DEMAND RESPONSE IN CALIFORNIA
THE CAPACITY BIDDING PROGRAM
When it comes to evolving the way we produce and consume energy to preserve our environment for future generations, California is a beacon of light.

For decades, the United States has looked to us to lead the way by exploring ideas to help provide energy for those who live here today in a way that ensures those who live here tomorrow will enjoy our environment the way we do.

It’s an exciting time to be an energy-consuming organization in California. That’s because we’re on the cusp of a new era in clean energy. Our drive toward generating 100% of our state’s energy by way of renewable sources by the middle of this century is one no other state can match.

Getting there won’t be easy, but the road of a pioneer seldom is.

That’s why CPower wants to help your organization lead California toward a more sustainable future with demand response.
Right now, the California energy grid is in a state of flux as its infrastructure is continually developed and refined to provide reliable energy to our states citizens and businesses.

As a result of our grid’s evolution, electricity prices in California are currently high.

Your priority to deliver to your customers is even higher.

CPower can help you offset your energy costs and still meet the needs of your day-to-day business by participation in the Capacity Bidding Program, one of California’s demand response programs.

**OFFSET RISING ENERGY COSTS WITH CPOWER AND THE CAPACITY BIDDING PROGRAM (CBP)**

YOUR ORGANIZATION + CPOWER & CBP = LOWER ENERGY COSTS
WHAT IS DEMAND RESPONSE?

Your organization is plugged into the grid along with everyone else in California.

Sometimes, the demand for energy outpaces the grid’s ability to supply it, causing brownouts or blackouts. Instead of producing more energy at great expense to consumers and the environment, the CAISO grid can offset the imbalance by reducing the amount of electricity being consumed during times when demand exceeds supply.

That’s demand response, and it can be very financially rewarding to organizations like yours.
DEMAND RESPONSE IN CALIFORNIA

The Capacity Bidding Program (CBP) offers organizations like yours the opportunity to earn revenue by reducing the amount of electricity you consume during the few times each year when the grid is stressed.

The CBP is run by aggregators, which are licensed companies that have been approved by your utility to facilitate your demand response.

Aggregators are expert at helping organizations like yours maximize your demand response participation.

Getting the most out of the CBP begins with choosing the right aggregator to manage your demand response participation.

That’s where CPower comes in.

WHAT IS AN AGGREGATOR?

A aggregator is a third party entity (separate from the utility) that handles the demand response participation of many organizations to ensure effective curtailment takes place when the grid is stressed.

Aggregators, like CPower, work with your organization to develop a customized curtailment strategy that suits the specific needs of your business.

Aggregators ensure safe, efficient energy curtailment that results in larger incentive payments for the participating organization.

The aggregator’s mission is to optimize the participant’s demand response in a way that minimizes risk and maximizes reward.
CPower is an energy management company. We create optimized energy management strategies that help businesses streamline their energy usage, offset costs and reach their sustainability goals. We focus on demand response, which is a way of rewarding people for conserving energy and protecting the grid.

We’re passionate about helping businesses reach their energy management goals and know that there is no stronger resource to achieve those goals than the collaborative relationship we share with our customers.
WHAT DOES CPOWER DO?

CPower helps organizations like yours participate in Demand Response programs which pay businesses for using less energy when the grid is stressed. CPower and our team of energy experts work with you to identify where you can curtail your energy usage and still meet your needs to run your business. We develop a customized curtailment strategy designed specifically for you.

When the grid is stressed, which is usually only a few times a year, our dispatch team sends a notification and you comply based on your plan. You reduce your usage for a specified period of time and you get paid for the energy you didn’t use.

CPower also works with you on an ongoing basis to find more you can do to reduce your energy usage and improve your Demand Response performance, so you can earn even more money.
WE TAILOR EACH DEMAND RESPONSE PROGRAM TO SUIT THE UNIQUE AND COMPLEX NEEDS OF INDIVIDUAL ORGANIZATIONS.

We only do commercial and industrial demand response. Our mission is to help businesses streamline how they use power and see that they get paid well for doing it.

By working closely with your organization on a continual basis, we’re able to fine tune your demand response participation over time, which will maximize your energy savings and ensure you receive the money you deserve for your curtailment efforts.

When it comes to improving how your company uses energy, CPower delivers the kind of demand side results that our competitors who focus on both demand and supply side energy management simply can’t match.
The Value of a Fully Integrated Team

We’re Ready to Make Energy Work... For You.

When you’re a CPower customer, you have a team of experts in your corner. We’re with you every step of the way to ensure you get the maximum revenues possible for your curtailment efforts.

Your CPower team works with you in developing a customized energy management strategy that suits your organization’s specific needs.

Everything we provide our customers for demand management comes directly from CPower.

We don’t contract out core parts of our business like a lot of other Curtailment Service Providers in our industry do.

We are a fully integrated Curtailment Service Provider, which means we do our own assessments, handle our own dispatches through our 24/7 dispatch desk, and efficiently manage enrollments, settlements, and payments accurately and in a timely manner.
CPower is a leading energy manager in each of the country’s open energy markets. We serve well over 1000 customers at thousands of sites across a broad range of vertical markets: from large retailers with hundreds of locations to industrial entities with multiple sites of various sizes.

We strive to give each one of them the personal attention they deserve.
CPower has a dedicated team of seasoned professionals in California to help you maximize your demand response participation and realize your sustainability goals.

Left to right: Newonda Nichols, Account Manager; Jennifer Hammond, Senior Analyst; Diane Wiggins, Account Executive; Bob Depratt, Senior Energy Engineer; Jennifer Chamberlin, General Manager; David Pinto, Marketing & Communications; Aimee Riley, Account Manager.
ENERGY MANAGEMENT AT YOUR FINGERTIPS.

CPower puts powerful energy management tools at your fingertips with a simple to use, demand response solution on your desktop or mobile device.

With a click of a mouse or a touch of your screen, CPower allows you to access all vital usage and load information quickly and intuitively.

We connect directly to your energy meter to give you real-time usage information to your desktop or mobile device. We also connect you to your independent system operator so you can easily bid loads into synchronized, day-ahead, and real-time energy markets.
Our user-friendly interface makes it easy to gauge your energy consumption. You can watch energy price trends in your market, so you can make the right decisions to manage your energy costs, and ensure that your business is in compliance with the regulations that govern your market.

Combined with CPower’s Link, an application program interface (API) that integrates with your existing building controls and automation, CPower helps you maximize results from demand response through automation, with minimal labor and effort on your part.

Streamlined data management features provide quick and convenient reporting, auditing, and financial reward calculations in simple graphical form.
THE CAPACITY BIDDING PROGRAM (CBP)

The Capacity Bidding Program is offered by several of California’s largest utilities: Pacific Gas and Electric (PG&E), San Diego Gas & Electric (SDG&E), and Southern California Edison (SCE).

The CBP operates with Day-Ahead and Day-Of option and runs May 1 through October 31, but is promoted year-round.

<table>
<thead>
<tr>
<th>PARAMETERS</th>
<th>PG&amp;E CBP</th>
<th>SCE CBP</th>
<th>SDG&amp;E CBP</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROJECT OPTIONS</td>
<td>Day of (3 Hours)</td>
<td>Day of (1 Hour)</td>
<td>Day of (2 Hours)</td>
</tr>
<tr>
<td>COMMITMENT PERIOD</td>
<td>Summer (May - Oct)</td>
<td>Annual (Jan - Dec)</td>
<td>Summer (May - Oct)</td>
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<tr>
<td>COMMITMENT HOURS</td>
<td>11am - 7pm (Mon-Fri, Except Holidays*)</td>
<td>11am - 7pm (Mon-Fri, Except Holidays*)</td>
<td>11am - 7pm (Mon-Fri, Except Holidays*)</td>
</tr>
<tr>
<td>MAX # EVENTS/DAY</td>
<td>1</td>
<td>1</td>
<td>1</td>
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<tr>
<td>CALLABLE HOURS/EVENT</td>
<td>1-4 Hours</td>
<td>1-4 Hours</td>
<td>1-4 Hours</td>
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<tr>
<td>LOCAL DISPATCH***</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
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<tr>
<td>MINIMUM SIZE</td>
<td>No</td>
<td>No</td>
<td>20kW</td>
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<tr>
<td>MAX HOURS/MONTH</td>
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<td>44 Hours</td>
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<tr>
<td>MAX HOURS/YEAR</td>
<td>120 Hours</td>
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<td>None</td>
</tr>
<tr>
<td># TESTS/YEAR***</td>
<td>Up to 2</td>
<td>Up to 3</td>
<td>Up to 2</td>
</tr>
</tbody>
</table>

*Holidays: Refers to NERC and/or Utility Holidays
**Local Dispatch: SCE’s AMP and CBP programs can be dispatched either at system-wide level or sub-zonal level. Similarly, PG&E’s CBP program can be dispatched either at system-wide level or sub-zonal level. Note: SDG&E CBP and PGE AMP programs can only be dispatched at system-wide level. SCE divides its service territory in 6 different sub-zones and each customer participating in CBP will be mapped to one of those. PG&E divides its territory in 16 different sub-zones called Sub-zones and each customer participating in CBP will be mapped to one of those. All customers participating in DRAM will be assigned to a PDR resource contained within a SCE or PGE sub-zone and be dispatched based on economic bids per sub-zone into the CAISO day-ahead energy market.

*** Testing Guidelines: Per CPUC guidelines, PG&E is required to call two test/events for AMP program. For PG&E AMP, requirement is to call the 1st test by June 30th and the 2nd test by August 31st. No CBP programs have such mandatory requirement. Per CPUC guidelines DRAM will have a minimum of one annual test, additional tests may be required to meet utility and CAISO needs if resource composition changes.
# THE CAPACITY BIDDING PROGRAM (CBP)

## PROGRAM PARAMETERS

| **BASELINE** | Average usage of each hourly interval out of 10 previous eligible weekdays. Customer can choose baseline with day-of adjustment (60% - 140%) or without day-of adjustment. |
| **COMPENSATION** | Capacity Payment: Monthly payment based on customer’s monthly nominated kW or average performance in latest event/test. Energy Payment: Made only to bundled customers when either an event or test is called. |
| **SETTLEMENTS** | Customers receive seasonal payments based on their monthly kW curtailment nomination, adjusted by performance. |
| **COMPLIANCE** | Customers are required to comply with all relevant rules and regulations. |
| **UNDER AND NON-PERFORMANCE** | Underperformance varies by Utility and Program. (The tables that follow provide specific details.) |
| **ENROLLMENT DEADLINE** | Contract must be finalized by the 1st day of the month prior to the operating month. Actual deadline varies by utility. |
| **METERING** | Each account must have an approved 15-minute interval meter or Smart Meter and approved meter communications equipment installed and operating at least 10 days prior to participating in the programs in order to establish a valid baseline. PG&E requires 3 months of data. |
| **BACK-UP GENERATION** | SDG&E does not allow use of back-up generation for participation in Demand Response. |
## HOW OFTEN COULD YOU BE CALLED TO CURTAIL?

### CBP PROGRAM EVENT HISTORY (2013 - 2015)

<table>
<thead>
<tr>
<th>UTILITY</th>
<th>PROGRAM OPTIONS</th>
<th>AVG # EVENTS</th>
<th>AVG HOURS CALLED</th>
<th>AVG HOUR / EVENT</th>
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</thead>
<tbody>
<tr>
<td>SCE</td>
<td>CBP DAY OF 1-4</td>
<td>26</td>
<td>65</td>
<td>2</td>
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<td>PG&amp;E</td>
<td>CBP DAY OF 1-4</td>
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<td>50</td>
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<tr>
<td>PG&amp;E</td>
<td>CBP DAY AHEAD 1-4</td>
<td>11</td>
<td>41</td>
<td>4</td>
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<tr>
<td>SDG&amp;E</td>
<td>CBP DAY OF 1-4</td>
<td>13</td>
<td>52</td>
<td>4</td>
</tr>
<tr>
<td>SDG&amp;E</td>
<td>CBP DAY AHEAD 1-4</td>
<td>21</td>
<td>82</td>
<td>4</td>
</tr>
</tbody>
</table>
The Capacity Bidding Program (CBP)

Your organization is already paying for demand response programs in California with a portion of your electric bill. Participating in the Capacity Bidding Program (CBP) program is great way to earn back what you’ve already paid in…and then some.
Energy is forever in motion. At CPower, we never stop moving in our pursuit to help your organization optimize its demand response participation.

Contact CPower to set up your complimentary energy evaluation conducted by our team of engineers and consultants.

Call 844-276-9371 or visit www.CPowerEnergyManagement.com/capacity-bidding-program/