<table>
<thead>
<tr>
<th>Committee or Board:</th>
<th>Date:</th>
<th>Board Meeting Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board</td>
<td>May 18, 2020</td>
<td>May 20, 2020</td>
</tr>
</tbody>
</table>

**For All Board Voting Items:**

**Title of Agenda Item:** Approval of Temporary Emergency Tariff Changes for COVID-19 Customer Impact Mitigation

**Consent Agenda:** ☐ Yes ☒ No  
**Accompanying Presentation:** ☐ Yes ☒ No  

**Recommendation from Committee:** ☒ N/A ☐ F&A; ☐ GP&P; ☐ Oversight & REV

**LIPA Presenter:** Justin Bell  
**PSEG Long Island Presenter:** N/A

**For Finance Approval Items Only:**

**Budget** ☐; **Plan of Finance** ☐; **Tariff Changes** ☒; **Other** ☐ (describe below)

### Requested Action:

The Trustees are requested to approve temporary emergency changes to LIPA’s Tariff for Electric Service allowing PSEG Long Island to ease the terms of deferred payment agreements and extend the eligibility to additional categories of nonresidential customers; ease the terms for security deposits for non-residential customers; and suspend certain requirements for participation in the Distribution Load Relief Program and Commercial System Relief Program.

### Summary:

Specifically, LIPA staff proposes that the Board allow PSEG Long Island to:

1. Extend eligibility for deferred payment agreements (DPAs) to larger commercial customers that fall into arrears;
2. Extend the length of DPAs for commercial customers to twice the length of the current emergency, up to a maximum of 12 months;
3. Waive late payment fees for the first 6 months for commercial customers entering a DPA;
4. Reduce the minimum requirement for a down-payment to equal the current bill plus ½ of average monthly bill;
5. Allow good credit commercial customers who request relief to apply their security deposits against outstanding charges;
6. Introduce an additional enrollment date into the Distribution Load Relief Program (DLRP) and Commercial System Relief Program (CSRP) of June 15th, 2020, for participation beginning July 1; and
7. Allow participants in the DLRP and CSRP to modify their kW load relief nominations prior to the July 1 capability period.
FOR CONSIDERATION
May 20, 2020

TO: The Board of Trustees
FROM: Thomas Falcone
SUBJECT: Approval of Temporary Emergency Tariff Changes for COVID-19 Customer Impact Mitigation

Requested Action

The Trustees are requested to approve temporary emergency changes to the Long Island Power Authority’s Tariff for Electric Service (“Tariff”) allowing PSEG Long Island to ease the terms of deferred payment agreements and extend the eligibility to additional categories of nonresidential customers; ease the terms for security deposits for non-residential customers; and suspend certain requirements for participation in the Distribution Load Relief Program and Commercial System Relief Program.

Background

On January 30, 2020, the World Health Organization designated the novel coronavirus, COVID-19, outbreak as a Public Health Emergency of International Concern. On March 7, 2020, the Governor of the State of New York issued Executive Order 202 declaring a State disaster emergency for the entire State of New York and authorizing all necessary State agencies to take appropriate action to assist local governments and individuals in containing, preparing for, responding to and recovering from this State disaster emergency, to protect state and local property, and to provide such other assistance as is necessary to protect public health, welfare, and safety. On March 18, 2020, the Governor issued Executive Order 202.6, ordering all businesses in the State to implement telecommuting policies to the extent possible. On March 20, 2020, the Governor issued the “New York on PAUSE” Executive Order, closing all non-essential businesses and banning all non-essential gatherings in the State.

In response to these events, on March 27, 2020, the Trustees approved temporary emergency changes to LIPA’s Tariff for Electric Service allowing PSEG Long Island to waive customer late payment and reconnection fees (including backbilled demand and service charges) and to suspend the expiration of low-income customer discounts. Since that action, additional relief from certain provisions of the Tariff have been identified from customer requests, actions of the Department of Public Service, and Orders from the New York Public Service Commission that suggest additional changes could reasonably be made to the Tariff to provide additional relief to customers during the current emergency.

Proposed Action

LIPA staff proposes emergency temporary modifications to its Tariff for Electric Service
impacting deferred payment agreements, security deposits and the dynamic load management programs. Specifically, LIPA staff proposes that the Board allow PSEG Long Island to:

1. Extend eligibility for deferred payment agreements (DPAs) to larger commercial customers that fall into arrears.
2. Extend the length of DPAs for commercial customers to twice the length of the current emergency, up to a maximum of 12 months.
3. Waive late payment fees for the first 6 months for commercial customers entering a DPA.
4. Reduce the minimum requirement for a down-payment to equal the current bill plus ½ of the average monthly bill.
5. Allow good credit commercial customers who request relief to apply their security deposits against outstanding charges.
6. Introduce an additional enrollment date into the Distribution Load Relief Program (DLRP) and Commercial System Relief Program (CSRP) of June 15th, 2020, for participation beginning July 1.
7. Allow participants in the DLRP and CSRP to modify their kW load relief nominations prior to the July 1 capability period.

The proposed changes to deferred payment agreements are intended to provide temporary relief to larger commercial customers that were impacted by the NY Pause Order but would otherwise have been ineligible for consideration. By extending the length of the deferred payment agreements, it gives commercial customers a longer than normal length of time to work down their arrears as they also cope with resuming their normal business operations, and by waiving the late payment fees for the first six months of their recovery, it gives these businesses an opportunity to satisfy their financial obligations to LIPA over a reasonable period of time.

The proposed changes to the use of security deposits allow customers with good credit to better manage their cash flow during these stressful times, using the money they have on deposit with LIPA currently to meet their current bill obligations instead of falling into arrears or otherwise hurting their financial prospects during the recovery. The amounts used from the security deposits are expected to be refreshed by the customers after these emergency provision expire.

The changes to the demand response programs extend the sign-up periods to June 15th for a July 1st commencement of participation date. Under normal conditions, participants would need to lock in their levels of participation at the beginning of the NY ISO summer period, but given the uncertainties of the current emergency, no business can be certain about when their loads will be allowed to return to predictable levels. Failure to approve these extensions for enrollment dates would likely cause most participants to withdraw from the demand response programs due to the current uncertainty. The NY Public Service Commission on May 14, 2020 approved similar modifications to the tariffs of the major regulated electric utilities in the State.

The proposed changes, shown in Exhibit B, are pursuant to the emergency rulemaking provisions of the State Administrative Procedures Act (“SAPA”) and, if approved, will be in effect for 90 days from June 1, 2020. LIPA staff further requests that the Trustees grant staff the discretion to extend the 90-day period if needed, in accordance with the SAPA emergency rulemaking provisions.
**Financial Impact**

The estimated financial impact on LIPA of the proposed changes is expected to increase the amount of arrears under DPA, waive late payment revenues, reduce the amount of customer deposits in our possession, and have a de minimus impact on the demand response program.

The increase in arrears covered by additional deferred payment agreements could amount to between $8 million and $10 million under this proposal. The carrying cost on these balances would be less than $1 million if the additional DPAs extend for a full 12 months. That incremental cost, like all incremental financing costs, would be recovered from customers in 2021 through the Delivery Service Adjustment. Absent these changes, there is a risk that the mounting arrears would eventually be written off, which would produce a much greater negative impact than the $1 million estimate.

Waivers of the late payment fees on the non-residential DPAs for six months are estimated to reduce revenues by $0.3 million per month, or less than $2 million if extended for the full 6 months as proposed.

There are currently about $17 million in commercial deposits on hand that might be repurposed to meet current bills by non-residential customers. This would not produce a net financial drain on LIPA’s revenues, but would reduce our available cash and correspondingly increase our costs for additional working capital by less than $1 million. That incremental cost, like all incremental financing costs, would be recovered from customers in 2021 through the Delivery Service Adjustment.

The proposed changes to the demand response programs are mostly administrative and procedural and are intended to facilitate participation in the program after the NY Pause restrictions have been lifted for Long Island. The financial impact from facilitating this participation is estimated to be less than $2,500 in total.

**Recommendation:**

For the foregoing reasons, I recommend that the Trustees approve the temporary modifications to the Tariff for Electric Service described herein and set forth in the accompanying resolutions.

**Attachments**

- **Exhibit A**     Resolution Approving Tariff Changes
- **Exhibit B**     Tariff Redline
APPROVAL OF TEMPORARY EMERGENCY TARIFF CHANGES FOR COVID-19 CUSTOMER IMPACT MITIGATION

WHEREAS, on January 30, 2020, the World Health Organization designated the novel coronavirus, COVID-19, outbreak as a Public Health Emergency of International Concern; and

WHEREAS, on March 7, 2020, the Governor of the State of New York issued Executive Order 202 declaring a State disaster emergency for the entire State of New York and authorizing all necessary State agencies to take appropriate action to assist local governments and individuals in containing, preparing for, responding to and recovering from this State disaster emergency, to protect state and local property, and to provide such other assistance as is necessary to protect public health, welfare, and safety; and

WHEREAS, on March 18, 2020, the Governor issued Executive Order 202.6, ordering all businesses in the State to implement employee telecommuting to the extent possible; and

WHEREAS, on March 20, 2020, the Governor issued the “New York on PAUSE” Executive Order, closing all non-essential businesses and banning all non-essential gatherings in the State; and

WHEREAS, on March 27, 2020, the Trustees approved certain changes to the LIPA Tariff for Electric Service in response to all of these developments; and

WHEREAS, the Trustees have reviewed the proposal for additional changes to the Tariff and determined that these actions are necessary and prudent to mitigate the impact of COVID-19 on customers, and have further determined that it is necessary for the preservation of the general welfare that this amendment be adopted on an emergency basis as authorized by section 202(6) of the State Administrative Procedure Act, effective immediately upon filing with the Department of State; and

WHEREAS, a notice of emergency adoption will be filed in the State Register upon certification of this Resolution’s approval by the Chair of the LIPA’s Board of Trustees;

NOW, THEREFORE, BE IT RESOLVED, that for the reasons set forth herein and in the accompanying Memorandum, the proposed modifications to LIPA’s Tariff are hereby adopted and approved to be effective June 1, 2020 for a period of 90 days, which may be extended as needed in accordance with SAPA emergency rulemaking procedures; and be it further

RESOLVED, that the Chief Executive Officer and his designees are authorized to carry out all actions deemed necessary or convenient to implement this Tariff; and be it further

RESOLVED, that the temporary Tariff amendments reflected in the attached redlined Tariff leaves are approved.

Dated: May 20, 2020
II. How to Obtain Service (continued):

D. General Obligations of the Authority and Applicants (continued):

Security Deposits (continued):

(3) For Nonresidential Customers, the Authority shall return full or partial deposits, with interest, to the Customer within thirty (30) days after any of the following events occur:

(a) The account is closed,

(b) The issue date of the Customer's first cycle bill sent after the Customer has paid his or her bills on time for a three-year period, unless provisions of D.10.b of this section apply. In that case, the deposit will be updated and extended for another three (3) years.

(c) The issue date of the Customer's first cycle bill sent after the Customer has paid his or her bills on time for a one-year period and the Customer has a credit rating of 5 or 6 prior to March 1, 2020.

(c)(d) A Deposit Review shows that the deposit should be reduced.

(4) For Nonresidential Customers, the deposit is returned by crediting:

(a) The account the deposit secured against outstanding charges, or

(b) The account the deposit secured in the amount of the next estimated cycle bill, if that applies, or

(c) An unsecured account of the Customer's that is in arrears.

(5) The Authority will issue a check to the Nonresidential Customer if a balance remains after the credits in D.10.I.4. above have been made unless the deposit is being returned per D.10.I.3(c).

11. Applicant Wiring and Equipment Obligations

a) The Applicant shall install and pay for the wiring, switches, and fixtures needed to receive service.

b) The Applicant should obtain definite information from the Authority about the approved types of equipment needed for the requested service.

c) The Applicant may request a booklet the Authority publishes, Specifications and Requirements for Electric Installations, which details the Authority's approved:

(1) Methods of electric installation.

(2) Types of equipment.

(3) Types of voltages provided.
V. Termination of Service (continued):

G. Deferred Payment Agreements (continued):
   Who is not Eligible (continued):

   f) A Customer whose combined average monthly billed demand for all its accounts was
      greater than 20 kW at least once during the last twelve (12) months or one (1) account
      had a single demand greater than 40 kW, or

   g) A Customer who the Authority reasonably concludes is able to pay the bill.

h) The Authority will notify the Customer of the Authority's reasons for denying a Deferred
   Payment Agreement, and the Customer's right to challenge the Authority's decision using
   the complaint procedures set forth in this Tariff.

4. Obligations of the Authority to Residential Customers

a) The Authority will make reasonable efforts to contact eligible Residential Customers or
   Applicants by phone, mail, or in person to:

   (1) Offer a Deferred Payment Plan, and

   (2) Negotiate terms that fit the Customer's financial situation, and:

      (a) May require that a Customer or Applicant complete a form showing assets,
          income, and expenses, and

      (b) May ask for reasonable proof of the information given, and will treat that
          information as confidential, as permitted by law, and

      (c) Will offer terms without a down payment and installments as low as ten dollars
          ($10) a month, if required by the Customer's financial situation, and

      (d) Will negotiate the size of the down payment, if any, and the time schedule for
          payment, and

   (3) State the negotiated terms and conditions in the Deferred Payment Agreement to be
       signed by both the Customer and the Authority.

b) The Authority may postpone a scheduled termination of service up to ten (10) days after
   the termination date noted on the Final Termination Notice to negotiate the Deferred
   Payment Agreement terms, after notifying the Customer of the postponement, and

c) The Authority will make the written offer of the Deferred Payment Agreement to the
   Customers in 2.d-g above by providing two (2) copies of the Agreement form, signed by
   the Authority, stating the specific negotiated terms for payment.
V. Termination of Service (continued):

G. Deferred Payment Agreements (continued):

Terms of the Deferred Payment Agreement (continued):

(4) Monthly installments, depending on the Customer's financial situation, of the cost of one-half (1/2) of one (1) month's average usage or one-tenth (1/10) of the balance, whichever is greater. The cost of one (1) month's average usage shall be based on the cost of the usage during the last twelve (12) months.

c) For Nonresidential Customers, if termination of service has been scheduled for nonpayment, the terms of the Agreement may include:

1) A down payment of the greater lesser of 30-20 percent of the amount owed or twoone half (1/2) times the cost of the Customer's average monthly usage, plus the full amount of any charges billed for and owed since the Final Termination Notice was issued and the Agreement was signed, or

2) If a field visit to physically terminate service was made, a down payment the greater of 50 percent of the amount owed or four (4) times the cost of the Customer's average monthly usage, plus the full amount of any charges billed for and owed since the Final Termination Notice was issued and the Agreement was signed, and

3) Payment of the balance in monthly installments of the greater lesser of the one half (1/2) times the cost of the Customer's average monthly usage or one-sixth twelfth (1/612) of the balance, and

4) Payment of late payment charges of 1.5 percent per monthly billing period after the first six monthly installments during the term of the Agreement, and

5) Payment of a security deposit in three (3) installments: 50 percent down and two (2) monthly payments of the balance. The Authority may require a security deposit from an existing Customer who is delinquent or who the Authority believes may be unable to pay in the future, based on dependable information on the Customer's financial condition, or

D) If the Nonresidential Customer has been backbilled for prior unbilled service, the Authority may require monthly installments of the greater of the cost of one-half (1/2) of the Customer's average monthly usage or one twenty-fourth (1/24) of the amount owed, and

e) If agreed to by both the Authority and the Nonresidential Customer, the terms of the Agreement may be for a larger or smaller down payment, a longer or shorter period of time for payment, and payment on any schedule.
XIII. Dynamic Load Management

A. Commercial System Relief Program (continued):

4. Applications for Participation

a) Applications for participation under this program must be made electronically. Direct Participants and Aggregators may participate after the Authority’s receipt and approval of a completed application. The Authority will accept an application by April 1 for a May 1 commencement date, or by May 1 for a June 1 commencement date, or by June 15 for a July 1 commencement date. However, if the application is received by April 1 and the Authority does not bill the participant monthly using interval metering at the time of application, participation may commence on July 1 provided all conditions in section XIII.B.6. are satisfied.

b) The desired commencement month must be specified in the application. Applications will not be accepted after the specified date for participation during the current Capability Period. If the first of the month falls on a weekend or holiday, applications will be accepted until the first business day thereafter.

c) The Authority will accept applications for participation in the Voluntary Participation Option under the Program at any time provided the metering and communications requirements are satisfied as specified in Section XIII.B.6.

d) Participants without Qualifying Paired Battery Storage Equipment and without Eligible Net Metering Technology will receive the “5 of 10 Day Weather Adjusted CBL” as the default CBL Verification Methodology unless the application specifies that the “10 Day Weather – Adjusted CBL” or the “5 of 10 Average-Day CBL” is to be used for verification of performance. A single CBL Verification Methodology will be used for each customer to assess both energy (kWh) and demand (kW) Load Relief.

e) Qualifying Paired Battery Storage Equipment and Eligible Net Metering Technology will receive the “10 Day Weather-Adjusted CBL” for verification of performance.

f) Participants without Qualifying Paired Battery Storage Equipment and without Eligible Net Metering Technology may apply in writing prior to the start of the Capability Period to change the CBL Verification Methodology.

5. Notification by the Authority and Required Response

a) The Authority will notify Direct Participants and Aggregators by phone, e-mail, or machine-readable electronic signal, or a combination thereof, in advance of the commencement of a Load Relief Period or Test Event. The Direct Participant or Aggregator will designate in writing an authorized representative and an alternate representative, and include an electronic address if applicable, to receive the notice. If an Aggregator is served under this Program, only the Aggregator will be notified of the Load Relief Period or Test Event. The Aggregator is responsible for notifying all of the customers within its respective aggregation group.
XIII. Dynamic Load Management

B. Commercial System Relief Program (continued):

9. Reservation Payment

   a) Direct Participants and Aggregators will receive a Reservation Payment for each month during the Capability Period in which they are enrolled for a maximum of five payments per calendar year. Reservation Payments will be calculated on a monthly basis. Payments will be made by bill credit, check, or wire transfer.

   b) The Reservation Payment rate per kW is based on the number of cumulative Planned Events for which the Direct Participant or Aggregator was asked to provide Load Relief during the Capability Period, as follows:

      (1) The Reservation Payment rate may vary by location and by the number of times the Direct Participant or Aggregator is asked to provide Load Relief, and may be eligible for a lock-in option as described below.

      (2) The Authority reserves the right to identify additional locations and establish corresponding rates or lock-in options for Reservation Payments from time-to-time based on reports and recommendations from the Authority’s staff which will be provided at least annually.

      (3) The identification of applicable locations and corresponding rates for Reservation Payments and lock-in options will be provided on a Statement of Commercial System Relief Program Payments to be updated as needed by the Authority’s staff in consultation with the Department of Public Service.

      (4) For Qualifying Paired Battery Storage Equipment and Qualifying Stand-alone Battery Storage Equipment projects enrolled as a Direct Participant or through an Aggregator, the Authority reserves the right to lock in a Reservation Payment price as of the date of project enrollment in the program for a period of ten years.

   c) The Reservation Payment per month is equal to the applicable Reservation Payment rate per kW per month multiplied by the kW of contracted Load Relief multiplied by the Performance Factor. For an Aggregator, the Reservation Payment will be based on a Load Relief weighted Reservation Payment rate which will be equivalent to the sum of the Reservation Payments owed to the Aggregator’s enrolled participants.

   d) Voluntary Option: Direct Participants or Aggregators that wish to participate on a Voluntary Basis may establish 0 kW of contracted Load Relief.

   e) Performance Factor

      (1) The Performance Factor for each New Participant or returning Direct Participant of an Aggregator that has applied to change the kW of pledged Load Relief, is initially set at 0.50 in the current Capability Period and will remain at that level until the first month in which a Load Relief Period or Test Event is called. For New Participants the first Performance Factor that is measured will be applied retroactively, starting with the enrollment month, to true-up the Reservation Payments for the prior month(s). For returning Direct Participants and Aggregators the Performance Factor will be set to the last value established during the previous Capability Period.
XIII. Dynamic Load Management

C. Distribution Load Relief Program (continued):

4. Applications for Participation

a) Applications for participation under this program must be made electronically. Direct Participants and Aggregators may participate after the Authority’s receipt and approval of a completed application. The Authority will accept an application by April 1 for a May 1 commencement date, or by May 1 for a June 1 commencement date, or by June 15 for a July 1 commencement date. However, if the application is received by April 1 and the Authority does not bill the participant monthly using interval metering at the time of application, participation may commence on July 1 provided all conditions in section XIII.C.7. are satisfied. Applicants with existing requisite metering and communication capabilities as specified in Section XIII.B.6. who wish to participate in the program on a voluntary basis may apply at any time.

b) The desired commencement month must be specified in the application. Applications will not be accepted after the specified date for participation during the current Capability Period. If the first of the month falls on a weekend or holiday, applications will be accepted until the first business day thereafter.

c) Participants without Qualifying Paired Battery Storage Equipment and without Eligible Net Metering Technology, the “5 of 10 Day Weather Adjusted CBL” will be the default CBL Verification Methodology, unless the application specifies that the “10 Day Weather-Adjusted CBL” or “5 of 10 Day Average-Day CBL” is to be used for verification of performance. A single CBL Verification Methodology will be used for each customer to assess both energy (kWh) and demand (kW) Load Relief.

d) Qualifying Paired Battery Storage Equipment and Eligible Net Metering Technology will receive the “10 Day Weather-Adjusted CBL” for verification of performance.

e) Participants without Qualifying Paired Battery Storage Equipment and without Eligible Net Metering Technology may apply in writing prior to the start of the Capability Period to change the CBL Verification Methodology.

f) A Direct Participant or Aggregator may apply in writing prior to the start of the Capability Period, to change the kW of pledged Load Relief, or to terminate service under this Program for the upcoming Capability Period provided the request is received prior to commencing participation for that Capability Period. In order for a Direct Participant or Aggregator to increase its kW of contracted Load Relief in an Authority Designated Area, the Direct Participant’s or Aggregator’s most recent Performance Factor in that Authority Designated Area must be no less than 1.00.

g) Each application must state the kW of Load Relief that the Direct Participant or Aggregator contracts to provide for the Load Relief Period. Load Relief of an Aggregator will be measured on a portfolio basis separately for each Authority Designated Area.

5. Load Relief Period Criteria

a) Criteria for Designating a Load Relief Period: If the Authority declares a need for emergency or non-emergency relief, within the limitations described by 40 CFR 63.6640 subparts (f) (2) and (f)(4.), or if a voltage reduction of five percent or greater has been ordered, the Authority may designate such period as a Load Relief Period. The Authority may designate specific feeders or geographical areas in which Load Relief shall be requested.
XIII. Dynamic Load Management

C. Distribution Load Relief Program (continued):

10. Reservation Payment

a) Direct Participants and Aggregators will receive a Reservation Payment for each month during the Capability Period in which they are enrolled, for a maximum of five monthly payments per calendar year. Reservation Payments will be calculated on a monthly basis. Payments will be made by bill credit, check, or wire transfer.

b) The Reservation Payment rate per kW is based on the number of cumulative Contingency Events and Immediate Events for which the Direct Participant or Aggregator was asked to provide Load Relief during the Capability Period, as follows:

(1) The Reservation Payment rate may vary by location and by the number of times the Direct Participant or Aggregator is asked to provide Load Relief, and may be subject to a lock-in option as described below.

(2) The Authority reserves the right to identify additional locations and establish corresponding rates or lock-in options for Reservation Payments from time to time based on reports and recommendations from the Authority’s staff which will be provided at least annually.

(3) The identification of applicable locations and corresponding rates for Reservation Payments and lock-in options will be provided on a Statement of Distribution Load Relief Program Payments to be updated as needed by the Authority’s staff in consultation with the Department of Public Service.

(4) The Authority reserves the right to lock in Reservation Payment prices as of the date of project enrollment in the program for a multiple year period, for purposes that include but are not limited to enabling location-specific or resource-specific benefits.

c) The Reservation Payment per month is equal to the applicable Reservation Payment rate per kW per month multiplied by the kW of contracted Load Relief multiplied by the Performance Factor. For an Aggregator, the Reservation Payment will be based on Load Relief weighted Reservation Payment rate, which will be equivalent to the sum of the Reservation Payments owed to the Aggregator’s enrolled participants.

d) Voluntary Option: Direct Participants or Aggregators that wish to participate on a Voluntary Basis may establish 0 kW of contracted Load Relief.

e) Performance Factor

(1) The Performance Factor for each New Participant or returning Direct Participant of an Aggregator that has applied to change the kW of pledged Load Relief, is initially set at 0.50 in the current Capability Period and will remain at that level until the first month in which a Load Relief Period or Test Event is called. For New Participants the first Performance Factor that is measured will be applied retroactively, starting with the enrollment month, to true-up the Reservation Payments for the prior month(s). For returning Direct Participants and Aggregators the Performance Factor will be set to the last value established during the previous Capability Period.