



# Capacity Bidding Program

The Capacity Bidding Program (CBP) offers monthly incentives to businesses that commit to reducing power by a pledged amount for the month.

## CBP At-A-Glance

|                               |   |
|-------------------------------|---|
| <b>Program Requirement</b>    | Commitment made prior to beginning of month   |
| <b>Reduction Required</b>     | 20 kW or greater  |
| <b>Reward</b>                 | A. Capacity payment for monthly pledge<br>B. Energy payment for actual hours of reduction     |
| <b>Notification Lead Time</b> | A. Day-Ahead option by 3 p.m. prior day<br>B. Day-Of option minimum of 2 hours prior to event |
| <b>Participation</b>          | Binding to the monthly pledged amount   |
| <b>Risk</b>                   | Lowered incentives for lesser reduction than pledged. Penalties for less than 50% reduction   |

## Features and Benefits

- Receive a monthly “capacity” payment even if no load reduction events are called.
- Participate individually or as a member of an Aggregated group.
- Choose the program options (Day-Of or Day-Ahead; 2, 4, 8 hour participation) that suit your operations.
- Make flexible monthly choices. You control how much you pledge each month.

## Who is eligible to participate?

Businesses that reduce electric loads by at least 20 kilowatts of their monthly average peak demand are eligible. Customers can enroll directly with SDG&E or through a third-party Aggregator.

## What are the benefits of participation?

Participants in the CBP will receive monthly incentives based upon their pledges during the months of May through

October. The incentive amounts will vary dependent on whether the participant enrolls directly with SDG&E or through an Aggregator. The incentives will also vary whether the participant chooses the Day-Ahead or Day-Of option and whether they choose 2, 4, or 8 hourly event options.

## How does the program work?

Five days prior to the beginning of each month (May-October) participants pledge a load reduction amount. Monthly capacity incentives are based upon the pledges and paid whether events are called during the month or not. If reduction events are called during the month, participants are required to reduce their energy by the amount they pledged. Failure to reduce to the pledge will result in lesser incentives or possible penalties. Added incentives are paid for the monthly event hour reductions.

Program participants are required to have e-mail, internet access, or a pager or cell phone capable of receiving text messages to receive event notifications. For the Day-Ahead option, participants will be notified by 3 p.m. the day prior to the event. For the Day-Of option, notification will be by 9 a.m. but not later than 2 hours prior to the event.

To measure load reduction, SDG&E will supply and install metering equipment if not already in place.

## Are there penalties for not achieving the required load reductions?

Failure to provide the full amount of reduction pledged will result in lower incentive payments. Failure to supply at least 75% of the pledge will result in zero incentives. Failure to supply at least 50% of the pledge will result in penalties.

## Can customers participate in other Demand Response programs?

Customers participating in Capacity Bidding may be eligible to participate on

the Critical Peak Pricing-Default rate. CBP is a multi-faceted program with a choice of options to meet most customers' ability to participate in demand reduction.

## Managing your energy use

SDG&E has programs and services to help your business get more out of the energy that you use. Information on everything from seminars to online energy analysis tools, rebates and other financial incentives can be found 24 hours a day, seven days a week at [www.sdge.com/esc](http://www.sdge.com/esc).

## For more information

Capacity Bidding is one of the ways SDG&E is developing energy solutions for the region. For more details on Capacity Bidding, contact your SDG&E Account Executive, call **1-800-644-6133** or email [drp@semprautilities.com](mailto:drp@semprautilities.com).