



# 2018 PG&E AUTOMATED DEMAND RESPONSE PROGRAM MANUAL

## OVERVIEW AND POLICIES

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# 1 Introduction

This manual provides a single comprehensive resource to effectively implement the Pacific Gas and Electric Company (PG&E) Automated Demand Response (ADR) Program. The document contains the Program policies and procedures, and requirements associated with the management of all aspects of the Program to deliver planned load reductions during demand response (DR) events. The primary audience for this document is interested PG&E Customers and DR Program Managers. Other stakeholders include DR service providers, equipment manufacturers and vendors, PG&E Business Energy Solutions representatives (BES reps), and internal project staff.

PG&E offers a portfolio of electric DR programs for its Customers. These programs provide financial incentives and other benefits to participating Customers for reducing their energy usage during times of peak demand. Participation in PG&E's DR Programs can make a difference in California's energy and economic well-being.

Starting in 2014, California's investor-owned utilities (IOUs), including PG&E, transitioned to locational-specific notification for all existing and new Participants for DR events.<sup>1</sup> As such, all new ADR customers receiving incentives starting in 2014 must be locationally dispatchable. Customers are also encouraged to participate in energy efficiency programs to permanently lower consumption, and DR programs provide additional incentives for Customers to voluntarily curtail electrical load during peak periods when electrical demand is highest. Customers may choose from among different options designed to fit their needs.

# 2 Program Overview

PG&E's ADR Program provides incentives and technical assistance for all non-residential Customers to install and/or program equipment at the Customer's facilities. The program objective is to enable the execution of a sequence of steps at the facilities to temporarily modify electrical load, after receiving a communications signal via the OpenADR communications protocol. Modifying load consists of shedding consumption, increasing consumption or shifting consumption on a short-term basis. For projects receiving ADR incentives, PG&E wants the modified electric load in kW to be as realistically achievable as possible, such that Customers will participate consistently and reliably participate in as many DR events as possible.

In automated DR, the facility equipment receives a signal from the utility or similar, and executes load shed strategies without Customer intervention. The technology solution consists of an open, interoperable industry standard communicating gateways and controls designed to work with both common energy management control systems and individual end-use devices. Customers program their energy management systems or controls to automatically execute a load modifying sequence upon receiving the DR event communication. The technology and communications infrastructure

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<sup>1</sup> Rather than calling a DR event for the entire service territory, PG&E will send a DR event signal to a subset of DR customers within a specific geographical area or areas within its territory.

used in ADR originated from an initial conceptual design developed in 2002 at Lawrence Berkeley National Laboratory (LBNL). ADR is a fully automated DR system using Client/Server architecture and is intended to replace labor-intensive manual and semi-ADR.

The ADR architecture consists of two major elements built on an open-interface standards model called OpenADR. First, PG&E's Demand Response Automation Server (DRAS) provides signals that notify electricity Customers of DR events. Second, a virtual end node (VEN) or client for each Customer's site continually communicates with the DRAS and is linked to existing pre-programmed DR strategies independent of control network protocols such as BACnet or Modbus. Legacy ADR control systems used a VEN called a Client and Logic with Integrated Relay (CLIR) but these devices are no longer manufactured.

## 2.1 Resource Goals

The program goal for 2018 is 5.5 megawatts (MW) of peak load reduction.

## 2.2 Eligibility Requirements

### 2.2.1. CUSTOMER ELIGIBILITY

The ADR Program is open to all Non-Residential customers who:

- Receive electric services from PG&E.
- Have a PG&E interval meter installed at the site. A site is defined as a single free-standing building or structure; an individual utility interval meter; or a service account number where the retrofit or installation takes place
- Have an existing Utility service account with ideally 12 months of billing and usage history. 24 months of billing and usage history is needed for customers with intermittent loads, such as pumping or agricultural irrigation.
- Are enrolled in one of the qualifying DR programs (see section 2.4).

Direct access (DA) customers who purchase electricity from an electricity generator other than PG&E are eligible provided the customer enrolls in a DR program that also accepts DA customers (e.g. Capacity Bidding Program).

The PG&E ADR Program offers incremental incentives to automate customer who previously participated in the Technical Incentive (TI) Program and received incentives for a Semi-ADR Project. These customers qualify for an additional incentive to fully automate their facilities. The incentive level is limited to the maximum of 75% of the actual cost of the project, or the difference between the TI incentive (\$125/kW) received and the ADR incentive. As with all projects, these projects that previously received a semi-ADR incentive are bound by the existing program requirements in this ADR Program Manual.

### 2.2.2. ADR PROJECT ELIGIBILITY

ADR project eligibility applies to equipment that can be controlled through a central Energy Management System, Building Automation System or other local control system that can receive an event signal from the DRAS. The system requires no human intervention to initiate the pre-programmed load reduction sequence during a DR event.

For the project to be eligible for the ADR Program incentives it must meet the following criteria:

1. Project is new, ADR-enabling equipment that provides incremental kilowatt (kW) and kilowatt hour (kWh) reductions relative to existing (baseline) equipment.
2. New equipment/systems must not already be installed. Installation cannot begin until the ADR Program Team has the opportunity to inspect and approve the project.

A Customer may choose to include multiple project sites in a single project application, provided that the requirements listed below apply.

1. The same Customer must own and/or occupy the Customer project sites.
2. Each site must have a unique service agreement identification (SAID).
3. Project Sites for which the Customer is applying for incentives must all be in PG&E's service territory.
4. The sites can have entirely different DR measures, operating hours, and energy use profiles.

Starting in 2014, California's investor-owned utilities (IOUs), including PG&E, transitioned to location-specific notification for all existing and new Customers for DR events. Customers enrolling multiple facilities at multiple sites must have a VEN and the ability to monitor DR event participation at each facility or site individually, based on the SAID.

**ADR applications must be submitted by October 31, 2022 and projects installed and operational by April 30, 2023 to receive Program incentives under the 2018 ADR Program policies.**

When combining sites and measures into a single application, the Customer should be aware that such projects will not be reviewed, approved, or receive payment until paperwork on all of the individual sites and measures is complete. If the project is being implemented in phases, the Customer should consider submitting individual applications. Under special circumstances, the ADR Program, at its sole discretion, may waive certain project eligibility conditions.

### 2.2.3. FASTTRACK FOR SMALL AND MEDIUM BUSINESSES ELIGIBILITY

FastTrack offers a streamlined application process for small to medium office and retail business customers with less than or equal to 499 kW average peak summer demand per site. FastTrack customers are eligible to receive **100% of the ADR incentive** following successful completion of the project inspection verification test. This incentive structure is available for applications signed and received after April 6, 2017. Instead of an audit review, eligible customers select from pre-approved DR strategies through a simple PG&E ADR FastTrack Calculation Form available at [www.pge-adr.com/resource](http://www.pge-adr.com/resource). The form requires only five inputs to determine the potential ADR incentive. Eligible FastTrack DR strategies include the following:

- Temperature Reset – raise the thermostat setpoint by a specified number of degrees relative to the default cooling temperature
  - 4 °F
  - 5 °F
  - 6 °F
- Duty Cycling – disable cooling a set number of minutes per hour with or without fan shutoff
  - 10 minutes off
  - 15 minutes off
  - 20 minutes off
  - 30 minutes off – only for Retail sites that are also shutting off fans
- Dim Lighting – Reduce lighting levels relative to the existing lighting output levels in the building
  - 20%
  - 30%
  - 40%

Customers submit the FastTrack Calculation Form to ADR Program Team, who checks the form for completeness. The ADR Program Team then forwards the Calculation Form and the ADR Application Form to PG&E, and notifies the Customer to proceed with project installation. As with the standard ADR application, FastTrack Customers must enroll in an eligible PG&E Demand Response (DR) Program and to participate in DR events for 3 years. ADR FastTrack projects are inspected and verified with a load shed test following installation. The projects are paid 100 percent of eligible incentives upon successful inspection and load shed test.

#### **2.2.4. ADR PROJECT DR EVENT SIGNALING ELIGIBILITY**

##### **PG&E DRAS SIGNALING**

Customers must have an OpenADR 2.0A or B certified VEN. The VEN pulls the automated DR event signal directly from the PG&E DRAS for Customer participating in a PG&E DR Program. In the situation where an aggregator is working with a Customer, the aggregator does have the option to pull the event curtailment OpenADR signal from the DRAS and then have the Customer pull the event curtailment signal directly from the aggregator. The aggregator is responsible for the nominated load for each Service Agreement and assumes the risk and penalty of the Customer not shedding load. Projects utilizing a cloud based ADR solution will need to adhere the eligibility policies laid out in 2.2.5

##### **LOCATIONAL DISPATCH**

Customers with projects involving multiple accounts/service agreement IDs (SAIDs) or multiple sites must have the ability to trigger the DR load measure at each account individually. The details of which account will be triggered will be determined from the signal that is pulled by the VEN from the PG&E DRAS. This can be accomplished by having a separate VEN for each account/site

or by using the OpenADR 2.0A or B VEN that can parse out the DR event signal to specific accounts/sites. During post installation inspections, the ADR Team will test that the PG&E DRAS can successfully call a subset of the account/sites to execute DR strategies.

### **2.2.5. CLOUD-BASED PROJECTS ELIGIBILITY: STRANDED ASSETS**

Cloud-based ADR projects allow a remote server or EMS to act as a central hub for receiving DR event signal from the utility DRAS and then execute DR strategies for one or more facilities across a campus or a region (city, country). Cloud-based ADR projects are being increasingly adopted by ADR technology vendors, service providers, and aggregators because of their attractive cost efficiencies of scale of a central server over localized server and controls at individual facility sites. On the other hand, cloud-based solutions create stranded asset risks for PG&E in the event the Customer is no longer connected to the cloud or if the relationship with the cloud vendor is terminated.

To manage the stranded asset risk, vendors and aggregators using cloud-based equipment for Customers with greater than 499 kW demand must meet the following requirements:

1. The communication regarding DR event initiation and termination between the PG&E DRAS and the cloud as well as between the PG&E DRAS and the Customer must follow the OpenADR 2.0A or 2.0B protocol.
2. Provide the Customer and PG&E with written instructions detailing how the local VEN can be reconfigured to pull a signal directly from the PG&E DRAS and execute DR strategies at the Customer site in the event that the cloud based service is terminated.
  - a. Any additional hardware and programming services must be provided to the Customer during project installation. These additional hardware and programming services are eligible for ADR incentives.
  - b. The additional hardware will be of similar construction. For example, if the main VEN is built for the outdoor environment, the additional hardware will be built for the outdoor environment.
  - c. All future revisions to the hardware / software retain the standalone capability.
3. The local VEN on site includes the proper security certificate for connection to the PG&E DRAS end-point and must be able to connect to 2.0A or 2.0B (connecting to the 1.0 endpoint is not allowed).

### **STRANDED ASSET TESTING**

Additionally, stranded asset testing is required to ensure the local VEN can communicate with the DRAS without the third party cloud. Stranded asset testing is typically completed following completion of project installation and commissioning and before the Load Shed Test to verify direct DRAS communication capability. Testing includes the ADR Team initiating an event notification signal via the DRAS and having the onsite VEN solution shed load without having the signal go through the cloud. PG&E will conduct this test once per VEN but may request another demonstration at any time if there are concerns that the demonstration is no longer valid (e.g. dramatic hardware or software update occurs).

\* Vendors that cannot pass the cloud-based project eligibility or stranded asset testing are allowed to connect to the PG&E DRAS but will not be eligible for a PG&E ADR Incentive.

## CLLOUD SOLUTIONS FOR SMALL AND MEDIUM CUSTOMERS

Cloud VEN solutions are eligible for a PG&E ADR incentive for sites with up to 499 kW average demand per site. The cloud solutions do not have to pass the stranded asset test mentioned above. Project must include a pre-paid, three year cloud subscription. The cloud subscription is an eligible cost for this limited effort only. Finally, the cloud VEN must still be OpenADR 2.0A or 2.0B certified.

## STRANDED ASSET OPTION FOR OUTSOURCED ADR SYSTEMS

Similar to a cloud solution, the ADR system can be outsourced, but still owned by the Customer and is so integrated into the Customer's energy management and control system that severing from the vendor would render the management and control system inoperable. This results in a very low risk of the ADR-enabled system becoming a stranded asset for PG&E. As with all projects the control system will need to demonstrate locational dispatch capabilities described in Section 2.2.4

### 2.2.6. TECHNOLOGY ELIGIBILITY

- 1) Technology must be OpenADR 2.0A or 2.0B certified and able to connect to the PG&E DRAS OpenADR 2.0A or 2.0B endpoint.
- 2) Technology must have previously demonstrated DR capability.
- 3) Technology must either:
  - A) have been evaluated in an independent assessment; or
  - B) be currently installed and available for evaluation by program staff at a site in PG&E territory or other location easily accessed by the program staff, and where both pre- and post-project conditions are documented or currently verifiable.
- 4) Technology must be under Manufacturer warranty for a minimum of three years.
- 5) Software and programming costs required for local hardware controls or local facility energy management systems (EMS) for enabling local ADR strategies at the facility site (see cloud-based projects) are eligible to receive an incentive.
- 6) Technology must set the market context field to recognize all DR Programs which commonly results in either a blank or wildcard character (\*) in that field
- 7) Technology must be programmed to poll the PG&E DRAS on a one-minute interval if participating in a PG&E DR Program.
  - A) Customers with an OpenADR VEN using cellular for a communication pathway or with a pay as you go data plan have the option to poll the DRAS at intervals greater than 1 minute but at least 5 minutes less than the notification time window of their DR program. In these cases, the Customer assumes all risk of missed event notifications, changes, cancellations, and any other missed information payloads transmitted between PG&E's DRAS and the Customer's resources. Customer also assumes the lost revenue risk for incorrect load shed due to missed notifications.
- 8) Additional metering equipment used to relay data from the PG&E meter into the ADR control system to manage the ADR shed in **real-time** during an event are eligible to receive an incentive.

- A) Costs covered by ADR incentives include equipment and labor used to relay metering signals from the utility meter into the ADR control system. Power monitoring equipment that collect data for post-event performance analysis or sub-metering are not eligible for an incentive.
- 9) ADR enabling controls for advanced energy storage (AES) are eligible for ADR incentives. The AES device itself is not eligible but the ADR controls are an eligible cost. Eligible ADR kW will be determined by the portion of the AES system that is partitioned to be available for DR events.
- 10) Non-utility, on site solar photovoltaic controls are eligible for ADR incentives to participate in PG&E’s Excess Supply Pilot (see Section 2.4) or like eligible DR program. The solar panel itself is not eligible but the ADR controls are an eligible cost.

**2.2.7. INELIGIBLE PROJECTS**

On site electric backup generation (BUGs) is prohibited for use in demand response programs by the CPUC. The ADR Program will follow the same definition of a BUG as outlined by the CPUC and will also not allow BUG controls as an eligible project or technology. The ADR program will not pay incentives for manual DR measures, manual improvements/changes, or Customer behavior changes to existing equipment. DR measures programmed to opt out of DR event participation as a default setting, are ineligible. Cameras are not eligible for ADR incentive. Also, the ADR program cannot pay for metering charges owed to PG&E, including new meter equipment, KYZ pulses, isolation relays and any on-going tariff charges outside of the situation outline in Section 2.2.6.

## 2.3 Incentives

The intent of the incentive structure is twofold:

- Motivate performance during the DR season by reserving a portion of the incentive for payment 12 months following the first incentive at installation, and
- Motivate enrollment by providing all program incentives to Customers to invest in ADR-enabled equipment<sup>2</sup>.

The following table summarizes the incentive structure for the 2018 Program:

**Table 1. Automated Demand Response Program Incentives**

Technology Category	Incentive Rate (\$ per kW)
Standard Automated Demand Response	\$200

<sup>2</sup> In the 2009-2011 program cycle, a portion of program incentives were allocated to technical coordinators.

**For the standard application, Customers will be awarded incentives on a 60/40 basis in two installments.** For the FastTrack application, Customers are eligible to receive **100% of the ADR incentive** following successful completion of the project inspection verification test. See section 2.2.3 for more information about FastTrack.

In the first installment for the standard application process, Customers receive 60 percent of the total program incentive after successful on-site verification of equipment installation and testing of the committed ADR strategies.

The second incentive installment of an amount up to the remaining 40 percent is paid 12 months after the payment of the 60 percent incentive which will encompass one full DR season of participation. The second incentive payment amount is prorated based on the percentage of the verified kW curtailment Customer achieves during the DR season.

A minimum performance of 60 percent of the verified kW curtailment, averaged across all events called during the DR season, must be achieved to be eligible for any second incentive payment. The second incentive amount to be paid is the total ADR incentive times the difference between the Customer’s actual percentage performance and the 60 percent benchmark. The second incentive is never less than zero, nor ever greater than the approved second incentive for the project, even if the Customer’s actual performance exceeds 100% of verified kW. The total incentive is never greater than 75% of the project cost.

Average kW performance during the performance period is calculated based on DR events in that period for which the Customer was called by PG&E or their demand response provider, regardless of opting out. For the purposes of the average performance period kW, DR event opt-outs are considered as zero kW performance. Customers are expected to actively participate in DR events as ADR Program incentives supports investments in DR-enabling technology.

**SAMPLE PROJECT INCENTIVE CALCULATION**

For illustrative purposes, we’ve created sample incentive calculations for a sample project (Table 2). This Customer committed to shedding 500 kW in load, equivalent to \$100,000 in incentives at a \$200/kW rate, and incurred project costs in excess of the eligible incentive.

First incentive payment: Upon completion and verification of the 500 kW, the Customer would receive 60%, or \$60,000 in incentive money.

Second incentive payment: After 12 months from the 60% payment date, the Customer’s DR participation will be evaluated for the 40%, or \$40,000, remaining in incentives. The Customer needs a minimum performance of 300 kW (i.e., 60% of the committed 500 kW load curtailment) to be eligible for any of the remaining 40%. If the Customer curtailed 481 kW on average across DR events called during the DR season, the difference between the Customer’s average performance (481 kW) and the kW Benchmark (300 kW) is multiplied by the project incentive rate (\$200/kW) to determine the second payment amount. The Customer under this scenario would thus receive \$36,200 in incentives, slightly lower than the \$40,000 they would have received if they had averaged at least 500 kW over the performance period.

**Table 2. Second Incentive Payment Calculation for a Sample ADR Project**

<b>Project Commitment &amp; Performance</b>		<b>Notes</b>
Committed & Verified Project Curtailment	500 kW	

kW Curtailment Minimum for 40% Performance Incentive	300 kW	= 60% x Program Committed & Verified Curtailment
Average Performance over Season	481 kW	Each event is given equal weight
<b><u>Project Financials</u></b>		<b>Notes</b>
Project Cost	\$150,000	ADR can cover up to 75% of project costs which would be \$112,500.
Calculated Incentive (500 kW x \$200/kW)	\$100,000	The calculated incentive in this example is less than the allowed 75% the total project cost. Therefore the project is incentive capped. The 60/40 incentive amounts are always based on the maximum incentive amount, whether limited by the project cost or limited by the verified kW curtailment amount.
60% incentive paid upon project installation & verification	\$60,000	
40% incentive maximum for DR performance period	\$40,000	
Actual 40% incentive based on Customer's Performance	\$36,200	
Total Incentive Earned	\$96,200	= (Avg kW Performance - kW Curtailment Minimum for 40% Incentive) * \$200/ kW  \$60,000 + \$36,200 = 96.2% of total eligible incentive, based on average kW curtailment at 96.2% of verified kW (481 ÷ 500)

### 2.3.2. RESERVATION PERIOD

Following project approval, funds are reserved for one year pending demonstration of active Customer progress towards meeting remaining project milestones.

### 2.3.3. PROJECT INCENTIVE CAPS

The program incentive is capped at 75 percent of the ADR project cost. To promote diversity in the number and types of projects enrolled in the Program, no one account can receive more than \$600,000 of incentive dollars.

### 2.3.4. INCENTIVE CAPS BY DR PROGRAM

PG&E and the ADR Program Team reserves the right to create incentive caps by DR Program as needed to meet program diversity goals, and to change the cap as needed.

### 2.3.5. INCENTIVE CAPS BY TECHNOLOGY AND CUSTOMER TYPE

PG&E and the ADR Program Team reserves the right to create incentive caps by technology or customer type as needed to meet program diversity goals, and to change the cap as needed.

### 2.3.6. ADDITIONAL ELIGIBLE PROGRAM INCENTIVES

The following section describes additional PG&E incentives that Customers can apply for in addition to ADR Program incentives, with the total amount from all eligible incentive sources subject to the project caps identified above. However, Customers cannot receive rebates from other utility administrators for the same equipment.

#### **PG&E EFFICIENCY PROGRAMS AND INCENTIVES**

ADR projects are eligible to receive energy efficiency incentives. Implementing at least one energy efficiency measure for ADR Customers is highly recommended, though not required. PG&E offers both prescriptive (deemed) and customized EE rebates for hundreds of measures for lighting, HVAC, motors, and other technologies. For more information on energy efficiency rebates from PG&E go to <http://www.pge.com/mybusiness/energysavingsrebates/rebatesincentives/>.

## 2.4 Participation in PG&E Demand Response Programs

ADR Program Customers are required to be already enrolled, or to newly enroll in one of the following PG&E DR programs: Peak Day Pricing (PDP), Capacity Bidding Program (CBP), Demand Response Auction Mechanism (DRAM), Supply Side Pilot (SSP), and Excess Supply Pilot (XSP).

### 2.4.1. DR PROGRAM ENROLLMENT

Below is a brief description of the current DR program for which ADR Customers are eligible to enroll in:

1. **Peak Day Pricing (PDP)** - Peak Day Pricing (PDP) benefits customers by reducing or shifting their energy usage away from the noon to six p.m. peak period during 9-15 PDP events per year. In exchange for participation, a customer's rates are discounted at all other times from May 1<sup>st</sup> - October 31<sup>st</sup>. DR events are called between May 1 and October 31 each year. Additional information about PDP can be found at [https://www.pge.com/en\\_US/business/rate-plans/rate-plans/peak-day-pricing/peak-day-pricing.page](https://www.pge.com/en_US/business/rate-plans/rate-plans/peak-day-pricing/peak-day-pricing.page)

2. **Capacity Bidding Program (CBP)** - The Capacity Bidding Program (CBP) is a voluntary DR program that offers customers monthly capacity and energy payments when customers commit to and deliver load reductions on request. Customers enroll in CBP with an Aggregator, a third party demand response services provider. CBP provides flexibility for customers to choose various options. The program has the penalties for load reduction non-compliance that may or not be passed on to the customer from their aggregator. DR events are called between May 1 and October 31 each year. Additional information can be found at: [https://www.pge.com/en\\_US/business/save-energy-money/energy-management-programs/third-party-programs/capacity-bidding.page](https://www.pge.com/en_US/business/save-energy-money/energy-management-programs/third-party-programs/capacity-bidding.page)

3. **Demand Response Auction Mechanism (DRAM)** – The Demand Response Auction Mechanism (DRAM) is a pilot effort where customers enroll with a third-party Demand Response Provider (DRP) and that DRP facilitates the customer's participation in the California Independent System Operator (CAISO) wholesale energy market. The customer has flexibility to bid load 24

hours a day in addition to the standard Resource Adequacy time window requirement. Additional information can be found online at [PG&E's DRAM website](#).

**4. Supply-side Pilot (SSP)** - PG&E's Supply-side Pilot (SSP) fosters the participation of demand response in the CAISO wholesale market using the Proxy Demand Resource (PDR) product. The SSP enables bidding and settlement with the market based on performance. Monthly capacity payments provide a consistent source of revenue for all customers that fulfill monthly pilot requirements. The SSP differs from the California Demand Response Auction Mechanism by allowing more market flexibility, enabling market interactions and learnings without the additional burden of resource adequacy requirements. Additional information can be found at: <http://olivineinc.com/ssp/>

**5. Excess Supply Pilot (XSP)** – PG&E's Excess Supply Pilot (XSP) investigates the ability of residential and commercial customers to help in times of excess supply to increase their energy usage when it is beneficial to the grid. Additional information can be found at: <http://olivineinc.com/xsp/>

The DR program that a Customer selects is considered 'committed' when the application package is approved and project incentives reserved. The ADR Customer must complete DR program enrollment prior to distribution of the initial 60% payment.

#### 2.4.2. PARTICIPATION IN DEMAND RESPONSE EVENTS

Customers are expected to remain enrolled and participate for a total of 36 months following inspection and testing of ADR technology. Customers who de-enroll from an eligible DR Program within 36 months will forfeit their incentive, including any incentive already paid to Customer. The calculated amount of the incentive refund is prorated based on remaining months of enrollment. Aggregators are responsible for ensuring that their ADR Customers are informed and understand the 36 month minimum enrollment requirement, by notifying their ADR Customers in writing when their ADR project is approved.

ADR Customers are expected to participate in all DR events that are called by PG&E for the respective DR program they are enrolled in (see section 2.3).

**Aggregators are expected to nominate their ADR Customers for each DR event.** All ADR Customers are highly encouraged to participate in all DR events. Customers enrolled in CBP should check with their aggregators to ensure their loads are nominated every month so they can participate in each CBP event. The second incentive payment (of up to 40%) of total eligible incentives is calculated based on actual DR participation over all events.

## 2.5 Program Organization

The ADR program is implemented by PG&E through third-party consultants. PG&E manages the contract and any change orders, works with the implementers and monitors their activities and progress against goals, and oversees program integration. PG&E also processes incentive requests, communicates with customers about the ADR program, and reports on the program to the California Public Utilities Commission (CPUC).

Energy Solutions and ASWB Engineering were selected by PG&E to implement PG&E's ADR Program. Energy Solutions and ASWB Engineering are responsible for detailed program design;

program marketing and promotion; identifying and recruiting customers; training technical and other program staff; providing technical and programmatic support to Customers to secure program incentives; facilitating and monitoring the completion of ADR projects; conducting ongoing Customer support to maximize DR event performance.

#### 2.5.1. ADDITIONAL IMPLEMENTATION CONTRACTORS

PG&E has hired additional third-party contractors to provide operational management, implementation, and technical support. Honeywell provides the communications infrastructure for automated Customers. Honeywell hosts the DRAS software. It resolves technical issues relating to DRAS connectivity and operations at Customer sites, and interfaces through Itron and APX with PG&E systems for scheduling of DR events. Honeywell also maintains compliance with OpenADR Standards for the DRAS.

#### 2.5.2. ADDITIONAL PROGRAM STAKEHOLDERS

The ADR Program is implemented through the coordinated efforts of stakeholders internal to PG&E and external parties, who interact on a regular basis with the Implementation Contractors. The most important internal stakeholders include the following:

- **Customer** - An eligible non-residential ratepayer who is applying for incentives through the statewide ADR Program.
- **PG&E DR Program Managers (PM)** – An entity that manages and coordinates program services, budget and other resources, including monitoring and reporting of performance goals. The PM is also responsible for developing program procedures and policies, managing contractors, and monitoring quality assurance.
- **Business Energy Solutions (BES)** – PG&E account managers who manage Customer relationships and promote DR programs. DR Program Managers are responsible for training BES reps and providing the marketing materials and tools needed to recruit Customers to enroll in the appropriate DR program.
- **Project Office** – PG&E department responsible for processing incentive payments to ADR Customers.
- **DR Operations Team** – Team who calls events based on triggers such as forecasted weather, Customer demand, and scheduled or available generation supply. The Operations Team establishes priorities for load reduction and determines which DR programs will be called to meet event load reduction targets.
- **Trade Ally** – Also known as Project Sponsor or Vendor, who provides technology, solutions, and services to an ADR Customer. A trade ally supports Customer and works with ADR Program Team in the application, project installation and inspection process. Customers will turn to the trade ally as needed for follow up technology and contractor services during DR season participation.

The external stakeholders include, but are not limited to:

- **California Public Utilities Commission (CPUC)** – The CPUC monitors overall utility performance related to DR programs including budget performance and the effectiveness of programs in meeting load reduction targets.

- **Other California Utilities** – The ADR Program Managers attend statewide teleconferences and participate in other forums with the other California electric utilities to discuss DR program issues and learn about best practices to continuously improve program performance and Customer satisfaction.
- **California Independent System Operator (CAISO)** – The CAISO is responsible for managing the utility transmission system and issuing alerts during emergency conditions when load reductions are required.

## 2.6 ADR Implementation Process

The ADR Program delivers its services and incentives to Program Customers in a phased process designed to enhance the cost effectiveness of realized savings. The implementation process has three phases: Initial Setup, Verify Equipment Installation and Signal, and Performance. Within the three phases are a total of 11 milestones. The transfer of a specific deliverable between the ADR Program Team and the Customer concludes each milestone. Customer Leads track milestone progress within each phase to ensure that projects move forward expeditiously. ADR Program staff requires that Customers complete certain milestones within a pre-determined time period in order to maintain their right to claim an incentive.

The ADR Team fosters the engagement of the PG&E BES representatives throughout the entire program process. Customer leads keep ES&S reps apprised of Customer progress throughout the process, and notify the representative if issues arise. The program process flow is described in the following section. A diagram of the program process flow is provided in the Appendix, section 6.3.

### 2.6.1. MANAGE YOUR POWER

All Customers can receive implementation process support through the Manage Your Power offering. The Manage Your Power offer leverages an online platform tool that enables Customer access to eligible ADR solutions, procurement and contractor installation services. Features of Manage Your Power are outlined below:

1. Request Quote - Customers obtain price quotes for installation services and can access financing to cover project costs with no up-front capital required.
2. Install Project - Customers select a bid and schedule equipment installation. Contractors install the technology and complete the rebate application, and the ADR Team validates that the project was installed and commissioned correctly and provides support for 12 months after installation.

See section 2.8 below to contact the ADR Program Team to apply.

### 2.6.2. SCREENING AND ENROLLMENT

In the Screening and Enrollment milestone, the ADR Team collects information about the Customer and Customer facilities to help identify eligible Customers and projects. The ADR Team works closely with PG&E BES reps, Share My Data and the Interact tool, as well as speaking with Customers directly, to determine eligibility and interest.

Screening information gathered to determine eligibility includes, but is not limited to, the following:

- Valid electric SAID

- Prior participation in DR programs or new DR program enrollment eligibility
- Peak demand
- Facility size
- Interval meter data to assess availability of kW load for DR
- Customer willingness to curtail loads

The screening step is conducted in collaboration with trade allies where applicable, and PG&E reps, whose engagement is essential in obtaining Customer screening information. Potentially eligible Customers are contacted by the ADR Team through the BES reps whenever possible, and an initial call or meeting is scheduled to inform the Customer about the ADR program benefits and gather additional screening information as needed. Interval data is collected at this step to verify Customer's SAID and presence of electric. Electric data and other Customer information are collected by the ADR Team once the Customer grants permission via the Customer Information Authorization Form or Share My Data.

If an in-person meeting is scheduled, the Customer's PG&E rep is invited to attend. The purpose of the first meeting is to explain the ADR program to the Customer, clarify expectations, and determine if there is sufficient interest, load, energy management capability, and possible shed to justify moving forward in the program process. Customers are also given information on the DR programs that they are eligible for, in order to lay the ground work for DR program enrollment by the Installation and Commissioning milestone.

For these meetings, it is helpful if the Customer contact includes his/her facilities manager and other key decision makers in the meeting. Depending on the complexity of the Customer, the ADR Team member could also invite an existing Trade Ally, or a technical representative from LBNL to participate. First meetings are usually one to two hours in length. If the Customer is interested in ADR, has sufficient load, and appears to meet the technical eligibility requirements, the Customer moves on to the next ADR milestone.

Deliverable: Customer Information Authorization Form or data access granted via Share My Data and Program Enrollment Form (Customer to ADR Team)

### **2.6.3. FACILITY AUDIT**

Activities performed by ADR Program staff during this phase will vary depending on the measure, and may involve a site visit by at least one member of the ADR Team staff for data collection. Energy efficiency project recommendations are included at the discretion of the Customer and ADR Team staff. Project Audit Reports or Project Description generated by Trade Allies or Vendors may require a site visit by an ADR Team staff member on a case-by-case basis.

Below is a guide for Vendors and Trade Allies preparing the Project Audit Report or Project Description, which consists of the following sections:

1. Cover Page identifying the Customer, title of the audit, and date completed.
2. Table of Contents listing page numbers for all sections and important subsections.
3. Introduction identifying the purpose of the Audit, Customer business and operations, and the overall extent of the Audit.

4. Executive Summary that includes brief descriptions of the DR systems analyzed, written detail of the proposed DR measure, a table of all applicable DR measures, and the PG&E DR program the Customer is considering for enrollment.
5. Description of Scope of Work and eligible ADR measures to be installed.
6. Inventory of Customer equipment identifying major systems in use by the Customer, including existing nameplate and electrical data.
7. List of the proposed DR Measures with a written description of the targeted equipment along with the measure.
8. Calculations for each measure, including detailed equations.
9. Table of Results showing all identified load reduction measures.
10. List of any potential energy efficiency measures.
11. Itemized budget for each measure.
12. Conclusions reviewing the effects of participating in DR.

Guidance on project application information requirements for common ADR measures and a sample Audit Report can be found on the Program website at: <http://pge-adr.com/resources/>. Information requirements guidance is provided for:

- Rooftop package air-conditioning cycling,
- Temperature reset in commercial building interior,
- Lighting curtailment,
- Agricultural and other water pumping
- Industrial or process load curtailment, and
- Refrigerated warehouse curtailment.

Customer must also provide OpenADR 2.0 (A or B) certification documentation for ADR technology solution which can include directions to the OpenADR Alliance website that lists certified equipment.

Deliverable: Audit Report (Trade Ally), Open ADR 2.0 certification documentation

#### **2.6.4. AUDIT REPORT REVIEW AND EVALUATION**

Following receipt of audit report or project proposal, the ADR Team staff conducts an engineering review of the submitted report. The objective of the review and evaluation is to verify the proposed DR strategies employed and validate the assumptions and accuracy of the engineering calculations in estimating the kW reduction from the proposed DR strategies in the audit report. The ADR Team staff may submit questions to the Customer or the Vendor for further clarification or request additional information related to the audit report for follow up.

As mentioned in the beginning of Section 2, PG&E aims to maximize the reliability and consistency of kW enabled by ADR technologies. As such, PG&E wants the kW committed for projects receiving ADR incentives to be as realistically achievable as possible, and such that

Customers will participate consistently in as many DR events as possible. The ADR Team staff uses an analysis methodology that has been vetted with LBNL, often with buy-in from PG&E as well as SCE, particularly for common DR strategies. Using a consistent methodology ensures that similar projects within the portfolio are treated similarly, and thus fairly.

The adjusted kW follows from the audit report evaluation, and may be higher or lower than the initial kW proposed in the audit report. If a kW adjustment is made to the audit report, Customer Leads will notify the Customer and Vendor to discuss the findings and basis of the adjustments.

Deliverable: Audit Review and evaluation findings (ADR Team to Customer)

#### **2.6.5. CUSTOMER DECISION**

During the Decision milestone, the Customer Lead notifies the Customer of the audit review evaluation findings, including the original or the adjusted kW reduction, and amount of eligible incentives. The Customer decides which, if any, ADR measures he or she wishes to install. ADR Program staff provides support during the decision phase by providing any additional technical information required and/or providing information about similar installations at other facilities. Customer responds to Customer Lead in writing with the decision to implement one or more ADR projects.

Deliverable: Written notification of decision to pursue ADR measures (Customer to ADR Team)

#### **2.6.6. INCENTIVE RESERVATION**

In the Incentive Reservation milestone, PG&E reviews the application information and reserves the incentive funding. The incentive reservation is based on the approved kW from the review and evaluation of the Customer's audit report. The ADR Team prepares and reviews for accuracy the forms listed below and then provides the following package to PG&E:

- Signed ADR Program Application
- Copy of written confirmation from Customer to move forward
- ADR Summary Approved Measures List
- Audit Report

PG&E reviews the reservation package and processes the ADR application. PG&E enters the project information into MDSS. PG&E then assigns an application number, logs the project approval date, and emails the Incentive Reservation Confirmation email directly to the relevant ADR Program staff. At this point the incentive funding is reserved. Once the application is processed and the incentive is reserved, the Customer becomes a Program Customer. ADR Program staff notifies the Customer and BES rep of the incentive reservation via email, and attaches the ADR Program Agreement. The Program Agreement outlines terms and conditions for participation in ADR. The Customer is then authorized to begin installation of their project.

If the incentive is not reserved due to Customer ineligibility, PG&E logs the rejected application date in MDSS and sends a Project Rejection email to the relevant ADR Program staff. The ADR program staff notifies the Customer in writing.

**Note:** Significant changes to the project scope after PG&E approves the ADR application may require a cancellation of the existing application and resubmission of the projects as a new

application (see also Section 4.2.2). Customers also have the option of submitting a new application for the change only.

Deliverable: Email notification of incentive reservation (ADR Team to Customer)

### **2.6.7. PROJECT INSTALLATION AND COMMISSIONING**

In this milestone, the Customer notifies the ADR Team of the date construction started and was completed. Prior to installation, the ADR Team is available to support the Customer's procurement process by providing specifications for use in solicitations and/or reviewing bids submitted to the Customer. The ADR Team may also facilitate the use of one or more bulk procurement methods to accelerate implementation timelines while containing costs and ensuring quality installations. During installation, the ADR Team is also available for technical support as site specific issues arise.

The Customer notifies the ADR Team in writing (email is acceptable) when the new equipment is installed, operational and commissioned. The Customer must also submit detailed invoices outlining labor and equipment. The ADR Team works with the Customer and relevant vendors to collect the required invoices. The vendor or Customer also reviews and completes the Installation Form, which describes the technical details of the installation including description of the VEN, location of the VEN, and DR load shed execution sequence.

The invoices that the Customer submits must be of a sufficient level of detail or granularity to allow the ADR Team to verify the major equipment components installed during site inspection. The larger and more complex the project, the more detailed the invoicing documentation needs to be. Costs above \$5,000 must include itemized details. Please see Appendix 6.2 for additional invoice guidelines.

Deliverable: Installation Form (Customer to ADR Team); Invoices (Customer to ADR Team); written notification of project completion (Customer to ADR Team)

### **2.6.8. PROJECT INSPECTION**

Once installed equipment is operational, commissioning is complete including completion of a successful test event, and project invoices have been provided, an ADR Team member schedules an inspection and simulated DR event test with the Customer and facility site manager at a date convenient for the Customer. The entire inspection typically takes two to four hours. The timing of inspections—the time of day, day of the week, and season of the year—is set by the ADR Team so that the test event corresponds to an actual DR event as closely as possible. Test events are scheduled according to the following rules:

- Test event dates and times should be scheduled about 2 weeks in advance to allow preparation, and all invoices need to be delivered to the ADR Program staff at least 3 business days in advance of the test.
- Test events are scheduled for hours that are within the same time window as the enrolled DR program.
  - The only exception is for Agricultural Pump tests, which may be scheduled at other times of day.
- Test events for weather-dependent DR strategies are scheduled in the noon – 4 pm window so that indoor temperatures can be evaluated independently of any end-of-workday changes in occupancy or process load.

- Hot weather is best for testing weather-dependent loads, however this is not always possible and the ADR Program prioritizes timely testing and payment to Customers. Test results from days with cooler weather are adjusted to compensate for the effects on load shed. At a minimum, a project with a space cooling DR strategy must be tested on a day where, under normal HVAC parameters, the cooling equipment is on and cooling is called for by the zones. The ADR Program will coordinate with the vendor and customer in advance of a scheduled test day where insufficient outdoor temperature is forecast.
- Test events for space cooling DR strategies are a minimum of two hours.
- Friday afternoon tests are not permitted for office buildings and other facilities where loads vary by day of the week.

Prior to the inspection, the ADR Team member goes over the expectations for the test with the Customer. During the project inspection, the following are verified:

1. All automation controls are located and verified for proper installation and connection to the related equipment. Photos are taken as applicable.
2. Pre-test site conditions are verified as applicable to the proposed measures (observations of foot-candles, temperatures, motor frequencies, etc. may be recorded as part of this verification).
3. The ADR Team member records the time the test initiates. Typical test duration is two hours as this is the minimum timeframe for participation in any DR program.
  - If the test does not initiate, the ADR staff member works with the Customer to work out the source of the issue. A second test may be necessary.
  - It may, or may not be necessary for the ADR Team member to remain at the site for the duration of the test. Each test case is unique.
4. A second set of observations may be made during the test to verify site conditions resulting from the sequence of operations (the same observations as pre-test conditions apply). Photos are taken as applicable.
5. The ADR staff member also takes note of any potential comfort or safety issues that might arise during the test (i.e. areas that are too dark, or too hot due to curtailed equipment).
6. Once the second set of observations have been made, and there are no other potential issues due to the test, the Project Inspection may conclude. The ADR staff may or may not be present during the entire duration of the testing period. The observations made during the test are compared to interval data recorded during the test period to establish the site's verified load reduction.

The kW load reduction measured during the test event must be within 25% of the approved kW load shed calculated during the Audit Review and Evaluation Milestone. If the measured load reduction is outside of that window, the ADR Team will investigate into the cause of the discrepancy. If necessary, a second test may be scheduled. Otherwise, approved kW and reserved incentive may be adjusted appropriately.

Deliverables: Verification Report (ADR Team to PG&E); Incentive Recipient Certification of Contractor License and Permits Form (Customer to ADR Team).

#### **2.6.9. FIRST INCENTIVE PAYMENT**

The ADR Team works with PG&E to confirm the Customer is enrolled in an ADR eligible DR Program. Following confirmation of enrollment, the ADR Team provides the Installation and Verification Submittal Package to PG&E. PG&E authorizes and issues the first incentive payment. The incentive check is mailed directly from PG&E to the Customer. The first payment amount is 60 percent of the calculated kW for the DR project, multiplied by the incentive category. For FastTrack Customers, the incentive payment is 100 percent of the calculated kW for the DR project (see section 2.2.3).

Deliverable: First incentive payment (PG&E to Customer)

#### **2.6.10. ONGOING PERFORMANCE MONITORING**

During the subsequent DR season, the ADR Team operates the program, tracks DR event participation and performance based on kW load drop relative to an applicable DR program baseline, and maintains regular communication with the Customer to provide DR event performance feedback and help resolve any difficulties.

Customers participating in the PG&E Supply Side Pilot II (SSP), the PG&E Excess Supply Side (XSP), or the Demand Response Auction Mechanism (DRAM) must provide performance information via a provided template for all awards/dispatches for the purpose of calculating the 40% payment.

#### **2.6.11. PROJECT EVALUATION**

At the end of the 12-months following the 60% payment, the ADR Team conducts an evaluation of the Customer's DR event performance to determine the amount of the second incentive payment. The ADR Team calculates the average kW reduction achieved, averaged across every hour of DR events called, for all events called in the season. The calculated performance for the second payment also includes any DR events for which Customers decided to opt out during the season. The project completion milestone is set at the Installation and Verification approval date.

Deliverable: Performance Evaluation Report (ADR Team to Customer)

#### **2.6.12. SECOND INCENTIVE PAYMENT**

The ADR Team provides PG&E with the Performance Evaluation Report for processing. PG&E authorizes and issues the second incentive payment, and the incentive check is mailed directly to the incentive recipient. The second payment varies from 0 to 40 percent of the calculated kW for the DR project based on the Performance Evaluation Report, multiplied by the incentive rate. The 40 percent payment is available 12 months after the 60 percent payment is provided.

Deliverable: Second incentive payment (PG&E to Customer)

## **2.7 Program Forms and Documentation**

Table 3 summarizes the program forms and documentation required for milestones in the program process described in section 2.6 above. A soft copy of the Checklist shown in Table 3 and

associated reference application information requirements can be downloaded from the program website at: <http://pge-adr.com/resources/>. Projects are not approved unless Customers provide all required forms and documents. Incentives are paid only when program documentation is complete and deemed satisfactory by PG&E.

**Table 3. ADR Program Forms Checklist**

	Form Name	Format	Description	
Customer or Vendor	1 <input type="checkbox"/> Share My Data or Authorization to Receive Customer Usage Information Form	pge.com or PDF Form	Gives authorization to ADR Team to access the customer's electricity interval usage data.  <b>Access Forms Here:</b> <a href="#">ShareMy Data Tutorial</a> <a href="#">Authorization to Receive Customer Usage Information Form</a> <a href="#">Instructions for Data Authorization Form</a>	
	2 <input type="checkbox"/> PG&E ADR Application Form	PDF Form	Basic application information including customer and vendor contacts, project address, and payee information. Details the terms and conditions of the ADR Program	
	3A <input type="checkbox"/> Project Description	Report / Memo / Calculation	Describes facility and proposed load shed strategies, data and technical specs on equipment to be turned down or turned off, project and cost estimates  <b>Additional information requirements for your project type(s):</b> <a href="#">Rooftop Package Air-Conditioning Cycling</a> <a href="#">Temperature Reset in Commercial Building Interior</a> <a href="#">Lighting Curtailment</a> <a href="#">Agricultural Water Pumping</a>	
	<i>or</i>			
	3B <input type="checkbox"/> <a href="#">FastTrack Calculation Form</a>	Excel Table	For small office and retail facilities 499 kW and less, plus Project cost estimate. In lieu of Project Description 3A.  <i>or</i>	
3C <input type="checkbox"/>	I would like the ADR Program to suggest options for load shed strategy, DR Program, and/or signaling options			
ADR Team	4 <input type="checkbox"/> Project Review	Report	Summary of proposed ADR project including results of meter data analysis, kW load shed analysis, recommended kW load shed commitment, estimated ADR incentives.	
	5 <input type="checkbox"/> Project Approved	Email	Notifies Customer of PG&E approval of project, assigned application number and ADR incentives reservation. Authorization to install. Summary of key project requirements under ADR program.	
Customer or Vendor	6 <input type="checkbox"/> Project Acceptance Email	Email	Customer intent to proceed and acceptance of ADR requirements	
	7 <input type="checkbox"/> Project Invoices	Custom	Documentation of equipment and labor costs of ADR project including itemized for costs above \$5,000	
	8 <input type="checkbox"/> Installation Form	Word or PDF	Description of load shed strategy, OpenADR certified client information, setup and configuration with PG&E DRAS	
9 <input type="checkbox"/>	Incentive Recipient Certification	PDF Form	Confirms that project installation work was performed by licensed contractors	
ADR Team	10 <input type="checkbox"/>	Verification Report	Report	Summary of post installation inspection findings and load shed test results
	11 <input type="checkbox"/>	First Payment Confirmation	Email	Confirmation of 60% incentive payment upon completion of installation, inspection, and testing (100% for FastTrack)
	12 <input type="checkbox"/>	Second Payment Confirmation	Email	Confirmation of load shed performance in kW and corresponding 40% incentive payment upon participation in one full DR season (N/A for FastTrack)

In addition to ADR program forms, ADR Customers must enroll in an eligible DR Program and participate in DR events for a minimum of three years (see section 2.4.1). The ADR Team and PG&E reps will assist Customers with DR Program enrollment. Energy Efficiency projects are highly encouraged for ADR Customers. Customers are responsible for obtaining the PG&E efficiency incentives. The ADR Team provides limited assistance completing efficiency program documentation.

## 2.8 How to Apply

Interested customers can contact their PG&E BES representative, call the ADR Program toll free number at 855-866-2205 or send an email to [pge-adr@energy-solution.com](mailto:pge-adr@energy-solution.com) to begin the project screening process. Once eligibility has been confirmed, ADR Program staff assists with the completion of their application, as well as all program forms and requirements, and is available to answer specific program questions. The application process requires careful attention to detail. Incomplete or incorrect applications will be returned, so it is highly recommended that Customers follow the program instructions carefully.

### **PG&E BES Representative:**

1-800-468-4743

### **ADR Program Contacts:**

Christine Riker  
Senior Project Manager  
Energy Solutions  
(855) 866-2205  
[pge-adr@energy-solution.com](mailto:pge-adr@energy-solution.com)

Application forms and program contacts are also available on the PG&E ADR program website: [www.pge-adr.com](http://www.pge-adr.com). Please check the website regularly for the latest updates to program policies, and remaining program incentives information.

# 3 Customer Services Management

## 3.1 Customer Leads

Each Customer is assigned a specific Customer Lead. Customer Leads are trained on providing technical audit and support to the Customer throughout the program process. The Leads guide Customers through all aspects of enrollment and the delivery of all program services, from project identification to implementation and final incentive payment.

As the Customer's primary point of contact, Customer Leads facilitate timely information exchange and collaboration between Customers and their DR services providers with PG&E BES Reps, DR Program Managers, and installation contractors. They provide decision support to prospective

customers to enroll in the program. Customer Leads track specific actions within each phase to ensure that projects move forward expeditiously. The ADR Program requires that Customers complete specific milestones within a pre-determined time period in order to maintain their right to claim a rebate. Additional roles and responsibilities of Customer Leads include:

- Scoping and analyzing projects;
- Coordinating with vendors responsible for project implementation;
- Supporting Customers through successful project installation, testing, verification, and incentives.

## **3.2 Responsibilities of Participating Customers**

To facilitate timely implementation, participating Customers are expected to review and comply with all program rules, and submit a signed Program Application as a condition of receiving program services. By participating in the ADR Program, Customers are expected to provide the ADR Team with access to facilities and data, and demonstrate reasonable progress towards meeting program milestones.

## **3.3 Issues Resolution Procedure**

The issue resolution procedure involves a series of escalation steps dependent on how long the issue has taken to be resolved.

1. Customer contacts their Customer Lead and explains the issue. Customer Lead responds within 24 hours.
2. Customer Lead documents issue including type, user, program, and details in the Project Tracking Tool. The Project Tracking Tool is always available to PG&E for review.
3. Customer Lead works with customer to resolve issue.
4. If issue is not resolved in 2 business days then the ADR Program Lead will be notified of the issue and will work with the Customer Lead to resolve the issue in a timely manner.
5. If issue is not resolved in 5 business days then the PG&E ADR PM will be notified of the issue and will work with the ADR Program Lead to resolve the issue in a timely manner.

# **4 Technical Services**

Technical support for this program includes DR strategies identification and project scoping. Implementation assistance provided to Customers includes support in obtaining PG&E approvals, development of bid specifications, reviewing contractor proposals, helping manage the selected installation contractors, attending post-installation project inspections, and site verification testing for quality control and savings verification. The Customer and ADR Team staff troubleshoot technical problems revealed following event days as they arise as part of DR program operations.

## 4.1 Audit Procedures

### 4.1.1. ADR REVIEW OF AUDITS

The ADR Team reviews audits performed by Vendors for acceptability of curtailment strategies, calculation of curtailment kW in accordance with ADR Program standards, and consistency with program policies. The ADR Program Audit Review document summarizing the ADR Team's findings is provided to the Customer, and to the Vendor where applicable.

### 4.1.2. CUSTOMER AUDIT REPORT OR PROJECT DESCRIPTION

Vendors typically develop Customer Audit Reports for delivery to the Customer and the ADR Program. The recommended practice is for Vendors to share an electronic draft Audit Report with the ADR Team prior to presenting the project and ADR incentive applied for to Customer to confirm the kW calculation. For Customers who are not working with a Vendor, the ADR Team may either perform the kW calculations and provide them in its Audit Review format, or perform a full investigation of ADR measures on-site and produce an Audit Report.

#### **PRESENTATION**

The Customer Audit Report shall be presented in a professional format, including an accurate inventory defining all Customer equipment along with detailed descriptions of such equipment. This inventory shall list which pieces of equipment are applicable to DR and energy efficiency measures, and include photographs of equipment and nameplate data when available. Detailed calculations, including equations and results shall be presented in a comprehensive format to allow for a step by step validation of all DR measures evaluated. Detailed calculations, including equations and results shall be presented in a comprehensive format to allow for a step by step validation of all energy efficiency measures to determine the impact on the proposed ADR measures.

#### **PHOTOGRAPHS**

When permitted by the Customer, photographs of major mechanical and electrical equipment, as well as equipment proposed for inclusion as DR measures shall be included in the Customer Audit Report. Legible photographs of nameplate data are also preferred. Descriptions of the contents of each photograph are required.

#### **INVENTORY**

Customer Audit Reports shall include an inventory of all major electrical and mechanical equipment and their respective loads and efficiencies, clearly identifying which equipment is a candidate for DR, which piece of equipment is a future candidate for energy efficiency measures, and which equipment has no potential for neither DR nor energy efficiency. The equipment schedule must indicate the load factors and sizes of each piece of equipment.

### 4.1.3. CUSTOMER AUDIT REPORT FORMAT

The Customer Audit Report shall be submitted in the format described below. Alternate formats are permissible, provided that all required information is included, and that, in the sole opinion of the utility, the report presents all information in a professional, presentation quality format suitable for delivery and discussion with the Customer by ADR Program staff. Any key energy efficiency opportunities, recommendations, and conclusions should also be included.

**Cover Page:** The Customer Audit Report shall begin with a cover page identifying the Customer, title of the audit, date completed, and the utility program to which the audit pertains. In addition, the cover page shall identify the contractor performing the Audit.

**Table of Contents:** A Table of Contents shall be included.

**Introduction:** A separate introduction shall be provided, identifying the purpose of the Audit, brief project history, description of Customer business and operations, and the overall extent of the Audit, as conducted. Name and contact information for Trade Ally and Customer personnel who assisted in completing the audit shall be included in this section.

**Executive Summary:** The Executive Summary section shall include an overview of the proposed DR measures, a table of all applicable DR measures, and the PG&E DR program the Customer is considering for enrollment. A summary table listing identified energy efficiency measures, where applicable, shall be included. The summary table of DR measures shall include equipment type, any Customer identification specific to that equipment, nameplate size, existing electrical demand, and the proposed demand reduction as a result of a DR event. This summary shall also include estimated incentives to the Customer for each measure identified. For each identified DR measure, the effects on Customer operation shall be described, such that the Customer is aware of the ramifications on their operation for each proposed measure. This should be summarized at the facility level, as well as at the measure level.

**Inventory:** As a separate section, an inventory of Customer equipment shall be as defined above. An inventory of external and internal electrical meters should be included. If the electric load is split among multiple PG&E electric accounts, the inventory should explain which equipment is served by which accounts by using the Service Agreement IDs (SAID).

**Demand Response Measures:** For each DR measure recommended, a written description of the equipment along with the measure shall be included in this section. Any modifications to existing control systems, new control points, equipment operation, or other methods of controlling and reducing demand during an event shall be characterized. Any modifications to existing or previous operation shown in meter data history shall be described in detail or modeled. Where modeling is used, any adjustments to actual energy consumption made in the model will be included. Requirements for energy simulations involving third-party software, and statements of assumptions and input model load profile to within 10% will also be included.

- **Scope of Work:** A scope of work shall be provided along with an itemized budget, broken down for each measure.
- **Calculations:** Calculations shall be provided for each measure, and shall include detailed equations, existing nameplate and electrical data, proposed nameplate and electrical data, and a summary table of the DR results. Calculations are required to follow a clear step by step approach indicating precisely how results were arrived at, and the methodology used. Facility schedule, shift work, and operational characteristics shall be considered on a daily and annual schedule as required for an accurate analysis. The ADR team recommends calibrating the model or calculations to actual facility usage, to compensate for potential issues such as low occupancy, over- or undersized equipment, and facility behavior. Calculations shall address incremental demand reduction for each measure.
- **Maximum allowable curtailment of 50% of cooling:** The ADR program recognizes that HVAC measures and their associated impact on work environments need to be

acceptable to Customer to promote DR event participation and consistent load shed performance. To ensure this, the ADR program limits the allowable curtailment of cooling for ADR implementations, and will reject any ADR measures that exceed this limit or impact occupants or equipment users in an unacceptable manner. The limit has been set to a maximum curtailment of 50% of space cooling power in any occupied areas, excluding the cooling power from any spaces not participating in DR. The ADR program will require correction of any projects that curtail more than 50% before the site passes its ADR Verification Test and ADR incentives are approved. The on-peak cooling load will be assessed by default from the ADR Program's interpretation of California Commercial End-Use Survey data, unless specific building data is available. This requirement does not apply to cooling for refrigeration and cold storage warehouses.

- **Customer Specific Summer Baseline:** The Vendor should state the typical demand baseline, called the Customer Specific Summer Baseline (CSSB). The CSSB is defined as the average maximum demand during the DR period for summer business days, excluding weekends, holidays and other DR event days, and is the starting point for ADR Program calculations. Vendors must clearly state what demand they are using as a baseline and their source.
- **Table of Results:** A Table of Results, in tabular form at the end of this section, shall include all identified load reduction measures, identifying the equipment, proposed measure, existing kW load, proposed kW load, total kW reduction (or increase) and the ADR Program incentive available.

**Energy Efficiency Measures:** This section shall identify the top potential energy efficiency measures so that the ADR Team can determine the impact on the proposed ADR measures.

**Conclusions:** The final section of the Customer Audit Report shall include any conclusions drawn from the audit. Effects of participating in the utility DR program are to be outlined. The Financial benefits of preferred or recommended programs shall also be provided for the Customer. For energy efficiency measures, recommendations shall be reiterated, and conclusions regarding all energy efficiency measures provided.

**Report Appendices:** The Customer Audit Report shall include Appendices as needed that clarify and support the Vendor's report findings and recommendations. This includes drawings or sketches, photographs, and other data that support the final recommendations.

## 4.2 Project Installation Services

The Customer Lead is available to support Customers during installation to ensure timely completion of the installation milestone. Customer Leads provide limited support services during installation, including RFP and contractor bid review, and responses to program and technology related questions. The ADR Team will under no circumstances supervise, manage, direct, or otherwise control any construction or installation work, in connection with a project that receives a rebate from the ADR Program. The ADR Team will not purchase any equipment, material, or supplies intended for permanent incorporation into buildings or job sites as a part of a project that receives a financial rebate from the ADR Program.

#### 4.2.1. WAIT FOR APPROVAL

As a general rule, actual project implementation should not begin until after the project application has been approved. However, sometimes based on special circumstances PG&E, at their discretion, may allow installation to begin immediately after any pre-installation inspection has been performed or waived. PG&E's pre-approval does not mean the application has been approved and will receive funding, but rather that proceeding with installation will not impair the chances for the application's approval. The Customer is to request this notification in writing from PG&E. "Installation" includes, but is not limited to, decommissioning and removal of existing equipment, demolition, facility alterations to prepare for new equipment, and installation of new equipment.

#### 4.2.2. CHANGE IN PROJECT SCOPE

If the scope of the project changes substantially from what was identified in the project application review, the project may need to submit a new application. Substantial changes include significant modifications to the proposed equipment type, size, quantity, configuration, or the expansion of project to include additional retrofits. The revised project scope and supporting calculations are subject to an additional review with potential for a revised incentive value. Exceptions may be granted as deemed reasonable by PG&E.

#### 4.2.3. INSTALLATION DEADLINE

All projects must demonstrate reasonable progress towards completion of project installation. As described earlier, following project approval, funds are reserved for 12 months pending demonstration of active Customer progress towards meeting remaining project milestones. If PG&E determines a project is not making reasonable progress towards the project milestone of installation completion, the ADR Agreement is subject to cancellation. Extensions may be requested and granted at PG&E's discretion.

### 4.3 System Testing and Verification

A description of site inspection and equipment testing activities are described in Section 2.6.8. In addition to the project inspection, the following considerations are involved in the kW reduction verification process.

#### **CONFIRMING LOAD SHED CALCULATIONS FROM SYSTEM TEST:**

The following information is provided as guidance for understanding the process of determining the load reduction. Each situation is unique, and not all testing requires one or more of these methods. ADR Program staff examine all reasonable options when evaluating test results. Only utility revenue meter data can be used to confirm kW reductions resulting from a test event.

Calculation of load shed following site verification testing depends critically on the accuracy of the Customer baseline. The baseline is the hourly load that the Customer would have in the absence of a DR event, calculated from the previous 10 business, non-holiday days without any DR activity. The actual load during the DR event is subtracted from the calculated baseline for each hour, and the Program incentive is based on the average kW performance across each hour of every event called throughout the DR season. Each PG&E DR program has defined a baseline calculation methodology. During testing, the baseline can vary widely depending on conditions at the time of the testing as compared to typical summer daytime activity. The ADR Team accounts for this

variability and make adjustments to the baseline as appropriate to account for these seasonal variations.

The ADR Team defines a baseline calculation methodology for the purpose of determining the ADR Program incentives. The hourly CSSB (defined as the hourly summer average kW for summer weekdays, non-holidays, non-event days) can be used in conjunction with the 10-in-10 to help determine the Customer's weather dependent demand reduction for a test event. The 10-in-10 is determined using a 10-day rolling average energy usage profile of the immediate past 10 similar days prior to the test event. The 10-in-10 is calculated on an hourly basis from Noon to 6:00 PM using the average of the same hour for the past 10 similar days. The 10-in-10 includes Monday through Friday, excluding holidays, and additionally excludes days when the Customer was paid to reduce load on an interruptible or other curtailment program or when Customers were subject to rotating outages. The 10-in-10 may vary for each hour and for each event.

- Recorded Test Energy (RTE): The Recorded Test Energy (RTE) equals the actual recorded kWh/hour of the Customer's demand during a test event.
- Calculated Reduced Energy (CRE): The Calculated Reduced Energy (CRE) can be calculated as follows. CRE = (applicable baseline – RTE) adjustments can be made for seasonal load variations.
- Incentive Payment (IP): The Incentive Payment (IP) is based on the maximum CRE calculated during the test event, multiplied by the applicable incentive level per kWh/hour.
  - $IP = CRE * \text{applicable incentive level}$

The load shed test scheduling varies depending upon the timing of the installation of specific measures, availability of Customer processes and personnel, seasonal schedules, and the opportunity for the ADR Team to schedule the test at the Customer site. As such, the schedule of a test may occur during mild conditions or during the summer time. If a test is conducted during mild conditions when HVAC loads are low, the initial tests results are adjusted to account for reduced DR potential resulting from cooler weather. This adjustment can also be used for assessing variable, non-weather related, loads that are not accurately represented using the (applicable baseline – RTE) method. This determination is made on a case-by-case basis.

All loads are examined for their consistency to ensure that there has not been significant reduction in the available capacity (diminished load). In cases where diminished load is detected, the applicable baseline is adjusted to account for the diminished load.

The kW load reduction measured during the test event must be within 25% of the approved kW load shed calculated during the Audit Review and Evaluation Milestone. If the measured load reduction is outside of that window, the ADR Team will investigate into the cause of the discrepancy. If necessary, a second test may be scheduled. Otherwise, approved kW and reserved incentive may be adjusted appropriately.

The ADR Team may change the methodology if it fails to represent the actual loads. If the project fails the inspection and testing, PG&E may decline the application. PG&E may also assess a re-inspection fee if multiple site inspections are conducted.

## 5 ADR Program Operations

### 5.1 DRAS Connectivity Monitoring

As the primary communication contact for Customers, the ADR Team supports and coordinates with Honeywell in conducting continuous site testing to check for DRAS connectivity. The ADR Program Team monitors DRAS connectivity to ensure that the DRAS server is functioning, that all Customers remain connected to the DRAS, and that event performance issues due to DRAS connectivity issues are promptly addressed.

#### 5.1.1. CUSTOMER CONNECTIVITY AND NON-INVASIVE TESTING

The DRAS provides functionality to alert program Customers of any loss of connectivity between the DRAS and a Customer's VEN. The ADR Team is included in the set of contacts receiving these notifications, and works directly with Customers to determine and correct the source of the connectivity issue. Sites that frequently lose connectivity are flagged for follow-up by phone, and technical staff is dispatched to troubleshoot issues which cannot be addressed remotely. Some sites may appear to have intermittent connectivity due to internal network configurations, and may actually be sufficiently connected despite the appearance of frequent brief outages. The ADR Team continuously monitors sites that appear intermittent, and adjusts the notification threshold in cases where connectivity is sufficient. Annual test events may also be issued to all existing sites and then to poll the DRAS to find any sites not responding to the pending event signal. To ensure the test is non-invasive to Customers, the event is cancelled before actually entering the "active" status.

#### 5.1.2. EVENT-BASED TESTING

When the first event is issued in the new program cycle, the ADR Team follows up with any newly non-performing sites to troubleshoot and correct site configuration. In the case that no demand events occur in a given year, the ADR Team schedules a predefined set of three testing days and requires each site to sign up for a testing day of their choice. On each of these testing days, a two hour test event is issued by the DRAS, and performance is analyzed to determine event performance for all Customers. The ADR Team addresses issues at non-performing sites either remotely or onsite, as appropriate to ensure future connectivity and performance.

### 5.2 Event Execution and Performance Validation

PG&E initiates CBP and PDP events by notifying DR Program Customers through the DRAS. The ADR Team is available to assist if needed to ensure event notifications are received and that Customers are ready to respond. Following each DR event, the ADR Team conducts an assessment of Customer performance for CBP and PDP and requests the Customer ensure performance information is provided for SSP, XSP and DRAM.

The ADR Team sends a Customer Performance Report out to the Customers in CBP and PDP following each event after the event data has been processed and the event performance is calculated for all applicable Customers. The report documents each Customer's incentive status, including but not limited to number of events called, Customer's individual and average participation, and estimated final incentive calculations.

After the Customer has gone through a full DR season, the ADR Team develops a Final Performance Report for PG&E. Upon approval of the final report, PG&E sends the final Customer incentive payment (up to 40% of the total, adjusted for performance) to the Customer directly in the mail. Final Customer Incentives are paid one year following the initial 60% incentive date or after the completion of an entire summer DR season of event calls.

**Table 4. Program Overview and Polices Revision Log:** Reflects all policy and procedural changes that occur during respective program period

Revision	Date	Revision Notes
Original Release	8/15/2018	First issue of 2018 ADR Manual. Major changes from 2017ADR Manual:  2.2.6 Updated technology eligibility requirements to include onsite solar controls. Updated polling requirements for cellular VENs  2.2.7 Updated ineligibility requirements  2.3.4 Removed requirements for Incentive caps by DR Program  2.6 Added section describing Manage Your Power offering, added guidance in application information requirements for project audits  2.7 Updated ADR Program Forms Checklist  General language cleanup to improve consistency and clarity

## 6 Appendices

### 6.1 DR Strategies

The DRRC is a part of the California Energy Commission's Public Interest Energy Research (PIER) program and has been developing ADR as part of its PIER and utility-funded research efforts since the early 1990s. The DRRC has tested both the technologies and load shedding strategies they have developed as part of pilot programs in the PG&E service territory. The use of this technology is integrated with various existing utility DR programs, such as the peak day pricing program.

The DR control strategies adopted by the majority of commercial Customers primarily affected HVAC and lighting loads. Industrial Customers typically adjust their process loads to accommodate the DR events. The types of control strategies that were adopted included the following:

- Global temperature adjustment: Existing energy management control systems (EMCS) were adjusted to receive the DR event signal from the DRAS. Once that signal was received, the EMCS would raise the setpoint temperature established by a Customer (usually in the range of two to eight degrees) for a period of time.
- HVAC equipment cycling: For buildings with multiple packaged HVAC systems, select units were configured to receive the DR event signal from the DRAS. Once that signal was received, compressor units were shut off for a subset of the building's systems during an acceptable period of time. Additional signals were then sent to restart those units and shut off other units.
- Other HVAC adjustments: Other HVAC shed strategies included decrease in duct pressures, auxiliary fan shutoff, pre-cooling, valve limits and boiler lockouts.
- Light shutoff or dimming: Various lighting circuits were wired to receive the DR event signal from the DRAS. When signaled, these loads would be tripped or dimmed for the entire duration of the DR event. Typically these were for lighting applications in common areas with sufficient natural light or for task applications that could accommodate full shutoff given the proximity of other lighting in the area.
- Other lighting and miscellaneous adjustments: Other shed strategies that were employed included bi-level lighting switches and motor/pump shutoff.
- Process adjustments: Given the varying nature of industrial processes, the strategy for each Customer was tailored to their particular process. The most common ADR strategy employed was modifying ancillary processes where there is sufficient storage capability such that the Customer can accommodate complete equipment shutdowns during DR events and catch up production later in the day or the following day.

## 6.2 Invoice Requirements: Checklist

The invoice at a minimum should include the following:

- Label clearly stating the document is an invoice
- Date of submittal
- Vendor contact name, job title, contact information and address
- Project Address (245 Market Street, San Francisco, CA 94105)
- Reference to PO number, with contract number below (IF AVAILABLE)
- Invoice #
- Page # of #
- Contract Summary - Contract value (Not to Exceed amount,) invoiced charges to date, plus contract or P.O. balance
- Labor cost detail - Itemized invoice consistent with the scope of contract and payment terms
- In-house labor - Include hourly or per unit rate (whichever applicable) consistent with the contract plus corresponding quantities and current charges, with dates and description of work performed
- Non In-house labor - Hours for each classification of work (management, programming, etc)
- Parts and Materials - Itemized invoice consistent with the scope of contract and payment terms
- Sub-Contractor invoices (if applicable)

Parts and Labor not covered by PGE:

- Leasing equipment
- PG&E metering charges: new meter, new meter equipment, KYX pulses, isolation relay and any on-going tariff charges
- Power monitoring equipment that collects data for performance analysis post-event or sub-metering