

Program Guidelines and Operational Procedures

For

Dynamic Load Management Tariff Programs:

- **Smart Savers Direct Load Control Program**
- **Commercial System Relief Program**
- **Distribution Load Relief Program**
- **Supplemental: Energy Storage Systems**

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1.0 Purpose

The primary objective of this manual is to provide information and guidance to the utility's customers and other organizations who desire to participate in one of the three load relief programs that are further described in the Long Island Power Authority's Dynamic Load Management Tariff and associated statements which describe the customer payments for participating in the following programs:

- Direct Load Control Program (DLCP), which is also known as Smart Savers Program
- Commercial System Relief Program (CSRP)
- Distribution Load Relief Program (DLRP)

The three programs have some similarities, but also have important differences. The main similarity is their common objective: Providing load relief during peak demand times, and deferring transmission and distribution upgrades to help customers save energy. A second similarity is the period during which Load Relief Events (LREs) may be called: May 1st through September 30th. A third similarity is that PSEG Long Island will provide payments to customers who enroll in the programs, either directly to the customer, or indirectly by making payments to approved aggregators who then make payments to customers.

The DLCP involves payment of a single incentive payment per year for at least 5 years, provided that a participation requirement is satisfied. The CSRP and DLRP involve payment of two types of incentives: A Reservation Payment and a Performance Payment with both types subject to a reduction if the extent of participation is low. Other differences include eligibility criteria, payment amounts, and specific program rules and requirements as detailed in this manual and in the tariff.

Other key differences are the changes to the Authority's Tariff for Electric Service ("Tariff") to enable Net Energy Metering and VDER customers to participate in the CSRP and DLRP programs. This program makes use of the Authority's existing CSRP and DLRP tariffs to offer incentives for qualifying battery storage equipment in exchange for enrolling and participating in the programs.

Section 3.0 of this manual provides information concerning the Smart Savers Direct Load Control Program, Section 4.0 covers the Commercial System Relief Program, Section 5.0 deals with the Distribution Load Relief Program, and Section 6.0 covers battery storage customer participation in the CSRP/DLRP programs.

2.0 LIPA Tariff for Electric Service

These guidelines are disseminated under the authority of Long Island Power Authority's Tariff for Electric Service. Section XIII, titled Dynamic Load Management covers the three programs. For more information on Long Island Power Authority's Tariff for Electric Services please visit:

<https://www.lipower.org/about-us/tariff/>

The Dynamic Load Management begins on leaf 327 in the DLM tariff.

3.0 Direct Load Control Program (Smart Savers Program)

3.1 Eligibility

The Smart Savers Program is primarily intended for all residential and small commercial customers at all locations within the Service Area who are served in the following Service Classifications and Rate Codes at Primary or Secondary voltage level:

Service Classification No. 1 (Rate Codes 180, 580; excluding 480 and 481)

Service Classification No. 1-VMRP (L) (Rate Codes 181, 182, 184)

Service Classification No. 1-VMRP(S) (Rate Code 188)

Service Classification No. 1-VTOU (Rate Codes 190, 191, 192, 193)

Service Classification No. 2 (Rate Code 280)

Service Classification No. 2-VMRP (Rate Code 288, 292)

Service Classification No. 2-L (Rate Codes 281, 291, 283)

Service Classification No. 2L-VMRP (Rate Codes 282, 294)

Service Classification No. 2-MRP (Rate Codes 284, 285, M284, M285)

To participate, a customer must have load controllable control equipment and agree to enroll in the program via this website; <https://enrollmythermostat.com/pseg-li/>

The load controllable equipment must have the ability to reduce load by a minimum of 1.0 kW when a curtailment event is initiated by the Authority.

Definitions

Control Device: A device or devices installed on the Customer's load controllable equipment via an internet based Wi-Fi enabled smart plug or embedded control that allows PSEG Long Island's third party vendor to remotely control the equipment when a Load-Reduction Event (LRE) is called. Each Control Device contains a feature that allows the Customer to override PSEG Long Island's control of the Customer's equipment. The Control Device must be provided, installed, and connected to the Internet by the Customer or an approved Control Device Provider in a manner that assures communications between PSEG Long Island and the Control Device.

Load-Reduction Event (LRE): Based on system conditions, PSEG Long Island will make a decision to activate some or all of the participating Control Devices and programs during the Capability Period. Some factors which go into making that decision are as follows : (a) the NYISO declares an emergency in conjunction with an in-day peak hour forecast response to an operating reserve peak forecast shortage; or (b) in response to a major state of emergency as defined in Section 3.2 of the NYISO Emergency Operations Manual; or (c) at the NYISO's discretion to relieve system or zonal emergencies; or (d) PSEG Long Island

determines that a NYISO or PSEG Long Island Peak may occur; or PSEG Long Island at its discretion identifies a need to reduce load throughout PSEG Long Island's system generally or at specific locations.

Capability Period: May 1st through September 30th in any year.

Annual Event-Hours: The cumulative hours of duration of all the LREs called in a given year.

Control Device Provider: A provider registered with the PSEG Long Island to develop, maintain, and operate a communications portal that enables Internet-connected Control Devices to participate under this program.

Load Controllable Equipment: A device installed via a smart plug or embedded control that allows the Authority to remotely control the equipment when an Event is called. The Control Device must be provided, installed, and connected to the Internet by the Customer or an approved Control Device Provider in a manner that ensures communications between the Authority and the Control Device. Includes central air conditioning units and pool pumps, and any other device or combination of devices attached to a single Customer's meter that has the ability to reduce load by 1.0 kW when a curtailment event is initiated by the Authority.

3.2 Enrollment

Customers may apply to participate under this program at any time throughout the year. Enrollment must be done electronically through the below link.

<https://enrollmythermostat.com/pseg-li/>

3.3 Incentives

Customers enrolling in the program will receive a onetime enrollment payment of \$85 per qualified Control Device after the customer enrolls the device and PSEG Long Island has confirmed that our third party vendor can successfully communicate with the Control Device. PSEG Long Island will then mail the participant a check for \$85 for each Control Device. Starting with the second Capability Period in which the Customer participates, the Customer will be eligible for an Annual Incentive Payment of \$25. PSEG Long Island will mail the participant a check after the end of each Annual Capability Period in which PSEG Long Island has verified that the Customer has fully participated and curtailed their energy usage in at least 50 percent of the number of curtailment events declared by PSEG Long Island. Failure to qualify for the annual incentive payment in one year does not affect the participating Customer's eligibility to receive annual incentive payments in subsequent years. An \$85 check and a \$25 check will not be mailed in the same year.

This is further explained in the statement of payment in the tariff.

<https://www.lipower.org/about-us/tariff/>

PSEG Long Island has the option to discontinue annual incentive payments to a Customer after the fifth year of participation.

3.4 Program Process

Exhibits 3-1 and 3-2 provide a summary of, and illustrate, the process. Attachment A contains additional information concerning PSEG Long Island's processes for 1) determining when it may be necessary to initiate a LRE, and 2) notifying customers that an LRE has been scheduled.

Exhibit 3-1: The Smart Savers Direct Load Control Program (DLCP) Process – Step by Step

Legend:

PSEG Long Island Actions
Individual Customer

Part 1: Application and Incentive

1. Customer purchases and installs an Internet-enabled thermostat from a qualified vendor and then enrolls using the link provided at <https://enrollmythermostat.com/pseg-li/>
2. Application and supporting materials are reviewed to ensure the customer:
 - a. has a qualified device
 - b. that device controls central air conditioning
 - c. has an electric account with PSEG Long Island in good standing
3. If the communication test results are satisfactory, PSEG Long Island mails the initial Incentive check (\$85) to the customer in approximately 8 weeks from the enrollment date
4. In subsequent years, PSEG Long Island mails the Annual Incentive check (\$25) to the customer, provided the customer had fully participated in at least 50% of the number of events that were called during May 1 to September 30 period. This annual incentive is provided per device.

Part 2: Called Load Relief Event and Performance Incentive

1. PSEG Long Island initiates the LRE using the contractor's web portal; the information to be disseminated via the portal contains the date and start time along with the LRE duration.
2. The portal then controls the devices as per the information disseminated. PSEG Long Island notifies internal and external stakeholders about the LRE
3. If the customer is aware of the event and experiences discomfort, the customer may "opt-out" of participating in the LRE.
4. After the LRE, PSEG Long Island's contractor analyzes the results (i.e., overall participation) and sends the results to PSEG Long Island

4.0 Commercial System Relief Program

4.1 Objective

The primary objective of the Commercial System Relief Program (CSRP) is to enable participating eligible customers to be compensated for reducing their load under certain conditions when called upon by the Authority to do so. During the Capability Period, participants may be asked to reduce their electrical usage when PSEG Long Island's daily forecasted system-wide electric load is expected to reach 94% of the forecasted summer peak.

There are three types of LREs:

Planned LRE: Occurs during the five-month "Capability Period," May 1st through September 30th and Advance Notice is given 21 hours in advance and again at least 2 hours in advance. The LSE can occur during the Capability Period during a four hour period within a weekday, excluding federal holidays. For CSRP enrollees: When PSEG Long Island's forecast of day-ahead load reaches or exceeds 94% of the forecasted summer system-wide peak a Planned LRE is initiated. CSRP participants are expected to participate and provide the pre-determined contracted capacity (kW) of Load Relief during Planned LREs.

Test LRE: Occurs anytime within the capability period and 21 hour advance notice will be provided. The test will be one hour in duration and enrolled customers will be paid performance payments for participating.

Unplanned LRE: The Authority's request for Load Relief at any time, even outside the capability period and with little advance notice. Participation is optional during Unplanned LREs.

Direct Participants or Aggregators that wish to participate on a voluntary basis may request a value of 0 kW of contracted Load Relief. In this case participation in Load Relief Events is optional, and because there is no commitment to provide load relief, there is no Reservation Payment.

Key features of the CSRP are summarized in Table 4-1.

Table 4-1: Commercial System Relief Program Key Features

Load Relief Event Type:	Planned Event
Participation	Required and Expected
Starting Time:	
Duration:	4 hours during a weekday*
Advance Notice:	Not less than 21 hours
Name of Load Relief Event:	Unplanned Event (Optional)
Time of Day:	Anytime
Duration:	4 hours
Advance Notice:	Less than 21 hours
Name of Load Relief Event:	Test Event
Participation	
Time of Day:	Anytime
Duration:	1 hour
Advance Notice:	Not less than 21 hours

* Excluding federal holidays

4.2 Eligibility

The Commercial System Relief Program is available to PSEG Long Island service territory customers that are capable of reducing load during specified intervals. Customers may participate as either a Direct Participant who is able to provide a contracted capacity of 50kW or greater, or through an Aggregator who provides a portfolio of customers greater than or equal to 50kW.

The program is available to any customer served at primary and secondary voltage and taking service under one of the Service Classifications listed below:

- Service Classification No. 1 (Rate Codes 180, 580; excluding 480, 481)
- Service Classification No. 1-VMRP(L) (Rate Codes 181, 182, 184)
- Service Classification No. 1-VMRP(S) (Rate Codes 188)
- Service Classification No. 1-VTOU (Rate Codes 190, 191, 192, 193)
- Service Classification No. 2 (Rate Code 280)
- Service Classification No. 2-VMRP (Rate Code 288, 292)
- Service Classification No. 2-L (Rate Codes 281, 291, 283)
- Service Classification No. 2-L-VMRP (Rate Codes 282, 294)
- Service Classification No. 2-MRP (Rate Codes 284, 285, M284, M285)
- Service Classification Nos. 11, 12, and 13 (Rate Codes 289, 680, 681, 278)

Customers who participate in the Direct Load Control Program, are not eligible to participate in this CSRP. Similarly, neither the Metropolitan Transportation Authority for Traction Power Service to the Long Island Railroad nor Brookhaven National Laboratories (pursuant to a Sale for Resale agreement between the Authority and the New York Power Authority) are eligible to participate in this CSRP. However, participation in these Programs is permitted – with certain limitations -- to participants in other programs that provide payment for capacity, such as the NYISO’s Special Case Resources (“SCR”) Program (or any successor Authority program to the NYISO’s SCR Program).

Transmission customers are permitted to participate in this program.

4.2.1 Aggregator Eligibility Requirements

For more information on Aggregator eligibility requirements please visit:
<https://www.psegliny.com/businessandcontractorservices/businessandcommercialsavings/csrp>

4.3 Definitions

Aggregators: Aggregators are businesses and organizations that recruit customers to participate in the Program, and who assist these customers in the Program’s enrollment process. Individual Direct Participants and Aggregators will be notified when a Load Relief Event is declared. Aggregators are then responsible for notifying the customers they enrolled, and for ensuring that the Load Relief obligation is satisfied.

Capability Period: The five-month Capability Period extends from May 1st to September 30th each year.

Further definitions for the CSRP are provided on leafs 330 and 331 of the Tariff.

4.4 Enrolling in the Commercial System Relief Program;

Enrollment in the CSRP is completed via the link below;
Login credentials will need to be provided by
Energyhub, with approval from PSEG Long Island

<https://admin.energyhub.net/utility/login.html>

A Direct Participant must contract to provide at least 50 KW of load relief.
An Aggregator must also contract to provide at least 50 KW of load relief.

Direct Participants or Aggregators that wish to participate with a contracted load relief of 0 KW may do so on a voluntary basis but will not be paid reservation payments. The voluntary basis will enable the participant to be paid performance payments.

4.5 CSRP Financial Incentives

Participating customers and aggregators receive financial incentives for committing to reduce their electric use during declared Load Relief Events. After an application is accepted (meets program requirements), the customer will receive a combination of a Reservation Payment (per kW per Month) and a Payment for Performance for Load Relief (per kWh) during a curtailment event, pending the meter is communicating.

As an example; (See Statements for actual payment amounts) the link is here;
<https://www.lipower.org/about-us/tariff/>

- CSRP Reservation Payment (per kW per month):
 - \$5.00
 - \$7.50 if located in a LSRV area
- Payment for Performance for Load Relief
 - \$0.25 per kWh of load reduction

The Reservation Payment amount is based on the kW load reduction actually demonstrated during a test or when a LRE is initiated multiplied by the performance factor. Reservation payments will be earned monthly and paid out annually.

The Performance Payment is based on the kWh not consumed (“saved”) at the facility as a result of the customer’s participation in LRE or Test Events. The kWh saving will be determined by PSEG Long Island as the difference between a) the calculated “Baseline” usage of the facility during the Planned Event, and b) the actual metered kWh used by the facility during the Event. Performance Payments will be earned monthly and paid out annually.

Customers located in a Locational System Relief Value (LSRV) are eligible to receive enhanced reservation payments. To determine if a customer or participant is located within a LSRV area, refer to the Locational System Relief Value (LSRV) Statement located on the LIPA website under ‘Addenda-Statements’.

4.6 CSRP Payment and Payment Adjustments (Performance Factors)

The Direct participants or aggregators are subject to reduced payments due to a performance factor which is less than 1.0. Performance factors are calculated by dividing the actual load

relief demonstrated during a LRE by the contracted load. The performance factor is set initially at 0.50 for new participants. For returning participants and aggregators the performance factor will be set to the last value established during the previous Capability Period. All performance factors that are determined by demonstrated load reduction will be applied retroactively, starting with the first enrollment month of the current Capability Period. All performance factors will be established after the first and all subsequent events of the capability period. Performance Factor calculated at or below 0.25 will be set to zero (e.g. 0.00). Reservation and any Performance payments will be calculated on a monthly basis. Reservation and Performance payments will be paid annually after the conclusion of the capability period. Any change in performance factor calculated gets assigned in the demonstrated load relief month of the event. The performance factor can change only after a LRE or by requesting a change to a LRE as detailed in leaf 338 of the tariff. Load relief of an aggregator will be measured on a portfolio basis separately for each Authority Designated Area as per leaf 333 of the tariff.

To establish load relief, one must first calculate what the load would have been had one not curtailed load. This is why we calculate customer base load.

During the enrollment application, customers choose between two customer baseline calculation methodologies that are to be used. The two methods are;

- 5 of 10 day Customer Base Line (CBL) Method and
- 10 Day Weather Adjusted Customer Base Line (CBL) Method.

Refer to the DR Baseline Methodologies document for the steps required to calculate each respective baseline methodology

4.7 [Withdrawal from Program](#)

Participants who choose to withdraw from the program must do so by completing and submitting a signed and dated Program Withdrawal letter to PSEG Long Island's Jennifer Rommel at 15 Park Drive, Melville, NY 11747. An email may also be sent to Jennifer.Rommel@pseg.com (An Individual Customer participant will do this directly; a customer who enrolled via an Aggregator will submit via that party.) The withdrawal will then become effective at the beginning of the following month.

If a customer changes the aggregator that they originally contracted with under this tariff program, they must notify PSEG Long Island of the change. Service under the new aggregator will then take place based on the timing of the notification of change to PSEG Long Island.

4.8 [Equipment](#)

4.8.1 [Required Interval Meter](#)

To participate in this program, an interval meter with communications capability is required. Participation under this program will begin on the first day of the first month within the Capability Period that occurs at least 30 days after both the interval metering and communications service become operational. AMI meters with communication capability will be installed by PSEG Long Island at no charge to participant once the participant's application is approved. If the candidate participant already has an interval meter, PSEG Long Island will need

to verify that the communication link is functioning properly before enrollment is said to be completed and participation in the program is permitted.

4.8.2 Load Relief Equipment

All equipment and controls used to accomplish Load Relief must be accessible for inspection by Program representatives. Program participants or aggregators are responsible for ensuring that the operation of generating equipment under this program is/will be in conformance with any governmental or code limitations on operation. For more information on this, please reference the electric tariff at <https://www.lipower.org/about-us/tariff/>

4.9 Dispute Resolution

In the event of a dispute, either Party shall provide the other Party with a written notice of dispute. Such Notice shall describe in detail the nature of the dispute. The Parties agree to participate in good faith in the complaint process for a period of up to ninety (90) calendar days. If the Parties are not successful in resolving their disputes, then the Parties may refer the dispute for resolution to the PSC.

4.10 Liability Information

The customer will indemnify and hold harmless PSEG Long Island and its' affiliates and their respective contractors, officers, directors, employees, agents, representatives and assigns ("Indemnified Parties") from and against any and all claims, damages, losses and expenses in connection with the customer's participation in the program brought by or for a third party except if damages are caused by the negligence of the Indemnified Parties. PSEG Long Island's liability will be limited to administration of the Tariff in accordance to the program's Terms and Conditions and the Program Materials.

4.11 Warranty and Representation

PSEG Long Island does not endorse, guarantee, or warranty any contractor, manufacturer or product, and PSEG Long Island makes no representations, warranties or guarantees in connection with the program or any services performed in connection with it. Customer acknowledges and agrees that any warranties provided by original manufacturers, licensors, or providers of materials, equipment, or other items provided or used in connection with the program ("third party warranties"), are not to be considered warranties of PSEG Long Island. Neither PSEG Long Island nor any of its employees, contractors, agents, representatives or assigns is/are responsible for determining that the design, engineering or installation of any measure is proper or complies with any particular laws, codes, or industry standards. The customer acknowledges and agrees that it is solely responsible (based on its own or an independent party's judgment/advice). PSEG Long Island is not a manufacturer of, or regularly engaged in the sale or distribution of, or an expert with regard to, any equipment or work which might be used to install the equipment under this program.

4.12 Proprietary Information/Customer Confidentiality

The customer grants to PSEG Long Island the right to use and reference their participation in the program subsequent load reduction for regulatory purposes with no public disclosure of their

identity or consumption data. PSEG Long Island will keep the customer's information confidential and will not divulge information to a third party without the customer's prior written consent, unless it is expressly permitted by the application's Terms and Conditions or required to disclose by law.

4.13 Counterpart Execution/Scanned Copy

Any and all agreements and documents requiring signatures for the program may be executed in counterparts and still be deemed to be an original. So, a scanned or electronically reproduced copy or image of agreements and documents with the signatures of the parties will be deemed an original.

4.14 Demand Response Process

Exhibits 4-1 provide a summary of, and illustrate, the CSRP Program's operational process.

Exhibit 4-1: The CSRP Program Process – Step by Step

Legend:

PSEG Long Island Actions

Individual Customer or Aggregator Actions

Part 1: Application

1. Individual Customer or Aggregator completes the Aggregator Registration Form and submits it along with:
 - a. IRS Form W-9 completed for payment recipient(s)
 - b. Spec sheets for generating units (if these are used)
2. Application and supporting materials are reviewed for completeness. Revisions and/or requests for additional documentation is/are made if necessary; an optional inspection of the equipment that will accomplish the requested Load Relief (LR) may be made at this time or a later time
3. Notification(s) of Enrollment is/are sent to either the Direct Participant or the Aggregator
4. Internal PSEG Long Island request for installation of interval meter(s) is/are issued, as appropriate.
5. Meter(s) is/are installed by PSEG Long Island, as appropriate
6. Aggregator notifies recruited Customer participants if and as needed

Part 2: Load Relief Test and Reservation Incentive

1. PSEG Long Island's contractor notifies Individual Customer or Aggregator that a Test LRE will be called at a specific time on a specific date. This is initiated by PSEG Long Island through the contractor's web portal.
2. On the pre-established date and time, PSEG Long Island notifies the Individual Customer or Aggregator to begin the one-hour Test LRE
3. If initiated, Individual Customer or Aggregator executes the requested Test LRE (Aggregator notifies recruited Customer participants as needed)
4. PSEG Long Island's contractor analyzes the results of the Test LRE, performing an extrapolation as needed to adjust Performance Factors.
5. PSEG Long Island mails the Reservation and Performance Incentive check to the Individual Customer or Aggregator at the end of the capability period
6. Aggregator pays participating customers it had recruited whatever amounts (if any) that may have been agreed to in the contract between them

Part 3: Called Load Relief Event and Performance Incentive

1. PSEG Long Island determines when a LRE should be initiated and notifies the Individual Participants or Aggregators via PSEG Long Islands' contractor's Portal.
2. PSEG Long Island notifies internal and external stakeholders about the LRE
3. Aggregator notifies recruited customer participants if and as needed

4. At the stated time, Individual Customer or Aggregator provides the contracted capacity of Load Relief (kW) for the requested duration
5. PSEG Long Island's contractor analyzes the LRE results, performing an extrapolation as needed to adjust Performance Factors, and calculates payment due to participants.

5.0 Distribution Load Relief Program

The primary objective of the Distribution Load Relief Program (DLRP) is to provide load reduction in one or more “Load Areas” that are served from specific substations or feeder circuits within the overall electric grid. On Long Island and many other highly populated areas, the peak load in any year always occurs on a hot summer afternoon because of heavy air-conditioning use, and therefore summertime is when load relief will be needed.

PSEG Long Island will recruit individual customers and “Aggregators” who then recruit and handle the paperwork for a group of customers to participate in the DLRP. Participating customers commit to reduce load by a pre-determined amount (selected by the customer) when notified by PSEG Long Island that a Load Relief Event (LRE) for their Load Area has been declared. This declaration is made when the next day’s load forecast of total power demand shows that the peak load will approach or reach a limiting value for one or more items of substation equipment.

Attachment A contains additional information concerning PSEG Long Island’s processes for 1) determining when it may be necessary to call a LRE, and 2) notifying customers and the stakeholder that an LRE has been scheduled.

This program expects to call events when system load is forecasted to reach 94% of the forecasted system wide peak for Zone K.

There are three types of LREs:

Planned LRE: Occurs during the five-month “Capability Period,” May 1st through September 30th and Advance Notice is given 2 hours in advance. The LRE can occur during the Capability Period during a four hour period within a weekday, excluding federal holidays. For CSRP enrollees: When PSEG Long Island’s forecast of day- ahead load reaches or exceeds 94% of the forecasted summer system-wide peak a Planned LRE is initiated. CSRP participants are expected to participate and provide the pre-determined contracted kW of Load Relief during Planned LREs.

Test LRE: Occurs anytime within the capability period and 2 hour advance notice will be provided. The test will be one hour in duration and enrolled customers will be paid performance payments for participating.

Unplanned LRE: The Authority’s request for Load Relief at any time, even outside the capability period and with little advance notice. Participation is optional during Unplanned LREs.

Individual customers and Load aggregators can commit to 0 kW of load relief if they so choose. In this case participation in Load Relief Events is optional, and because there is no commitment to provide load relief, there is no Reservation Payment.

Key features of the DLRP are summarized in Table 5-1.

Table 5-1: Distribution Load Relief Program Details

Name of Load Relief Event: Time of Day: Duration: Advance Notice:	Contingency Event Anytime 4 or less hours 2 or more hours
Name of Load Relief Event: Time of Day: Duration: Advance Notice:	Immediate Event Anytime 6 or less hours 2 or more hours
Name of Load Relief Event: Time of Day: Duration: Advance Notice:	Test Event Anytime 1 hour Not less than 2 hours

* Excluding federal holidays

5.1 Eligibility

The Distribution System Relief Program is available to all PSEG Long Island Customers and Load Aggregators who agree to provide minimum Load Relief of 50 kW.

The program is available to any Customer served at transmission, primary, or secondary voltage and taking service under one of the Service Classifications listed below; and to any Aggregator that meets DLRP requirements.

- Service Classification No. 1 (Rate Codes 180, 580; excluding 480, 481)
- Service Classification No. 1-VMRP(L) (Rate Codes 181, 182, 184)
- Service Classification No. 1-VMRP(S) (Rate Codes 188)
- Service Classification No. 1-VTOU (Rate Codes 190, 191, 192, 193)
- Service Classification No. 2 (Rate Code 280)
- Service Classification No. 2-VMRP (Rate Code 288, 292)
- Service Classification No. 2-L (Rate Codes 281, 291, 283)
- Service Classification No. 2-L-VMRP (Rate Codes 282, 294)
- Service Classification No. 2-MRP (Rate Codes 284, 285, M284, M285)
- Service Classification Nos. 11, 12, and 13 (Rate Codes 289, 680, 681, 278)

Customers who take service pursuant to the Direct Load Control Program, are not eligible to participate in this DLRP. Similarly, neither the Metropolitan Transportation Authority for Traction Power Service to the Long Island Railroad nor Brookhaven National Laboratories (pursuant to a Sale for Resale agreement between the Authority and the New York Power Authority) are eligible to participate.

However, participation in these Programs is permitted – with certain limitations -- to participants in other programs that provide payment for capacity, such as the NYISO’s Special Case Resources (“SCR”) Program (or any successor Authority program to the NYISO’s SCR

Program).

5.1.1. DLRP Aggregator Eligibility Requirements

DLRP Aggregator eligibility requirements are the same as the eligibility requirements as for the CSRP. Please see the following link;

<https://www.psegliny.com/businessandcontractorservices/businessandcommercialsavings/csrp>

Enrolling in the Commercial System Relief Program and Distribution Load Relief Program;

Enroll via this link; <https://admin.energyhub.net/utility/login.html>

login credentials will need to be provided by Energyhub, with approval from PSEG Long Island

A Direct Participant must contract to provide at least 50 KW of load relief.

An Aggregator must also contract to provide at least 50KW of load relief.

Direct Participants or Aggregators that wish to participate with a contracted load relief of 0 KW may do so on a voluntary basis but will not be paid reservation payments The voluntary basis will enable the participant to be paid performance payments.

5.2 DLRP Financial Incentives

Participating customers and aggregators receive financial incentives for committing to reduce their electric use during declared Load Relief Events. After an application is accepted (meets program requirements), the customer will receive a combination of a Reservation Payment (per kW per Month) and a Payment for Performance for Load Relief (per kWh) during a curtailment event, if their meter is communicating.

As an example; (See Statements for actual payment amounts) the link is here; _

<https://www.lipower.org/about-us/tariff/>

- DLRP Reservation Payment (per kW per month):
 - \$3.00
 - \$4.50 if located in a LSRV area
- Payment for Performance for Load Relief
 - \$0.25 per kWh of load reduction

The Reservation Payment amount is based on the kW load reduction actually demonstrated during a test or when a LRE is initiated multiplied by the performance factor. Reservation payments will be earned monthly.

The Performance Payment is based on the kWh not consumed (“saved”) at the facility as a result of the customer’s participation in LRE or Test Events. The kWh saving will be determined by PSEG Long Island as the difference between a) the calculated “Baseline” usage of the facility during the Planned Event, and b) the actual metered kWh used by the facility during the Event. Performance Payments will be made monthly.

Customers located in a Locational System Relief Value (LSRV) are eligible to receive enhanced reservation payments. To determine if a customer or participant is located within a LSRV area, refer to the Locational System Relief Value (LSRV) Statement located on the LIPA website

under ‘Addenda-Statements’.

<https://www.lipower.org/about-us/tariff/>

5.4 DLRP Payment and Payment Adjustments (Performance Factors)

The Direct participants or aggregators are subject to a performance factor which may reduce the reservation payment if the performance factor is less than 1.0. Performance factors are calculated by dividing the actual load relief demonstrated during a LRE by the contracted load. The performance factor is set initially at 0.50 for new participants. For returning participants and aggregators the performance factor will be set to the last value established during the previous Capability Period. All performance factors that are determined by demonstrated load reduction will be applied retroactively, starting with the first enrollment month of the current Capability Period. All performance factors will be established after the first and all subsequent events of the capability period. Performance Factor calculated at or below 0.25 will be set to zero (e.g. 0.00). Reservation and any Performance payments will be calculated on a monthly basis. Performance payments will be paid monthly. Any change in performance factor calculated gets assigned in the demonstrated load relief month of the event. The performance factor can change only after a LRE or by requesting a change to a LRE as detailed in leaf 338 of the tariff. Load relief of an aggregator will be measured on a portfolio basis separately for each Authority Designated Area as per leaf 333 of the tariff.

Measurement and Verification: To establish load relief one must first calculate what the load would have been had one not curtailed load. This is why we calculate customer base load.

During the enrollment application, customers choose between two customer baseline calculation methodologies that are to be used. The two methods are;

5 of 10 day Customer Base Line (CBL) Method and 10 Day Weather Adjusted Customer Base Line (CBL) Method.

Refer to the DR Baseline Methodologies document for the steps required to calculate each respective Baseline methodology.

5.5 Withdrawal from Program

Participants who choose to withdraw from the program must do so by completing and submitting a signed and dated Program Withdrawal letter to PSEG Long Island’s Jennifer Rommel at 15 Park Drive, Melville NY, 11946. An email may also be sent to Jennifer.Rommel@pseg.com (An Individual Customer participant will do this directly; a customer who enrolled via an Aggregator will submit via that party.) The withdrawal will then become effective at the beginning of the following month.

If a customer changes the aggregator that they originally contracted with under this tariff program, they must notify PSEG Long Island of the change. Service under the new aggregator will then take place based on the timing of the notification of change to PSEG Long Island.

5.6 Equipment

5.6.1 Required Interval Meter

To participate in this program, an interval meter with communications capability is required. Participation under this program will begin on the first day of the first month within the Capability Period that occurs at least 30 days after both the interval metering and communications service become operational. AMI meters with communication capability may be installed by PSEG Long Island at no charge to participant once the participant's application is approved.

If the candidate participant already has an interval meter, PSEG Long Island will need to verify that the communication link is functioning properly before enrollment is said to be completed and participation in the program is permitted.

5.6.2 Load Relief Equipment

All equipment and controls used to accomplish Load Relief must be accessible for inspection by Program representatives. Program participants or aggregators are responsible for ensuring that the operation of generating equipment under this program is/will be in conformance with any governmental or code limitations on operation. For more information on this, please reference the electric tariff at <https://www.lipower.org/about-us/tariff/>

5.7 Dispute Resolution

In the event of a dispute, either Party shall provide the other Party with a written notice of dispute. Such Notice shall describe in detail the nature of the dispute. The Parties agree to participate in good faith in the complaint process for a period of up to ninety (90) calendar days. If the Parties are not successful in resolving their disputes, then the Parties may refer the dispute for resolution to the PSC.

5.8 Liability Information

The customer will indemnify and hold harmless PSEG Long Island and its' affiliates and their respective contractors, officers, directors, employees, agents, representatives and assigns ("Indemnified Parties") from and against any and all claims, damages, losses and expenses in connection with the customer's participation in the program brought by or for a third party except if damages are caused by the negligence of the Indemnified Parties. PSEG Long Island's liability will be limited to administration of the Tariff in accordance to the program's Terms and Conditions and the Program Materials.

5.9 Warranty and Representation

PSEG Long Island does not endorse, guarantee, or warranty any contractor, manufacturer or product, and PSEG Long Island makes no representations, warranties or guarantees in connection with the program or any services performed in connection with it. Customer acknowledges and agrees that any warranties provided by original manufacturers, licensors, or providers of materials, equipment, or other items provided or used in connection with the program ("third party warranties"), are not to be considered warranties of PSEG Long Island.

Neither PSEG Long Island nor any of its employees, contractors, agents, representatives or assigns is/are responsible for determining that the design, engineering or installation of any measure is proper or complies with any particular laws, codes, or industry standards. The customer acknowledges and agrees that it is solely responsible (based on its own or an independent party's judgment/advice). PSEG Long Island is not a manufacturer of, or regularly engaged in the sale or distribution of, or an expert with regard to, any equipment or work which might be used to install the equipment under this program.

5.10 Proprietary Information/Customer Confidentiality

The customer grants to PSEG Long Island the right to use and reference their participation in the program subsequent load reduction for regulatory purposes with no public disclosure of their identity or consumption data. PSEG Long Island will keep the customer's information confidential and will not divulge information to a third party without the customer's prior written consent, unless it is expressly permitted by the application's Terms and Conditions or required to disclose by law.

5.11 Counterpart Execution/Scanned Copy

Any and all agreements and documents requiring signatures for the program may be executed in counterparts and still be deemed to be an original. So, a scanned or electronically reproduced copy or image of agreements and documents with the signatures of the parties will be deemed an original.

5.12 Exhibit 5-1 provides a summary of the DLRP operational process.

Exhibit 5-1: The DLRP Program Process – Step by Step

Legend:

PSEG Long Island Actions

Individual Customer or Aggregator Actions

Part 1: Application

1. Individual Customer or Aggregator completes the Aggregator Registration form and submits it along with:
 - a. IRS Form W-9 completed for payment recipient(s)
 - b. Spec sheets for generating units (if these are used)
2. Application and supporting materials are reviewed for completeness. Revisions and/or requests for additional documentation is/are made if necessary; an optional inspection of the equipment that will accomplish the requested Load Relief (LR) may be made at this time or a later time
3. Notification(s) of Enrollment is/are sent to either the Direct Participant or the Aggregator
4. Internal PSEG Long Island request for installation of interval meter(s) is/are issued, as appropriate.
5. Meter(s) is/are installed by PSEG Long Island, as appropriate
6. Aggregator notifies recruited Customer participants if and as needed

Part 2: Load Relief Test and Reservation Incentive

7. PSEG Long Island's contractor notifies Individual Customer or Aggregator that a Test LRE will be called at a specific time on a specific date. This is initiated by PSEG Long Island through the contractor's web portal.
8. On the pre-established date and time, PSEG Long Island notifies the Individual Customer or Aggregator to begin the one-hour Test LRE
9. If initiated, Individual Customer or Aggregator executes the requested Test LRE (Aggregator notifies recruited Customer participants as needed)
10. PSEG Long Island's contractor analyzes the results of the Test LRE, performing an extrapolation as needed to adjust Performance Factors.
11. PSEG Long Island mails the Reservation and Performance incentive check to the Individual Customer or Aggregator at the end of the capability period
12. Aggregator pays participating customers it had recruited whatever amounts (if any) that may have been agreed to in the contract between them

Part 3: Called Load Relief Event and Performance Incentive

13. PSEG Long Island determines when a LRE should be initiated and notifies the Individual Participants or Aggregators via PSEG Long Islands' contractor's Portal.
14. PSEG Long Island notifies internal and external stakeholders about the LRE
15. Aggregator notifies recruited customer participants if and as needed

16. At the stated time, Individual Customer or Aggregator executes the pre-committed Load Relief (kW) for the requested duration
17. PSEG Long Island's contractor analyzes the LRE results, performing an extrapolation as needed to adjust Performance Factors, and calculates payment due to participants.

6.0 Supplemental: Energy Storage Systems

As of June 1, 2019, the Tariff for Electric Service enables incentives in support of the Utility 2.0 behind-the-meter battery storage program to be paid through the Authority's existing CSRP and DLRP tariffs. Net Energy Metering and VDER customers are now allowed to participate in the CSRP and DLRP programs.

The CSRP and DLRP tariffs offer reservation payments, which are based on the number of summer months the participant is enrolled in the programs and the actual kW peak reduction, and performance payments, which are based on the participant's performance during specific load relief events called by PSEG Long Island. As proposed in the Utility 2.0 plan, third-party aggregators will enroll customers in the behind-the-meter battery storage program, install eligible battery storage systems (either themselves or through qualified installers), and allow PSEG Long Island to remotely dispatch customers' energy storage systems through the aggregators to reduce load during called events through the existing CSRP and DLRP programs. In exchange, the aggregators will receive reservation and performance payments under the CSRP and DLRP tariffs

To promote market stability and provide additional price certainty needed to spur the upfront investment needed for installation of batteries, the reservation payment amount offered to qualifying battery storage equipment under the CSRP and DLRP is locked in for a 10-year period.

In summary, the following updates to the CSRP and DLRP tariffs have been made to accommodate the Utility 2.0 behind-the-meter storage program:

- New qualifying battery storage equipment interconnected with the Authority's system after March 1, 2019, will be eligible to participate in the CSRP and DLRP programs. Both stand-alone systems and systems paired with an eligible Net Energy Metering Technology will be eligible.
- New qualifying battery storage projects will be eligible to receive the Reservation Payment in effect at the time of their interconnection for a period of ten years.
- The CSRP and DLRP will include a new customer baseline methodology called the "10 day weather adjusted CBL".
 - A customer baseline methodology is used by the Service Provider to verify the actual load relief provided by the customer during load relief events. The CSRP and DLRP currently include two customer baseline methodology options for participating customers.
 - The purpose of the new methodology is to improve the accuracy of load relief verification for customers with distributed generation. The new methodology will

be used to verify the load relief of participating customers who are enrolled in Net Energy Metering or the Value of Distributed Energy Resources (“VDER”).

All generation from the battery storage system is quantified as load relief, regardless if the generation is consumed by the home or if it is sent back to the grid

- The new methodology will be optional for other participating customers, who may select it as an alternative to the existing methodologies.
- If an aggregator enrolls customers whose reservation or performance payment rates differ (i.e. based on location or enrollment date rate lock-ins), payments will be based on a load relief weighted rate, which will be equivalent to the sum of the payments owed to the aggregator’s enrollees.

6.1 Supplemental: Energy Storage Systems Direct Metering

Effective January 1 2024, participating energy storage customers may choose to have their battery output directly measured for verification of performance by direct metering of the energy storage system. This is an alternative option to measuring load relief at the utility AMI meter and using the 10 Day Weather Adjusted Baseline Methodology.

- Third party Aggregators would enroll residential customers with behind-the-meter energy storage equipment and arrange for metering and communications protocols that enable the Aggregator to measure the performance of the individual residential energy storage systems during load reduction events and electronically report that performance to PSEG Long Island or PSEG Long Island’s third party vendor.

PSEG Long Island’s third party vendor will enter into agreements with system manufactures which will allow them to communicate (via a Gateway Platform or through API agreements) and collect individual Inverter Meter run-time data and performance.

PSEG Long Island’s third party vendor’s Mercury DERMs Platform captures near real-time data from Device Partners and will make that data available to PSEG Long Island for performance analysis and to verify performance following load events.

PSEG Long Island’s third party vendor will be responsible for calculating load shed and customer incentive. Staff will issue payments and will follow current Demand Response payment processes.

In addition:

- Direct metering of the energy storage system output will be used to verify the actual Load Relief provided (kW and kWh) by the customer’s energy storage system during each hour of each designated Load Relief Period and Test Event, at the Aggregator’s option.

- Data transmitted via direct metering of the energy storage system during each designated Load Relief event will be captured and communicated by the participating third-party Aggregators and used by PSEG Long Island to evaluate performance and compensation. Measurement and communications will be accomplished through API agreements between the PSEG Long Island's third party vendor and the energy storage system's Aggregator/original equipment manufacturer ("O.E.M"). Secure data will be transmitted in real-time from the energy storage system inverter, directly to PSEG Long Island's third party vendor
- Battery Storage that choose to have the battery output directly measured for verification of performance must have metering accuracy of ANSI standard C-12.1-2008 or have a specification rating with an accuracy of +/- 0.5%.
- Battery Storage that choose to have the battery output directly measured for verification of performance must have metering capabilities that measures the output of the battery storage equipment, with communications established with PSEG Long Island's third-party vendor
- Energy Storage Systems need to maintain internet communications in order to be eligible for the Direct Metering option
- Time-of-Day ("TOD") rate code customers are eligible to participate in direct metering.