours: Daily SCE city gate gas price times the heat rate factor of 15,000 Btu/kWh

ⁱ The amounts of the capacity credit rates will be fixed until further modified by the California Public Utilities Commission. (T)

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Schedule CBP
CAPACITY BIDDING PROGRAM

Sheet 3

(Continued)

SPECIAL CONDITIONS

1. **Agreements.** Participants must execute all applicable Agreements prior to participation under this Schedule. Necessary Agreements may include Capacity Bidding Program Participant Agreement (Form 14-776), Capacity Bidding Program Aggregator Agreement (Form 14-777), Notice by Aggregator to Add/Delete Customer Service Accounts (Form 14-775), and Customer Information Standardized Request (CISR-S).

2. **CBP Events.** CBP Events may be triggered on any weekday from May 1 through October 31 of each year between the hours of 11 a.m. to 7 p.m. Monday through Friday, excluding holidays. Excluded holidays are Memorial Day (last Monday in May), Independence Day (July 4), and Labor Day (first Monday in September). A CBP Event can be scheduled on a Day-Of basis and on a Day-Ahead basis on any weekday within the date parameters prescribed herein.

CBP Event Triggers. The economic criterion that a 15,000 Btu/kWh heat rate thermal resource is or should be dispatched. This criterion may be caused by any one of the following conditions:

- i. High temperatures; or
- ii. Resource limitations; or
- iii. A generating unit outage; or
- iv. Transmission constraints; or
- v. CAISO Alert; or
- vi. SCE system emergency

3. **CBP Test Events.** Up to two (2) CBP Test Events may be called in each calendar year. All notification protocols, as well as all applicable credits and penalties, will apply during CBP Test Events. A CBP Test Event can be scheduled on a Day-Of basis and on a Day-Ahead basis on any weekday within the date parameters prescribed above.

4. **Notification of a CBP Event/Test Event.** SCE will notify Participants of a CBP Event/Test Event via SCE's designated CBP Internet Website. Notification may also be given via pager, electronic mail, or by telephone. The Day-Ahead CBP Event/Test Event notice will be provided no later than 3 p.m. the day before a Day-Ahead CBP Event/Test Event. The Day-Of CBP Event/Test Event will be scheduled at least ½ hour before the California Independent System Operator (CAISO) Hour Ahead Market is scheduled (approximately three hours prior to commencing the Day-Of CBP Event/Test Event.) (T) (T)

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Schedule CBP
CAPACITY BIDDING PROGRAM

Sheet 4 (T)

(Continued)

SPECIAL CONDITIONS (Continued)

5. Capacity Nominations. At least five (5) days prior to the beginning of each operating month (i.e., May, June, July, August, September, and October) a Participant or Aggregator must submit its Capacity Nomination for an entire operating calendar month. For Participants, this nomination must be completed for each service account participating in the month's bidding, whereby each participating service account's load reduction must be nominated in one Product and one Option. A Participant with multiple participating service accounts may bid the load reductions of one service account in one Product and Option, and the load reductions from another service account in another Product and/or Option. However, a Participant cannot split the load reductions from one service account between Options or Products during an operating month. Nor may a Participant nominate the same load for more than one Option or Product during an operating month. For Aggregators, this nomination must be completed for each Aggregated Group participating in the month's bidding, whereby each Aggregated Group's load reduction must be nominated in one Product and one Option. An Aggregator with multiple participating Aggregated Groups may bid the load reductions of one Aggregated Group in one Product and Option, and load reductions from another Aggregated Group in another Product and/or Option. However, an Aggregator cannot split the load reductions from one Aggregated Group between Options or Products during an operating month. Nor may an Aggregator nominate the same load for more than one Option or Product during an operating month. No later than 5 days prior to the first day of the operating month, a Participant or Aggregator must specify which of its service accounts or Aggregated Groups are to be included in the submitted Capacity Nomination for each Product and Option (Day-Ahead or Day-Of). An Aggregator's submitted Capacity Nomination will be null and void where such bid consists of load reductions from an Aggregated Group containing multiple service accounts consisting of a mixture of SCE Bundled Service customer accounts and DA or CCA customer service accounts. Capacity Nominations are made on a Product and Option basis (grouped hours), and each Capacity Nomination can only be submitted for one Product Type and one Option per operating month.
- a. Capacity Nominations must be submitted by Product type as follows:
- | <u>Product</u> | <u>Minimum Duration Per Event</u> | <u>Maximum Duration Per Event</u> | <u>Maximum Event Hours Per Operating Month</u> | <u>Maximum Events Per Day</u> |
|----------------|-----------------------------------|-----------------------------------|--|-------------------------------|
| 1-4 Hours | 1 hours | 4 hours | 24 | 1 |
| 2-6 Hours | 2 hours | 6 hours | 24 | 1 |
| 2-8 Hours | 4 hours | 8 hours | 24 | 1 |
- b. An Aggregator must submit Capacity Nominations categorized as follows:
- i. Product; and
 - ii. Bundled / DA / CCA; and
 - iii. Demand Zone
- c. Capacity Nominations must also designate Option type as follows:
- i. Day-Of
 - ii. Day-Ahead

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Schedule CBP
CAPACITY BIDDING PROGRAM

Sheet 5

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SPECIAL CONDITIONS (Continued)

6. Cancellation of Capacity Nomination. A Capacity Nomination may be cancelled up until the time it is accepted by SCE.
7. California Energy Commission Site Visits. All Participants and Aggregators served under this Schedule automatically agree to allow the California Energy Commission, or its contracted agents, to conduct site visits for measurement and evaluation, and further agree to complete all program evaluation surveys.
8. Energy Baseline. The Energy Baseline (EB) is used to determine the Participant's/Aggregator's Recorded Reduced Energy for each CBP Event/Test Event. A valid EB is defined as a Participant's service account having at least ten (10) similar days of interval meter data available to SCE's billing system, or for an Aggregator all service accounts having at least ten (10) similar days of interval meter data available to SCE's billing system. The EB will be calculated on an hourly basis using the average of the three (3) highest energy usage days of the immediate past ten (10) similar weekdays, excluding holidays, of all applicable service accounts. Only the hourly average usage (calculated over the pool of accounts for an aggregated baseline) between 11:00 a.m. and 7:00 p.m. will be included in the EB. The EB will be determined by SCE at the time the Participant or Aggregator is billed following a CBP Event/Test Event. The EB may vary for each hour and for each CBP Event/Test Event. A Participant or Aggregator must establish a valid EB prior to its eligibility to submit Capacity Nominations. Only the service accounts included in an Aggregator's Capacity Nomination will be used in the establishment of an Aggregator's EB.
9. Recorded Reduced Energy. The Recorded Reduced Energy equals the difference between the Participant's/Aggregator's EB and its recorded kWh during each hour of a CBP Event/Test Event.
10. Delivered Energy Payment. (C)
 - a. Pursuant to Special Condition 17 herein, SCE will not provide energy payments to Participants or Aggregators for load reductions from Direct Access (DA) or Community Choice Aggregator (CCA) customers during CBP events.
 - b. For load reductions from Bundled Service Customers during CBP events:
 - (1) When there are zero CBP Events/Test Events called during an operating month, the Participant's/Aggregator's Delivered Energy Payment will be zero for that operating month. When there is one or more CBP Events/Test Events called during an operating month, the nominated energy for each event hour is equal to the Capacity Nomination for the operating month. Additionally, when there is one or more CBP Events/Test Events during an operating month the Recorded Reduced Energy shall be used in the calculation of the Delivered Energy Payment, calculated as follows during each hour of each CBP Event/Test Event.
 - (2) All Recorded Reduced Energy up to 150 percent of the Capacity Nomination shall be eligible for a Delivered Energy Payment, determined by multiplying the Recorded Reduced Energy by the product of the daily SCE city gate gas price and the heat rate factor of 15,000 Btu/kWh. (C)

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Schedule CBP
CAPACITY BIDDING PROGRAM

Sheet 6

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SPECIAL CONDITIONS (Continued)

- 11. Recorded Reduced Capacity. The Recorded Reduced Capacity equals the difference between the Participant's/Aggregator's Energy Baseline per hour and its recorded kW per hour during each hour of a CBP Event/Test Event.
- 12. Delivered Capacity Payment. When there are zero CBP Events/Test Events called during an operating month, the Participant's/Aggregator's Delivered Capacity Payment shall equal the Capacity Nomination multiplied by the applicable Capacity Payment, as shown in the Rates section of this Schedule. When there is one or more CBP Events/Test Events called during an operating month, the Delivered Capacity Payment shall be calculated as follows. During each hour of each CBP Event/Test Event:
 - a. When the Recorded Reduced Capacity is at least 100 percent of the Capacity Nomination the hourly Delivered Capacity Payment shall equal 100 percent of the Capacity Nomination multiplied by the applicable Capacity Credit Rate, as shown in the Rates section of this Schedule. However, all Recorded Reduced Capacity above 100 percent of the Capacity Nomination shall not be eligible for compensation.
 - b. When the Recorded Reduced Capacity is at least 90 percent of the Capacity Nomination, but less than 100 percent of the Capacity Nomination, the hourly Delivered Capacity Payment will equal the actual Recorded Reduced Capacity multiplied by the applicable Capacity Credit Rate, as shown in the Rates section of this Schedule.
 - c. When the Recorded Reduced Capacity is at least 75 percent of the Capacity Nomination, but no greater than 89.99 percent of the Capacity Nomination, the Delivered Capacity Payment will equal the Recorded Reduced Capacity multiplied by 50% of the applicable Capacity Credit Rate, as shown in the Rates Section of this Schedule.
 - d. When the Recorded Reduced Capacity equals 74.99 percent or less of the Capacity Nomination, the hourly Delivered Capacity Payment shall equal zero during that hour.
 - e. When the Recorded Reduced Capacity is less than 50 percent of the Capacity Nomination, the hourly Delivered Capacity Payment will equal the actual Recorded Reduced Capacity minus 50 percent of the Capacity Nomination, multiplied by the Capacity Credit Rate, as shown in the Rates section of this Schedule. This will produce a negative dollar amount that will either act as a charge to the Participant/Aggregator or offset the hourly Delivered Capacity Payment in other hours where a positive Delivered Capacity Payment accrued.

When multiple CBP Events/Test Events occur in a given operating month, then the total monthly Delivered Capacity Payment will equal the sum of all the hourly Delivered Capacity Payments divided by the total event hours in the operating month

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Schedule CBP
CAPACITY BIDDING PROGRAM

Sheet 7

(Continued)

SPECIAL CONDITIONS (Continued)

13. Disbursement of Delivered Energy Payment and Delivered Capacity Payment. Aggregators will receive applicable CBP payments or charges, as calculated in Special Conditions 10 and 12 above, approximately thirty (30) days after the end of each operating month but no later than sixty (60) days after the end of each operating month. Payments to Aggregators will be in the form of a check, or when such calculations result in a net charge, SCE shall bill the Aggregator accordingly. Participants may receive applicable CBP payments in the form of a check or in the form of a bill credit on the Participant's SCE electric bill, as solely determined by SCE, approximately thirty (30) days after the end of each operating month but no later than sixty (60) days after the end of each operating month. When the sum of a Participant's Delivered Energy Payments and Delivered Capacity Payments, as calculated in Special Conditions 10 and 12 above, results in a net CBP charge for the operating month, such CBP charge may be included as a separate line item on the Participant's SCE electric bill, or may be separately billed directly to the Participant, as solely determined by SCE.
14. Aggregator Services. SCE has no obligations under this Schedule to the service accounts of a customer who elects, or is required, to be included in an Aggregator's list of participating service accounts. Customers with service accounts included in an Aggregator's list of participating service accounts must work with their Aggregator to determine applicable CBP requirements and/or payments. With the exception of the metering requirements, all other provisions of this Schedule, including payments, are applicable only to the Aggregator, not the individual service accounts working through an Aggregator. SCE's relationship, for purposes of his Schedule, is with the Aggregator not the individual service accounts of an Aggregator.
15. Required Metering and Internet Communication Equipment. A Participant's service account, and all service accounts of a participating Aggregator, must have an approved interval meter and approved meter communications equipment installed and operating prior to eligibility for service under this Schedule. The interval meter must be able to be read remotely by SCE. In addition to SCE, an MDMA may also read the meter on behalf of an Energy Service Provider (ESP) where one or more of an Aggregator's participating service accounts are receiving Direct Access. Metering equipment (including telephone, or radio control communication device) must be in operation for at least ten (10) days prior to eligibility under this Schedule, for the purposes of establishing EB. An internet connection is also required for eligibility under this Schedule.
16. Relationship to Other Demand Response Programs. Customer's service accounts enrolled in CBP may also participate in Schedule OBMC and/or Schedule SLRP. Customer's service accounts on this Schedule shall not participate in the CAISO's Ancillary Services Load Program or other SCE resource contracts. (T)
17. Direct Access and Community Choice Aggregation Customers. SCE will no longer provide energy payments to Participants or Aggregators for load reductions from DA or CCA customers during CBP events (\$0/kWh), due to the Scheduling Coordinator (SC) to SC trade and payment changes to the CBP program. Participants and Aggregators will still receive capacity payments from SCE for DA or CCA customers' load as applicable under this Schedule. This provision does not prevent DA or CCA customers from entering into arrangements with their respective ESPs or CCAs to receive part or all of the energy benefits derived from the DA or CCA customers' load reductions during CBP events. SCE will notify existing CBP Participants and Aggregators of this recent SC to SC program change.

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Schedule CBP
CAPACITY BIDDING PROGRAM

Sheet 8

(Continued)

SPECIAL CONDITIONS (Continued)

18. Customer-Owned Electrical Generating Facilities. Load reductions may be achieved by operating back-up or onsite generation. The Participant or service accounts of an Aggregator, whichever is applicable, will be solely responsible for meeting all environmental and other regulatory requirements for the operation of such generation.
- a. Where customer-owned electrical generating facilities are used to meet a part or all of the Participant or service accounts of an Aggregator, whichever is applicable, electrical requirements, service shall be provided concurrently under the terms and conditions of Schedule S and this Schedule. Parallel operation of such generating facilities with SCE's electrical system is permitted. A Generation Agreement is required for such operation.
 - b. Customer-owned electrical generating facilities used solely for auxiliary, emergency, or standby purposes (auxiliary/emergency generating facilities) to serve the load of Participant or service accounts of an Aggregator, whichever is applicable, during a period when SCE's service is unavailable and when such load is isolated from the service of SCE are not subject to Schedule S. However, upon approval by SCE, momentary parallel operation may be permitted in order for the customer to avoid interruption of load during a CBP Event/Test Event or to allow the Participant or service accounts of an Aggregator, whichever is applicable, to test the auxiliary/emergency generating facilities. A Momentary Parallel Generation Contract is required for this type of service.
19. Definitions. The follows Definitions are applicable to service provided under this Schedule:
- a. Aggregator: An entity that aggregates two or more service accounts of end-use customers, or multiple service accounts of a single end-use customer, or a single service account of an end-use customer, for the purpose of participating under this schedule as an Aggregator.
 - b. Participant: A Bundled Service, Direct Access, or Community Choice Aggregation Service customer with a single participating service account, and where such service account is currently served under an SCE general service or agricultural rate schedule.
 - c. Direct Access Customer: Where the customer obtains its electric power and ancillary services from an Energy Service Provider. (T)
 - d. Community Choice Aggregation Service Customer: A customer located within the jurisdiction of Community Choice Aggregator who receives electric power from such Community Choice Aggregator.
 - e. Energy Service Provider: An entity that provides electric power and ancillary services (including, but not limited to Aggregators, brokers, and marketers, but excluding utilities) to an end-use customer. (T)

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Schedule CBP
CAPACITY BIDDING PROGRAM

Sheet 9

(Continued)

SPECIAL CONDITIONS (Continued)

19. Definitions. The follows Definitions are applicable to service provided under this Schedule: (T)
(Continued)
- f. Bundled Service Customer: A customer who receives electric power, transmission, distribution, billing, metering and related services solely from SCE.
 - g. Demand Zone: A geographical area, whereby generation and/or transmission constraints are grouped for the purposes of determining needed load reductions under this Schedule. Currently SCE has one (1) Demand Zone (SCE-1) consisting of the entire SCE service territory.
 - h. Meter Data Management Agent: An entity that takes raw meter outputs, validates them using validation, editing and estimation rules, adds corollary information needed to characterize the customer, and makes complete customer information available to others for use in various applications.
 - i. Day-Of Option: One Option type. The CBP Event will only be scheduled on a Day-Of basis, as determined by meeting the Program Triggers prescribed in Special Condition 2 of this Schedule.
 - j. Day-Ahead Option: One Option type. The CBP Event will only be scheduled on a Day-Ahead basis, as determined by meeting the Program Triggers prescribed in Special Condition 2 of this Schedule.
 - k. Shortfall Energy: The amount of energy nominated per hour minus the energy provided per hour.

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