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| 1 | If utilities participate in the DR pilots will this affect their High Water Mark? | Participating in the Residential Demand Response Pilot projects will not impact a utility’s High Water Mark. These pilots are likely to kick off in late summer 2010. The cut-off for measuring HWM is October 1, 2010 so the likelihood of ramping up enough to make any impact before October 1, 2010 is very unlikely. Also, Demand Response tends to be load shifting or energy neutral (which would not impact HWM) as opposed to a decrease in overall load. |
| 2 | If utilities are already involved in the Smart Grid project with BPA, are they eligible for this DR funding opportunity? | See response to Question #3 below |
| 3 | <p>Several utilities have been selected to participate in the Pacific Northwest Smart Grid Demonstration Project, sponsored by Battelle. This is an ARRA-funded grant. As a part of that project, utilities are doing many different projects, such as installing two-way communication AMI systems, a two-way communication direct load control demand response systems, and conservation voltage regulation systems. The DOE Stimulus grant funds 50% of the project, and the participants must provide 50% funding.</p> <p>The specific question is to whether this pilot BPA is involved with can assist the utilities participating in the Smart Grid project with the required 50% match that they must provide.</p> | <p>Utilities who are involved in the Regional Smart Grid Demonstration Project are eligible for BPA’s Residential Demand Response Pilot Projects Funding Opportunity Announcement (FOA), No.1530.</p> <p>However, below are a couple key points to note:</p> <ol style="list-style-type: none"> 1. The Smart Grid Demonstrations FOA states that the Applicant must have a plan to obtain the funding for the entire non-DOE share of the total project cost and that the Applicant must submit a funding plan that identifies all sources of project funds. This non-DOE cost share was reflected in Letters of Commitment submitted as part of the Smart Grid Demonstration proposal package evaluated by DOE. Applying for BPA funding to cover all or part of a utility’s expenditures in the Regional Smart Grid Demonstration Project appears to violate the spirit of that DOE funding opportunity. 2. BPA’s Residential Demand Response Pilot Projects FOA states: <ol style="list-style-type: none"> a. "The announcement (No. 1530) is not intended to fund major infrastructure investments such as Automated Metering Infrastructure (AMI)." b. "BPA is particularly looking to support projects that either |

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| | | <p>expand the base of technologies that have previously been tested elsewhere or promote learning in a new area of Demand Response."</p> <p>Applications for FOA No. 1530 need to be for a separate project that is specifically for Demand Response. While a utility can propose a demand response pilot project, it would need to be shown that the pilot project is a separate endeavor. This is similar to the DOE Smart Grid funding requirement that Infrastructure (1306) projects need to be separate from Demonstration (1304) projects within a utility, that funds from one could not be used for the other.</p> |
| 4 | How will the Residential Demand Response pilots work with monthly demand billing? | DR pilot scope is generally small; typically in the hundreds of kW load shift so there will be little or no effect on billed demand from BPA. In FY12 and on, the demand will be billed on the utility peak and at that time utilities will be better positioned to extract some level of monthly savings on demand from the installed DR pilot controlled points. |
| 5 | How does the 2010 DR Pilot Program differ if any way from previous BPA Pilots? | <p>The 2010 DR Pilots intend to expand utility participation in DR and build on the previous BPA pilots. They will operate with similar scope and purpose as well as provide more flexibility and range of technologies and opportunity. The technologies and applications of these residential pilots can vary widely.</p> <p>BPA is also looking for additional experience and learnings from these pilots to share and foster growth of this resource in the region.</p> |
| 6 | As a BPA Slice customer (beginning October 2011), are there any load balancing concerns my utility should be aware of if we choose to participate in the pilot? | We are not entertaining any special exceptions from normal billing practice. For utilities that schedule power with BPA, Energy Imbalance may be a billing component that could be affected by a load shift that is not included in the final schedule or if a curtailment does not deliver all the kW intended. Currently, Energy Imbalance as billed by TBL, offers at least a 2.0 MW grace threshold, plus or minus from the scheduled MW integer. Hourly deviations up to 2.0 |

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| | | <p>MW can be corrected (brought to zero balance) within each billing month.</p> <p>We anticipate the curtailed demand for these pilots to be in the hundreds of kW, well below 2.0 MW, and a quantity of curtailments of 8-10 events per year. Therefore we see no potential impact to the participating utility from BPA Transmission billing for energy imbalance. However, if a utility had other events that caused an energy imbalance situation then the curtailed demand effect would be added to the energy imbalance total.</p> |
| 7 | <p>In PART IV-C-6, Project Timeline, it eludes to the applicant having to develop a timeline for their project. If that is the case, is there no hard project period for this new offering, i.e., like the 2-year project term in the initial DR Pilot program? Is there a specific project term specified for this DR Pilot?</p> | <p>There is not a pre-determined duration for each pilot, however our initial intent is to have equipment installed in 2010 and possibly into 2011, and operate curtailment events in 2011 and possibly in 2012 in order to capture a winter and summer peak season.</p> <p>In the application please include the length of time necessary to complete the goals and objectives of your project.</p> |
| 8 | <p>Can multiple utilities apply under one application, say like the PNGC pool? Or, must each individual utility apply for themselves?</p> <p>In the case of a multiple-utility application, who assumes the lead?</p> | <p>Multiple utilities in a pool such as PNGC can apply under one application. PNGC could act as the prime applicant with BPA and participating utilities could be sub-recipients under the grant.</p> <p>However, for utilities without a formal power marketing representative it may be best to submit individual applications, otherwise, any one of the utilities acting in a lead role would not have jurisdiction over the other utilities.</p> |
| 9 | <p>Is this Funding Opportunity a 50% match, similar to the Smart Grid Project?</p> | <p>No, the 50% match we discussed earlier in the teleconference is specifically for the Smart Grid project. There is no maximum or minimum cost share to consider when submitting applications under this FOA.</p> |
| 10 | <p>Suppose a proposed project requires some device that isn't even on the market yet and it could take the vendor a year to develop, how do we advance ourselves into a new area of</p> | <p>BPA is not only interested in piloting new technology, but also new methods in marketing, recruitment, evaluation, and other specific issues utilities would like to address. The project proposals don't have to include new technology.</p> |

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| | Demand Response with existing hardware/technology? | For example, it could be proven technology used in a new way. If you are really interested in doing a particular project with new technology not yet available, feel free to propose that, but we are looking to start these pilots quickly and that is one of the things the proposals will be evaluated on. |
| 11 | If the planned award notification is in May, is that when the BPA cost share money is available? | The money actually becomes available at the time of award, which will be June. The payment from BPA will not be made all at once in a lump sum, but over time based on invoices for equipment purchases, etc. The amount and timing of payments will be agreed to during contract negotiations. |
| 12 | What is the process in terms of reimbursement with this cost share opportunity? | The utility would be reimbursed based on what is spent and when (all based on the cost share determined in the contract). In general, as expenses are incurred, they would be reimbursed at the percentage determined in the contract. All money will flow through the utility. If subcontracts are required for any project work, the utility would own those contracts and will be reimbursed by BPA if that is determined in the contract. As mentioned previously, BPA will not be paying a lump sum cost share payment upfront and there is no minimum or maximum on the cost share for proposals. |
| 13 | What is the 1.5 million allocated over for timing? | The allocated 1.5 million is for BPA's FY10 and FY11. Due to this, we are keen to see project proposals that spend dollars during this timeframe. |
| 14 | Are there certain criteria for communication infrastructure to be in place or be in procurement for one prior to proposing for this FOA? | No, though the intent is not to provide this money for infrastructure such as AMI. BPA would rather concentrate on end devices (communication between smart meters and those end devices). We will, however, consider any application so please submit your project idea. |
| 15 | If utility is provided money, is it a dollar for dollar match by BPA? | No, it is whatever the utility is proposing. Whether it is a large or small cost share is up to the utility based on their project proposal. |
| 16 | Criteria for evaluation: If you have several utilities applying, is it BPA's goal to pick a broad range of utilities and | BPA will take a variety of areas into account when evaluating proposals; overall project approach, project viability and readiness, scalability of the |

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| | technologies? | project, project team, budget plan and cost share, as well as evaluation methods, marketing and timing. We are looking for opportunities across the region that we haven't done before. |
| 17 | Measurement and verification. BPA is asking in the FOA to provide what format test data would be provided in. Can we get what format BPA would like? | We don't want to specify a format. We just want to make sure it is part of the proposal because measurement and evaluation are key reasons we are doing the pilots in the first place. After awards are made, we can discuss more specifics on format of data (among other things). |
| 18 | If equipment is purchased as a part of the pilot project, who owns it after the pilot? | It will eventually become the utility's equipment sometime after the project. It is BPA's intent that we would relinquish ownership interest. |
| 19 | If utility does additional research as a result of this pilot, will BPA own those results? | BPA would require that utilities share with them all results and outcomes of the pilot projects so they could share any lessons learned with the region. BPA does not have ownership interest in this data but is very interested in getting this out to others in the region. |
| 20 | What if the utilities interest is to go beyond FY2010 and FY2011 with their DR project? | If there is testing that can occur beyond this time period, BPA would be very interested the proposal and in continuing to gather lessons learned. We would like the equipment to persist after the pilot and DR activities to continue. BPA's funding is, however, currently only available in FY10 and FY11. We can not keep funding any of the pilot projects indefinitely. |
| 21 | Potential Pilot Project Roadblocks: Would there be a penalty if there were extended delays in obtaining hardware, or delays in getting hardware installed in residences (due to labor shortages/customer reluctance) and we we're unable to meet the winter 2010/2011 deadline? Would there be an "off ramp" clause allowing dropping the program in that case? | <p data-bbox="987 1062 1915 1224">On page 13 of the FOA, there is a clause titled Suspension or Termination. "BPA or the recipient may request that the award be terminated in whole or in part when both parties agree that the continuation of the project would not produce beneficial results commensurate with the further expenditure of funds."</p> <p data-bbox="987 1263 1915 1349">If a specific timeline is proposed and accepted as part of the contract, both parties should try to meet that timeline to the best of their efforts. If that is not possible and it is determined that the project would not produce the results</p> |

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| | | <p>expected in an appropriate timeframe (and no other option exists) we expect both parties to work out a solution that's mutually agreeable for terminating the agreement.</p> <p>Terminating the agreement would be the last resort if both parties were not able to determine another solution that would work.</p> |
| 22 | <p>Our utility has an in-place and fully functional AMI system, but we don't have a SCADA system to collect real time data with a specific Substation. Would BPA be willing to fund (partial or otherwise) to upgrade data collection hardware and communications with the substation to the main office? This would allow us to collect and track real time peak load data to monitor the active function of the pilot installed DRU's.</p> | <p>Upgrade to the SCADA systems is outside the scope of these pilots. Although it is desirable to obtain data that shows feeder level impacts of the DR events, metering infrastructure improvements must be fully funded by the retail utility. In your case, the AMI system would be used to measure the DR impact at each home.</p> |
| 23 | <p>Could water heater timers be considered DRU funded hardware?</p> | <p>Yes, timer controls fall within the overall scope of these DR pilots. Verification of the load shift would typically be done via load profile data, say 15 min average kW, from the whole house AMI revenue meter.</p> |
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