



AGREEMENT FOR AGGREGATORS PARTICIPATING IN THE EMERGENCY LOAD REDUCTION PROGRAM (GROUP B)

This agreement (“Agreement”) for Group B Aggregators participating in the Emergency Load Reduction Program (“ELRP”) is entered into by and between San Diego Gas & Electric Company (“SDG&E”), a California corporation, and _____ (“Aggregator”), a _____. SDG&E and Aggregator may sometimes be referred to herein as a “Party” and collectively as the “Parties.”

WHEREAS the California Public Utilities Commission (“CPUC”) has authorized the ELRP, as set forth in San Diego Gas & Electric Company Emergency Load Reduction Program Pilot Group B Terms and Conditions pursuant to [CPUC Decision 21-03-056, 21-06-027, 21-12-015, and 23-12-005] a current copy of which is attached hereto as Attachment A and incorporated herein by this reference (as the same may be amended from time to time by SDG&E, hereinafter referred to as (“SDG&E’s Group B Terms and Conditions”), whereby SDG&E pays eligible Aggregators for participating in certain sub-groups of the ELRP; and

WHEREAS the CPUC has authorized the participation of aggregators in the ELRP, and Aggregator desires to participate in Sub-Group ____¹ of the ELRP (“ELRP Sub-Group”) subject to the SDG&E Group B Terms and Conditions.

NOW, THEREFORE, in consideration of the mutual undertakings set forth below, the Parties agree as follows:

1. AGGREGATOR’S OBLIGATIONS

1.1. Status; Subject to Applicable SDG&E Terms and Conditions. Aggregator’s status in the ELRP shall be as a “_____²” under SDG&E’s Group B Terms and Conditions. Aggregator shall be subject to SDG&E terms and conditions applicable to the ELRP and all associated legal and regulatory requirements (which terms, conditions and legal and regulatory requirements are hereby incorporated herein as an integral part of this Agreement), including, but not limited to, the rates, terms and conditions set forth in SDG&E’s Group B Terms and Conditions.

1.2. Representation of Customers. Aggregator shall represent those customers in SDG&E’s electric service territory eligible to participate in the ELRP Sub-Group, who have elected to participate through Aggregator with respect to such customer’s service agreement(s), by having appropriate contractual or other arrangements with each such eligible customer whereby such customer authorizes Aggregator, as its representative, to receive payments on behalf of such customer in connection with the customer’s participation, through Aggregator, in the ELRP Sub-Group. Aggregator shall be solely responsible for having the appropriate contractual or other arrangements with each customer whom Aggregator represents in the ELRP Sub-Group. SDG&E shall not be responsible for monitoring, auditing, reviewing, or enforcing such arrangements. Aggregator acknowledges and agrees that, in its representation of SDG&E customers for the ELRP Sub-Group, Aggregator is subject to SDG&E’s Group B Terms and Conditions and this Agreement.

1.3. Aggregator Service Establishment. Aggregator must submit an executed copy of this Agreement to SDG&E before providing Aggregator services in connection with SDG&E’s Group B

¹ Specify applicable sub-group: B.1 Demand Response Providers, / B.2 SDG&E CBP Aggregators

² Specify type of aggregator for applicable sub-group: B.1, Demand Response provider / B.2, SDG&E CBP aggregator



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Terms and Conditions. The Agreement becomes effective upon the date of execution by SDG&E (Effective Date).

1.4. Secure Customer Participation in Measurement and Evaluation Activities. Aggregator shall agree and shall cause each customer whom Aggregator represents in the ELRP Sub-Group to agree, to (i) allow personnel from the California Energy Commission, SDG&E, and their contracting agents reasonable access to customer's facilities to conduct a site visit for measurement and evaluation of activities related to the ELRP; and (ii) participate in and complete any surveys needed to enhance the ELRP. Aggregator's failure to secure these agreements may result in the termination of this Agreement and/or a determination by SDG&E that Aggregator is ineligible to participate in the ELRP.

1.5. Timeliness and Due Diligence. Aggregator shall exercise due diligence in meeting its obligations and deadlines under SDG&E's Group B Terms and Conditions and this Agreement to facilitate customer participation through Aggregator in the ELRP.

1.6. Back-Up Generation Resources. Aggregators shall provide SDG&E with information about their customers' back-up generators, that may be used during ELRP events, and any other information required by SDG&E's Group B Terms and Conditions.

1.7. Estimated Target Load Reduction Quantity. Aggregators shall provide SDG&E with an estimated target load reduction quantity by month.

2. GENERAL TERMS

2.1. Definitions. Except where explicitly defined herein, the capitalized terms used in this Agreement shall have the meanings set forth in SDG&E's Group B Terms and Conditions.

2.2. Customer-Specific Usage or Meter Data. Upon the addition of a Service Agreement to an Aggregator's ELRP Sub-Group portfolio, if a customer has provided consent in a form acceptable to SDG&E (i.e. standard CISR form or other electronic approval) usage or meter data for such Service Agreement will become available to the Aggregator on a going forward basis unless and until the customer revokes such consent.

2.3. Aggregator Services. Aggregator agrees that SDG&E will have no obligations to a customer with respect to customer's participation in the ELRP Sub-Group. Such customers must look solely to the Aggregator to carry out the responsibilities associated with the Aggregator's services and any customer inquiries concerning an Aggregator's services should be directed to the Aggregator

3. LIMITATION OF LIABILITIES

3.1 SDG&E shall not be liable to the Aggregator for any damages caused by SDG&E's conduct in compliance with, or as permitted by, SDG&E's Group B Terms and Conditions, this Agreement and associated legal and regulatory requirements related to the ELRP.

3.2 SDG&E's liability to Aggregator for any loss, cost, claim, injury, liability, or expense, including reasonable attorneys' fees, relating to or arising from any act or omission in SDG&E's



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performance of this Agreement shall be limited to the amount of direct damage actually incurred. In no event shall SDG&E be liable to Aggregator for any indirect, special, consequential, or punitive damages of any kind whatsoever, whether in contract, tort or strict liability.

3.3 Aggregator acknowledges and agrees that SDG&E shall not be liable to any customer for any damages caused to the customer by, or resulting from (i) any failure by the Aggregator to comply with SDG&E's Group B Terms and Conditions, this Agreement and associated legal and regulatory requirements, (ii) Aggregator's failure to perform any commitment to the customer or (iii) any acts, omissions or representations made by Aggregator in connection with soliciting customers for Aggregator's services or performing any of its functions as an aggregator in the ELRP.

4 PAYMENT

4.1 Payment Terms. During the term of this Agreement, subject to the Aggregator's compliance with the obligations set forth in this Agreement, SDG&E shall make any payments due to Aggregator (after deducting any amounts due to SDG&E). Participating CBP aggregators shall be paid via the same method as they are paid for CBP. Pursuant to SDG&E's Group B Terms and Conditions, participating Third DRPs shall be paid by providing a check payable to DRP to the following address:

Name: _____

Attention: _____

Address 1: _____

Address 2: _____

City, State, Zip: _____

5 REPRESENTATIONS AND WARRANTIES

5.1 Each Party represents and warrants that it is and shall remain in compliance with all applicable laws.

5.2 Each Party represents and warrants that (a) it has the full power and authority to execute and deliver this Agreement and to perform its terms and conditions; (b) the execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate or other action by such Party; and (c) this Agreement constitutes such Party's legal, valid and binding obligation, enforceable against such Party in accordance with its terms.

5.3 Each Party shall exercise all reasonable care, diligence, and good faith in the performance of its duties pursuant to this Agreement and carry out its duties in accordance with applicable recognized professional standards in accordance with the requirements of this Agreement.

6 TERM

The term of this Agreement shall commence as of the Effective Date and shall continue in full force and effect until March 31, 2028, unless earlier terminated as provided in Section VII.



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7 TERMINATION

7.1 Aggregator Termination. Aggregator may request to terminate its participation in the ELRP Sub-Group by delivering written notice to SDG&E requesting the termination of its participation in the ELRP Sub-Group

7.2 Termination for Default. SDG&E may immediately terminate this Agreement upon written notice to Aggregator if Aggregator breaches any material obligation under this Agreement and fails to cure such breach and give notice of such cure to SDG&E, within fifteen (15) calendar days after receiving written notice of the breach.

7.3 Termination at CPUC Direction. SDG&E may terminate this Agreement upon written notice to Aggregator if the CPUC orders the termination of this Agreement or SDG&E's Group B Terms and Conditions.

7.4 Effect of Termination. Upon issuance of a notice to terminate this Agreement, all Service Agreements will be removed from the Aggregator's portfolio as of the effective date of the termination.

8 INDEMNIFICATION

8.1 Indemnification of SDG&E. To the fullest extent permitted by law, Aggregator shall indemnify, defend and hold harmless SDG&E, and its parent company, subsidiaries, affiliates and their respective shareholders, officers, directors, employees, agents, representatives, successors and assigns (collectively, the "Indemnified Parties"), from and against any and all claims, actions, suits, proceedings, losses, liabilities, penalties, fines, damages, costs or expenses, including without limitation reasonable attorneys' fees (Claim), resulting from (a) any breach of the representations, warranties, covenants and obligations of Aggregator under this Agreement, (b) any act or omission of Aggregator, whether based upon Aggregator's negligence, strict liability or otherwise, in connection with the performance of this Agreement, or (c) any third party (including customer) claims of any kind, whether based upon negligence, strict liability or otherwise, arising out of or connected in any way to Aggregator's performance or nonperformance under this Agreement.

8.2 Defense of Claim. If any Claim is brought against the Indemnified Parties, Aggregator shall assume the defense of such Claim, with counsel reasonably acceptable to the Indemnified Parties, unless in the opinion of counsel for the Indemnified Parties a conflict of interest between the Indemnified Parties and Aggregator may exist with respect to such Claim. If a conflict precludes Aggregator from assuming the defense, then Aggregator shall reimburse the Indemnified Parties on a monthly basis for the Indemnified Parties' reasonable defense costs through separate counsel of the Indemnified Parties' choice. If Aggregator assumes the defense of the Indemnified Parties with acceptable counsel, the Indemnified Parties, at their sole option and expense, may participate in the defense with counsel of their own choice without relieving Aggregator of any of its obligations hereunder.

8.3 Survival. Aggregator's obligation to indemnify the Indemnified Parties shall survive the expiration or termination of this Agreement.

9 NOTICES



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9.1 Mailing Address. Except for payments, which shall be made pursuant to Section IV, any formal notice, request, or demand required or permitted under this Agreement shall be given in writing by SDG&E and Aggregator, and shall be (a) mailed by first-class mail, (b) mailed by registered, certified, (c) mailed by overnight mail, (d) delivered by hand, or (e) e-mailed with confirmation as set forth below, to the other Party as indicated below, or to such other address as the parties may designate by written notice.

TO AGGREGATOR:

Email: _____
Phone: _____

TO SDG&E:

Email: _____
Phone: _____

9.2 Notices. Notices delivered by hand shall be deemed received when delivered. Notices sent by e-mail shall be deemed received upon receipt. Notices delivered by first class mail shall be deemed received forty-eight (48) hours (not including weekends and holidays) after deposit, postage prepaid, in the U.S. mail, or if certified, registered, or overnight mailing is used, as acknowledged by the signed receipt of mailing.

10 CONFIDENTIALITY

10.1 Confidentiality. Aggregator shall not disclose any Confidential Information obtained pursuant to this Agreement to any third party, including any affiliates of Aggregator, without the express prior written consent of SDG&E. As used herein, the term “Confidential Information” means proprietary business, financial and commercial information pertaining to SDG&E, customer names and other information related to customers, including energy usage data (Customer Information), any trade secrets and any other information of a similar nature, whether or not reduced to writing or other tangible form. Confidential Information shall not include: (a) information known to Aggregator prior to obtaining the same from SDG&E; (b) information in the public domain at the time of disclosure by Aggregator; (c) information obtained by Aggregator from a third party who did not receive the same, directly or indirectly, from SDG&E; or (d) information approved for release by express prior written consent of an authorized representative of SDG&E.

10.2 Use of Confidential Information. Aggregator hereby agrees that it shall use the Confidential Information solely for the purpose of performing under this Agreement. Aggregator agrees to use at least the same degree of care Aggregator uses with respect to its own proprietary or confidential information, which in any event shall result in a reasonable standard of care to prevent unauthorized use or disclosure of the Confidential Information.



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10.3 Authorized Disclosure. Notwithstanding any other provisions of this Section Aggregator may disclose any of the Confidential Information in the event, but only to the extent, that, based upon advice of counsel, Aggregator is required to do so by the disclosure requirements of any law, rule, regulation or any order, decree, subpoena or ruling or other similar process of any court, governmental agency or regulatory authority. Prior to making or permitting any such disclosure, Aggregator shall provide SDG&E with prompt written notice of any such requirement so that SDG&E (with Aggregator's assistance if requested by SDG&E) may seek a protective order or other appropriate remedy.

10.4 Term. The confidentiality provisions set forth in this Section shall remain in full force and effect with respect to any Confidential Information until the date that is five (5) years after the date of SDG&E's disclosure of such Confidential Information to Aggregator pursuant to this Agreement; provided, further, that such confidentiality provisions shall remain in full force and effect with respect to any Customer Information in perpetuity.

10.5 Remedies. The Parties acknowledge that the Confidential Information is valuable and unique, and that damages would be an inadequate remedy for breach of this Section and the obligations of Aggregator are specifically enforceable. Accordingly, the Parties agree that in the event of a breach or threatened breach of this Section by Aggregator, SDG&E shall be entitled to seek an injunction preventing such breach, without the necessity of proving damages or posting any bond. Any such relief shall be in addition to, and not in lieu of, monetary damages or any other legal or equitable remedy available to SDG&E.

11 MISCELLANEOUS

11.1 Assignment. This Agreement, and the rights and obligations granted and/or obtained by Aggregator hereunder, shall not be further transferred or assigned by Aggregator without the prior written consent of SDG&E. Any assignment in violation of this section shall be void.

11.2 Independent Contractor. Aggregator shall perform its obligations under this Agreement as an independent contractor, and no principal-agent or employer-employee relationship or joint venture or partnership shall be created with SDG&E.

11.3 Choice of Law. This Agreement shall be carried out and interpreted under the laws of the State of California, without regard to any conflict of law principles thereof.

11.4 Resolution of Disputes. Any dispute arising between the Parties relating to the interpretation of this Agreement or to the performance of a Party's obligations hereunder shall be reduced to writing and referred to the Parties' designated representative for resolution. The Parties shall be required to meet and confer in an effort to resolve any such dispute. If the Parties are unable to resolve such dispute, except for matters and disputes with respect to which the CPUC is the proper venue for dispute resolution pursuant to applicable law or this Agreement, the federal and state courts located in San Diego, California shall constitute the sole proper venue for resolution of any matter or dispute hereunder. The Parties submit to the exclusive jurisdiction of such courts with respect to such matters and disputes.

11.5 Waiver. Any failure or delay by either Party to exercise any right, in whole or part, hereunder shall not be construed as a waiver of the right to exercise the same, or any other right, at any time thereafter.



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11.6 CPUC Jurisdiction. This Agreement shall be subject to all legal and regulatory requirements applicable to ELRP (including, without limitation, any decisions, orders or rules of the CPUC) and shall at all times be subject to changes or modifications as the CPUC may, from time to time, direct in the exercise of its jurisdiction.

11.7 Entire Agreement; Amendments. This Agreement, including the Attachments listed below, sets forth the entire understanding of the Parties as to the subject matter hereof, and supersedes any prior discussions, offerings, representations or understanding (whether written or oral), and shall only be superseded by an instrument in writing executed by both Parties. This Agreement shall not be modified by course of performance, course of conduct or usage of trade.

Attachment A: SDG&E’s Group B Terms and Conditions

11.8 Survival. Notwithstanding the expiration or termination of this Agreement, the Parties shall continue to be bound by the provisions of this Agreement, which, by their nature, survive completion or termination.

11.9 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

11.10 Headings. The headings contained in this Agreement are solely for the convenience of the Parties and shall not be used or relied upon in any manner in the construction or interpretation of this Agreement.

IN WITNESS HEREOF, the authorized representatives of SDG&E and Aggregator have executed this Agreement as of the Effective Date.

_____	SAN DIEGO GAS & ELECTRIC COMPANY
Aggregator Company Name	
_____	_____
Signature	Signature
_____	_____
Type/Print Name	Type/Print Name
_____	_____
Title	Title
_____	_____
Date	Date
_____	_____

Attachment A

San Diego Gas and Electric Company
Emergency Load Reduction Program
(ELRP) Pilot Terms and Conditions
Pursuant to California Public Utilities
Commission Decision 21-03-056,
Decision 21-12-015, and Decision 23-
12-005

February 26, 2024

Group B

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1. Program Overview

On March 26, 2021, the California Public Utilities Commission (CPUC or Commission) issued Decision (D.) 21-03-056 which approved the Emergency Load Reduction Program (ELRP) pilot, an out-of-market demand response (DR) resource.

On August 2, 2021, the assigned Administrative Law Judge (ALJ) initiated Phase 2 of the Summer Reliability Rulemaking. On December 6, 2021, the Commission issued its final decision in Phase 2 of the rulemaking, D.21-12-015, which directs the investor-owned utilities (Southern California Edison Company (SCE), Pacific Gas and Electric Company (PG&E), and San Diego Gas & Electric (SDG&E) (collectively, the IOUs) to take additional actions to prepare for potential extreme weather in the summers of 2022 and 2023, including modifications to the ELRP pilot. The Commission subsequently issued D.21-12-069, making minor corrections to D.21-12-015. On December 20, 2023, the Commission issued D.23-12-005 Decision Directing Certain Investor-Owned Utilities' Demand Response Programs, Pilots and Budgets for the Years 2024-2027. In that Decision, the Commission approved SDG&E's 2024-2027 ELRP budget and adopted certain program modifications, including changes to the method for ELRP settlements for Group B (D.23-12-005, Attachment 2).

These are the Terms and Conditions of the ELRP for potential participants and other interested parties and can change in whole or in part subject to CPUC approval. Any changes made to the ELRP Terms and Conditions will be published in revisions to this document and/or posted at SDGE's ELRP website. The ELRP will be administered by Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) for their respective service territories.

The ELRP provides financial incentives to eligible participants that provide demand load reductions, or demand response, during times of potential or actual stress on the California Independent System Operator (CAISO) transmission system. The ELRP will be available starting May 1, 2021, and will end after October 31, 2027.

The ELRP does not provide capacity or enrollment incentives; rather, incentives are a non-penalty pay-for-performance energy payment for a customer's verified incremental load reduction. The ELRP load reduction capacity is not eligible for Resource Adequacy (RA), nor the California Energy Commission (CEC) peak forecast framework. ELRP does not have any California Independent System Operator (CAISO) market obligations.

These terms and conditions are meant to enhance the understanding of the ELRP pilot. These terms and Conditions are only for Group B of the ELRP. Group A is covered in a separate Terms and Conditions Document. Group B is defined as follows:

Group B: Market-integrated proxy demand response (PDR) resources

- Sub-Group B.1. – Third-party DR Providers (DRPs)
- Sub-Group B.2. – SDG&E Capacity Bidding Programs (CBPs)

2. Program Eligibility and Enrollment

2.1. Program Participant Criteria

ELRP eligible participants are divided into two groups (Group A and Group B), each of which is further divided into sub-groups. All customers must be located in SDG&E’s service territory and must have an SDG&E approved interval meter or Smart meter that can measure energy consumption, at least hourly, and if applicable, can measure exported energy. The following terms and conditions pertain to Group B and its two sub-groups (a separate set of terms and conditions has been provided for Group A), as defined in Attachment 1 to D.21-03-056, D.21-12-015, and D.23-12-005.

Group B: Market-integrated proxy demand response (PDR) resources

- Sub-Group B.1. – Third-party DR Providers (DRPs)
- Sub-Group B.2. – SDG&E Capacity Bidding Programs (CBPs)

Additional descriptions for each sub-group in Group B are provided below.

2.1.1 Sub-Group B.1 – Third Party Demand Response Providers (DRPs)

A third Party DRP with a market-integrated Proxy Demand Resource (PDR) is eligible to participate in the ELRP.

For each registered service account, the third-party DRP, if applicable, will be asked to provide information about the service account’s back-up generation (BUG) location, type of fuel used, the capacity of the generator, and the notice or ramp time for generators that may be used during ELRP events. See Compensation in Section 4 for baseline, settlement, and invoicing requirements pertaining to the third-party DRP’s PDR Resource ID.

2.1.2 Sub-Group B.2 – Capacity Bidding Program (CBP) PDR Resources

Third-party aggregators (Aggregators) or self-aggregated customers (Participants) enrolled and participating in SDG&E’s Capacity Bidding Program are eligible to participate in the ELRP.

Third Party Providers involved in Sub-Group B are required to affirm each year their intent to Participate in the ELRP, including acceptance of the Terms and Conditions and any agreements that may be developed to support third- party providers participation in the ELRP. This intent must be submitted prior to the 1st of the month in order to be eligible for compensation for ELRP events during the month.

If applicable, for each nominated account, the CBP Aggregator or Participant must provide information about the customer's back-up generation (BUG) location, type of fuel used, and the capacity of the generator, and the notice or ramp time for generators that may be used during ELRP events.

See Compensation in Section 4 for baseline, settlement, and invoicing requirements

3. Program Parameters

3.1 Program Availability

- An ELRP event can be dispatched from May 1 through October 31 each year for the seven-year pilot period(2021-2027).
- An ELRP event can occur any day of the week (Sunday – Saturday) during the hours of 4:00 p.m. to 9:00 p.m.
- ELRP events shall be a minimum of one (1) hour and a maximum of five (5) hours.
- ELRP can be dispatched on consecutive dates with no constraints.
- ELRP will have an annual dispatch maximum limit of sixty (60) hours

3.2 Program Trigger

ELRP Group B will be activated after the CAISO issues or declares an Energy Emergency Alert (EEA) Watch, EEA 1, EEA2, or EEA3. Energy Emergency Alert is defined in CAISO Operating Procedure 4420. The start time and duration specified in the CAISO's declaration defines the Group B ELRP event window.

An ELRP event cannot be triggered by SDG&E for a localized transmission or distribution emergency.

The duration of the ELRP event (*e.g.*, the start and end time) shall follow the possible system reserve deficiency stated in the Alert Notice. For example, in the Statewide Alert Notice below, CAISO forecasted a possible system reserve deficiency between the hours of 17:00 (5 p.m.) and 21:00 (9 p.m.). Therefore, in this example, an ELRP Event for Group B would be from 17:00-21:00 (5 p.m. to 9 p.m.). Sample below:

STATEWIDE ALERT NOTICE [202002418]

The California ISO hereby issues a CAISO Grid
ALERT Notice,
effective 08/14/2020 17:00 through
08/14/2020 21:00.

Reason:

The CAISO is forecasting a possible system
reserve deficiency between the hours of
1700-2100 and is requesting additional
Ancillary Service and energy bids.

3.2.1 Group B Event Notifications

SDG&E will **not** notify Group B participants of the start time and duration of the ELRP event. ELRP Events for Group B participants will be specified in the CAISO Alert Notice. Parties that have affirmed their intent to participate, including acceptance of Terms and Conditions and any agreements would be eligible to receive courtesy ELRP notifications from the Program Administrator (Olivine).

3.3 Group B Test Events

There are no ELRP Test Events for Group B participants.

4. Compensation

Participation during an ELRP event is entirely voluntary, and no financial penalties will result from not meeting or exceeding the nominated target load reduction during the event.

The incremental load reduction (ILR) is defined as the load reduction achieved during an ELRP event incremental or relative to the non-event applicable baseline and/or any other existing commitment. Only ILR is eligible for compensation under ELRP.

Any load reduction technology may be used during an ELRP event to achieve ILR. BUGs or Prohibited Resources, except those located in a Disadvantaged Community¹, may be used when permitted by a Governor's Executive Order and in compliance with Rule 21 and other applicable regulations and permits during an ELRP event to achieve ILR, including during the overlapping period with an independently triggered event in a dual- enrolled DR program, but only for achieving load reduction incremental to any other existing commitment (*e.g.*, under a dual-enrolled DR program).

There are no penalties for non- or under-performance.

If applicable, SDG&E may withhold a Participant's ELRP incentives until data or information about the customers' back-up or onsite generation resources (*e.g.*, Prohibited Resources) is provided. Participants are required to provide information about the location, type of fuel used, the capacity of the generator, and the notice or ramp time for the generator that may be used during ELRP events.

4.1 Incentive Rate

¹ Pursuant to Section 39711 of the Health and Safety Code, Disadvantaged Communities are defined as (1) Areas disproportionately affected by environmental pollution and other hazards that can lead to negative public health effects, exposure, or environmental degradation and (2) Areas with concentrations of people that are of low income, high unemployment, low levels of homeownership, high rent burden, sensitive populations, or low levels of educational attainment. See also Health and Safety Code Section 116426.

The ELRP Compensation Rate (ECR) is \$2 per kilowatt-hour (\$2/kWh) for verified load shed.

4.2 Incentive Calculation

Compensation for load reduction delivered during an ELRP event is determined by calculating the product of ILR and ECR. The ELRP incentive calculation for Group B varies. Details are provided below.

4.2.1 Group B.1

To construct the ELRP baseline for measuring a Group B PDR's ILR contribution during an ELRP event, the applicable CAISO baseline will be modified to account for the following:

- 1) Count net exports to the distribution grid by customer locations within the PDR aggregation that comply with Rule 21 and other applicable permits;
- 2) Exclude prior days with other ELRP events when selecting the set of "non- event, but similar" days when calculating the baseline;
- 3) Exclude applicable preceding hours with either CAISO market awards or another ELRP event on the day of the ELRP event when calculating the same-day adjustment (SDA) to the calculated baseline in step 2, and
- 4) Allow the SDA in step 3 to be no greater than +/-100%.

4.2.2 Group B.2

To construct the ELRP baseline for measuring a Group B.2 PDR's ILR contribution during an ELRP event, the applicable Capacity Bidding baseline will be modified to account for the following:

- 1) Count net exports to the distribution grid by customer locations within the PDR aggregation that comply with Rule 21 and other applicable permits;
- 2) Exclude prior days with other ELRP events when selecting the set of "non- event, but similar" days when calculating the baseline;
- 3) Exclude applicable preceding hours with either a CBP event or another ELRP event on the day of the ELRP event when calculating the same-day adjustment (SDA) to the calculated baseline in step 2.

4.3 Baseline and Settlement Calculations

4.3.1 Group B.1

For participation in ELRP under Group B.1, a DRP must construct a PDR Portfolio consisting of only 1) PDRs with RA assignment or PDRs without RA assignment (but not both) and 2) PDRs limited to SDG&E's service territory (thus, a DRP may have up to six PDR portfolios participating in ELRP).

The CAISO settled aggregated load during an ELRP event is modified to count net energy exported to the distribution grid by any customer location within the PDR aggregation, subject to each customer's exporting limit under its Rule 21 interconnection agreement.

Following an ELRP event, the DRP's scheduling coordinator (SC) is responsible for determining the following:

- 1) ELRP Event Performance (total load reduction during the ELRP event) of each PDR in the DRP's PDR Portfolio by applying the applicable ELRP modified baseline to the PDR's modified aggregated load settled during the ELRP event.
- 2) ILR of each PDR by subtracting the CAISO scheduled award quantities, inclusive of day-ahead market (DAM) and real-time market (RTM), from the PDR's ELRP Event Performance. If the total market award for the PDR during the ELRP event is zero, then ILR of the PDR equals the ELRP Event Performance.
- 3) The ELRP Event Compensation due for each PDR by adding all interval specific ELRP Compensations across all applicable intervals of the ELRP event, subject to the following:
 - a) The interval-specific ELRP Compensation in each applicable interval of the ELRP event is obtained by subtracting 1) any CAISO market payments for any portion of the load reduction counted in the interval-specific ILR exceeding Market Eligible Capacity (MEC), defined below, and 2) the interval-specific CAISO Opportunistic Revenue (COR), defined below, from 3) the interval-specific Product of the ECR and the interval-specific ILR (see illustration below).

If the interval-specific ILR is negative, then the interval-specific ELRP Compensation is set to zero in that interval. If the interval-specific COR is greater than the interval-specific Product, then the interval-specific ELRP Compensation is set to zero in that interval.

- b) The interval-specific COR is the product of the interval-specific Market Eligible Capacity (MEC), defined below based on the interval-specific CAISO Market Event

Performance (MEP) determined under applicable CAISO market baseline, and the interval-specific CAISO Opportunistic Price (COP), defined below (see illustration below).

i. Market Eligible Capacity (MEC):

1. If the total CAISO scheduled award quantity in an interval is non-zero and the interval-specific MEP is less than or equal to the total CAISO scheduled award quantity in the interval, then the interval-specific MEC is set to zero.
2. If the interval-specific MEP is greater than the total CAISO scheduled award quantity in the interval and less than or equal to the Qualifying Capacity (QC) of the PDR in that interval, then the interval-specific MEC is equal to the interval-specific MEP minus the interval-specific total CAISO scheduled award quantity.
3. If the interval-specific MEP is greater than the Qualifying Capacity (QC) of the PDR in that interval, then the interval-specific MEC is equal to the interval-specific QC of the PDR minus the interval-specific total CAISO scheduled award quantity.

If the PDR has no assigned QC in the above cases, then the QC is replaced by the PDR's "PMin" parameter on record in the CAISO Master File applicable to the interval.

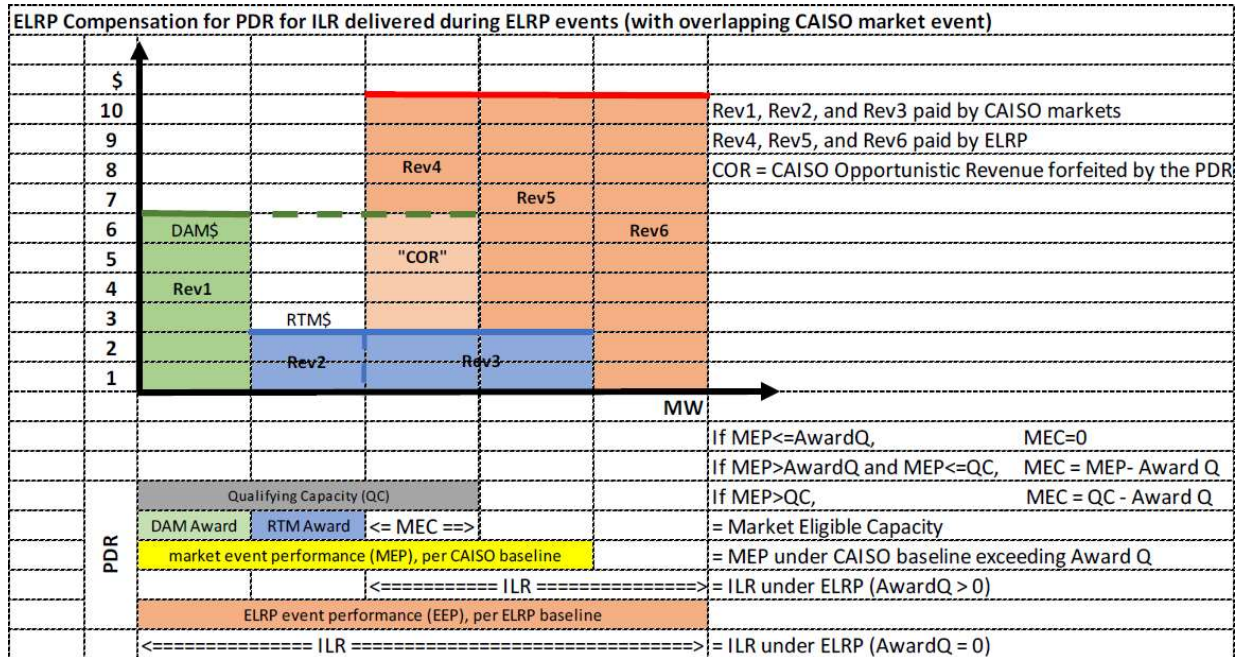
Additionally, if the PMin value is less than the total CAISO scheduled award quantity in an interval, then the interval specific MEC is set to zero.

If the total CAISO scheduled award quantity in an interval is zero, then the interval-specific MEC is equal to the QC of the PDR in that interval.

ii. CAISO Opportunistic Price (COP):

COP is set equal to the ELRP Compensation Rate.

iii. Portfolio Level Net Event Compensation across all PDRs in the DRP's Portfolio.



4.2.3 Baseline and settlement calculation for ELRP B.2

Following an ELRP event, SDG&E is responsible for determining the following:

- a. ELRP Event Performance (total load reduction during B ELRP event) of each CBP Portfolio for each event hour by applying the applicable ELRP modified baseline to the CBP portfolio's modified aggregated load settled during the ELRP event.
- b. ILR of each CBP portfolio. If the CBP product the aggregator has submitted a nomination for was not activated for the given ELRP event hour then the IRL is equal to the ELRP event performance. If the CBP product was activated the IRL will be calculated by subtracting the monthly CBP nomination from the CBP portfolio's ELRP Event Performance.
- c. The ELRP Event Compensation due for each CBP aggregator portfolio by adding all interval specific ELRP Compensations across all applicable intervals of the ELRP event, subject to the following:
 - i. The interval-specific ELRP Compensation in each applicable interval of the ELRP event is obtained by subtracting any CBP program energy payments
 - ii. If the interval-specific ILR is negative, then the interval-specific ELRP Compensation is set to zero in that interval.

4.2.4 Invoicing for Sub-Group B.1

To receive ELRP compensation, the third-party DRP shall submit an aggregate invoice each quarter for the Cumulative Portfolio Level Net Event Compensation of each PDR Portfolio.

For the purposes of invoicing, the quarterly period and applicable invoicing dates are as follows:

- First quarter consists of May, June and July. Invoices for the First Quarter period are due by September 30 of the same calendar year for each of its PDR Portfolio.
- Second Quarter consists of August, September, and October. Invoices for the Second Quarter period are due by December 31 of the same calendar year for each of its PDR Portfolio.
- DRPs shall submit their invoices to SDG&E's ELRP program administrator or designee.
- The Cumulative Portfolio Level Net Event Compensation of a PDR Portfolio over one Quarter is determined by summing the Portfolio Level Net Event Compensation across all ELRP events in that Quarter. If applicable, any impact on DRAM performance is the responsibility of the seller.
- The invoice shall be accompanied with the supporting data and/or templates as defined by the ELRP Program Administrator, including but not limited to PDR-specific ELRP Event Performance, ILR, applicable market awards during the event, applicable CAISO market payments for load reductions counted in the ILR, and ELRP Event Compensation.
- SDG&E reserves the right to audit and verify the invoice as needed. SDG&E will settle the invoice within 60 days of the invoice date absent the need for additional information, which would set the 60 days from the time all additional information is received in order to process the invoice. (*e.g.*, SDG&E will settle invoices within 60 days after a disputed or incomplete invoice has been resolved to SDG&E's satisfaction).

The ELRP Minimum Invoice Threshold is set at zero at this time.

4.2.5 Invoicing for Sub-Group B.2.

SDG&E's designated program administrator will be responsible for calculating ELRP B.2 baselines, ELRP B.2 settlements, and issuing payments to CBP Aggregators and/or Participants. who affirmed their intent to participate in ELRP.