



What to Know About Incentive Option 3 Claims

October 19th, 2023



Agenda

- Introduction/Background
- Option 3 Overview
- Review of Incentive Calculation
- Option 3 Claim Package Requirements
- Submitting Claim Packages
- Interval Data Requirements
- Overview Payment Timeline
- Q & A

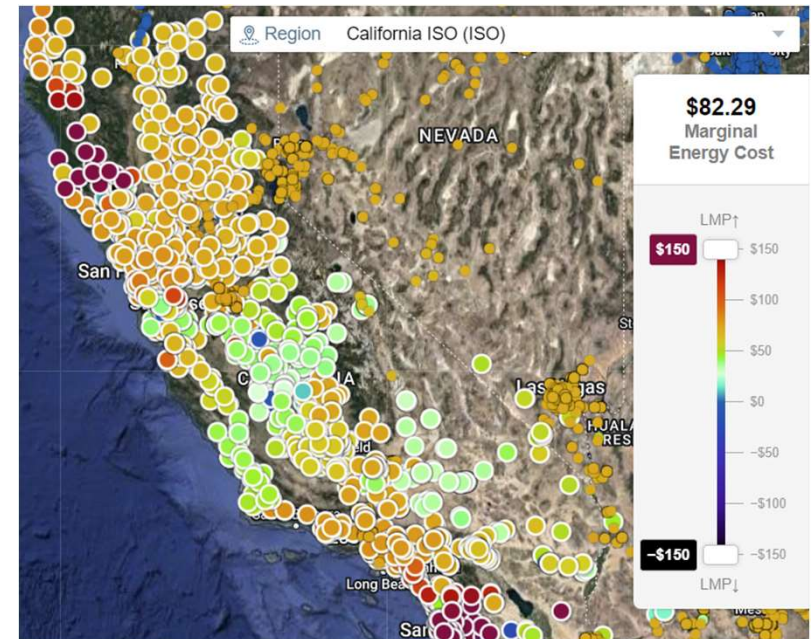
DSGS Provider Webinar Series



	Option 1	Option 2	Option 3
Date	TBD 1pm-2pm	10/31/2023 1pm-2pm	10/19/2023 1pm-2pm
Topic	Standby and Energy Payments	Incremental Market-Integrated Demand Response Capacity Pilot	 Market-Aware Behind-the-Meter Battery Storage Pilot
Target Audience	DSGS Option 1 Providers	DSGS Option 2 Providers	DSGS Option 3 Providers

Option 3 Overview

- Program events are triggered by Day-Ahead LMPs
- Prices of $> \$200/\text{MWh}$ in the DLAP or the Path 15 Zone of the UDC associated with the aggregation
- Each participating resource or aggregation must participate in at least one event per month to demonstrate available capacity
- In the absence of any price triggered events, providers must call their own test events each lasting the full period of their resource duration
- Option 3 program events to date



Pulled from [California ISO - Prices, Today's Outlook \(caiso.com\)](https://www.caiso.com/prices)

Reference Chapter 5 Section E of the DSGS Guidelines for more information on how battery performance is measured.

Option 3 Overview

- Incentive payments are based on monthly demonstrated capacity
- Demonstrated capacity is shown by the aggregation's performance during events
- Performance is determined using battery or inverter meter data for each site in the aggregation
- Different levels of incentives are available for VPPs of varying durations and incentive rates vary by month
- In 2023 and 2024 program participants are awarded an additional 30% bonus on incentives

Monthly BTM Storage Capacity Prices by Month (\$/kW)

Month	4-Hour	3-Hour	2-Hour
May	\$9.00	\$8.10	\$6.75
June	\$9.30	\$8.37	\$6.98
July	\$16.80	\$15.12	\$12.60
August	\$18.00	\$16.20	\$13.50
September	\$19.20	\$17.28	\$14.40
October	\$10.50	\$9.45	\$7.88
Annual Total	\$82.80	\$74.52	\$62.10

Reference Chapter 5 Section E of the DSGS Guidelines for more information on how battery performance is measured.

Review of Incentive Calculation

Demonstrated capacity is the weighted average net discharge across the resource during program event hours, where:

1. The weighting is determined by the LMPs in the corresponding event hours
2. The individual site baseline is determined by whether the battery is receiving SGIP incentives and whether the battery serves residential or nonresidential end-uses.
 - a. Baseline = 0 for non-SGIP batteries
 - b. Baseline = 0.074 * storage capacity (kWh) for residential batteries
 - c. Baseline = 0.028 * storage capacity (kWh) for non-residential batteries
3. The aggregation baseline is determined by summing the individual site baselines

$$\text{Demonstrated Capacity}_m(\text{kW}) = \frac{\sum_h^n (\text{Net Discharge}_h - \text{Baseline}_h) \text{LMP}_h}{\sum_h^n (\text{LMP}_h)}$$

Where,

- m = month
- h = hour
- n = total number of event hours in the month
- Where the baseline is positive
- Where net discharge is positive if the battery is discharging

Example of Monthly Incentive Calculation



Aggregation VPP-A

- Located in SCE territory
- Contains four sites
- 2-hour resource
- 3 events (6 event hours) called in August 2023

Customer Type	SGIP	Power Rating (kW)	Energy Storage Capacity (kWh)	Baseline (kWh/h)
Residential	Yes	10	15	1.11
Residential	No	5	10	0
Commercial	Yes	20	40	1.12
Commercial	No	15	25	0
Total		50	90	2.2



Example of Monthly Incentive Calculation

- VPP-A aggregate baseline = 2.2 kW
- August Demonstrated Capacity Calculation

Event	Event Hour (HE)	Aggregate Energy Net Discharge (kWh)	Performance (kWh)	SCE DLAP LMP (\$/MWh)	Performance * LMP
1	18:00	40	37.8	225	8505
1	19:00	45	42.8	250	10700
2	19:00	35	32.8	300	9840
2	20:00	50	47.8	400	19120
3	18:00	50	47.8	200	9560
3	19:00	40	37.8	250	9450
Sum				1625	67,175

August Demonstrated Capacity = $67,175 / 1,625 = 41$ kW

August Incentive = $41 \text{ kW} * \$13.5/\text{kW} = \553.50



Example of Annual Performance Calculation

In 2023 there are two additional incentives available beyond the monthly capacity payments:

- Incentives for May – July based on highest demonstrated capacity
- Additional 30% incentive bonus

Month	Incentive Rate (\$/kW)	Demonstrated Capacity (kW)	Monthly Incentive (\$)
May	\$6.75	41	267.75
June	\$6.98	41	286.18
July	\$12.60	41	516.60
August	\$13.50	41	553.50
September	\$14.40	38	547.20
October	\$7.88	40	315.20
Total			2,486.43
Final Incentive*		Total x 30%	3,232.36



Option 3 Claim Package Requirements

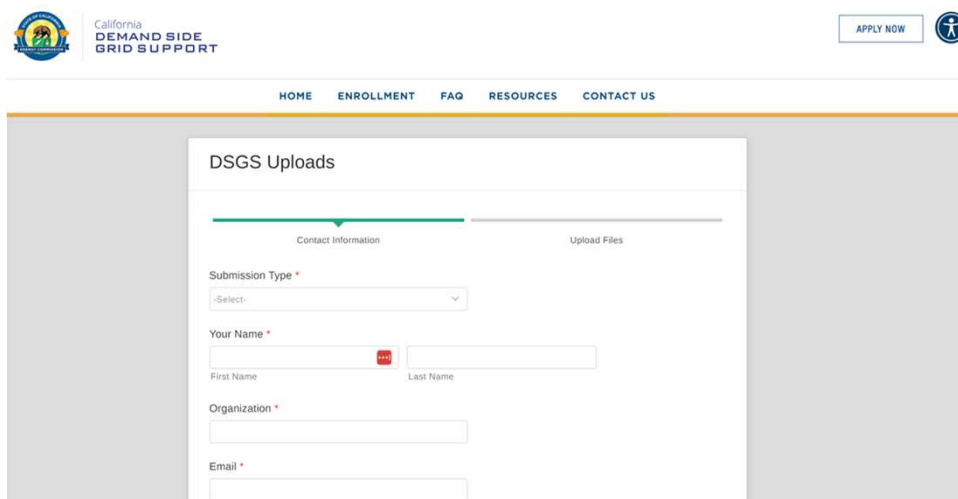
Option 3 providers will submit claims at the end of the season initiating the incentive payment process for all aggregations they have enrolled in DSGS.

The Option 3 Claim Package includes:

- Option 3 Claim form
 - DSGS provider name and primary contact for claim communications. This contact information should include name, title, email address, and phone number
 - Reporting period applicable for each aggregation
 - Final Option 3 enrolled participation report including all participants enrolled in your aggregations throughout the program season.
 - If no events occurred within a participation month: the date, start time, and stop time of any test events that were called within the month.
- Hourly sub-metered or battery inverter interval data for each participant for the entirety of each month in which the participant was enrolled in under Incentive Option 3.
- Payee data record (STD-204). If the designated payee has already submitted a complete STD-204 form with a prior reimbursement claim and has received a payment within the past year from the CEC, a new STD-204 is not needed.

Submitting Claim Packages

- To submit a claim package, place the claim form and all supporting documentation into a zipped folder and upload to the DSGS Website at:
<https://dsgs.olivineinc.com/upload/>
 - Navigate to program website upload link
 - Select “Option 3 Claim Package” under Submission Type
 - Fill in all required fields



The screenshot shows the "DSGS Uploads" form on the California Demand Side Grid Support website. The form is titled "DSGS Uploads" and is divided into two sections: "Contact Information" and "Upload Files". The "Contact Information" section contains the following fields:

- Submission Type * (Dropdown menu with "-Select-" selected)
- Your Name * (Two input fields for First Name and Last Name)
- Organization * (Text input field)
- Email * (Text input field)

The "Upload Files" section is currently empty. The website header includes the California Demand Side Grid Support logo, navigation links (HOME, ENROLLMENT, FAQ, RESOURCES, CONTACT US), an "APPLY NOW" button, and an accessibility icon.



Interval Data Requirements

- DSGS providers under Incentive Option 3 must submit interval data for each participating utility customer (i.e. at the service account or service agreement level).
- For customers with multiple DERs Inverter or Battery submeter data should be aggregated.
- Data requirements:
 - Data must be submitted in Olivine Interval Data (OID) Format*
 - Must include hourly or sub-hourly net charge/discharge values in kWh
 - Must cover the period covering the start of each month the participant was active through the end of the participant's participation period.

**The Olivine Interval Data (OID) specifications will be available on the program website next week.*

Overview Payment Timeline



Description of Activity	Timeline
Providers submit test file oid format to Olivine / CEC	11/10/2023
Olivine reviews test files & provide any feedback or approve	11/17/2023
Providers provide updated test file in oid format (if necessary)	11/28/2023
Olivine reviews updated test files & approves	12/1/2023
Providers provide sub-metered data for their aggregations and submit claim package	12/11/2023*
Olivine delivers performance & settlement results to providers	1/22/2024**
Providers review and approve claim amounts	1/29/2024**
CEC disburses checks to providers	2/21/2024**

*This is the recommended deadline to submit to ensure providers are paid by late February. Claims may be accepted after this date.

**These are estimated timeframes and will be finalized as we get closer to the dates. These activities are dependent on validation of customer info and eligibility, which is partially outside our control. The program team is working diligently with stakeholders (CPUC, IOUs, etc.). We will keep providers up to date on any timeline changes.

Q&A



Example of Incentive Calculation

- Aggregation, VPP-A, is located in SCE territory
- VPP-A contains four sites
- VPP-A is a 2-hour resource
- In August 2023 VPP-A participated in 3 events (6 event hours)

Customer Type	SGIP	Capacity (kW)
Residential	Yes	10
Residential	No	5
Commercial	Yes	20
Commercial	No	15



Example of Incentive Calculation

- VPP-A's aggregate baseline = $10 * 0.074 + 0 + 20 * 0.028 + 0 = 1.3 \text{ kW}$
- August Demonstrated Capacity Calculation

Event Hour	Average Discharge (kW)	Performance (kW)	SCE DLAP LMP (\$/MWh)
1	40	38.7	225
2	45	42.7	250
3	35	32.7	300
4	50	48.7	400
5	50	48.7	200
6	40	38.7	250

$$\text{August Demonstrated Capacity} = (38.7 * 225 + 42.7 * 250 + 32.7 * 300 + 48.7 * 400 + 48.7 * 200 + 38.7 * 250) / (225 + 250 + 300 + 400 + 200 + 250)$$

$$\text{August Demonstrated Capacity} = 41.9 \text{ kW}$$

$$\text{August Incentive} = 41.9 \text{ kW} * 13.5 \text{ \$/kW} = \$565.65$$