

California State Emergency Program (CSEP) Program Overview

August 2021



Energy for What's Ahead®



This document is meant to provide a general overview of the Emergency Load Reduction Program (ELRP) and the California State Emergency Program (CSEP). It is not intended to provide legal advice or an exhaustive description of the terms and conditions of these programs. Please refer to the CPUC-approved tariffs pertaining to the ELRP, which can be viewed at [sce.com](https://www.sce.com), for the ELRP's terms and conditions. Please refer to the Proclamation of a State of Emergency issued by the Governor of California on July 30, 2021 and the CSEP Customer Agreement for the CSEP's terms and conditions.

What is the California State Emergency Program (CSEP)?

- The California State Emergency Program (CSEP) was created by a Proclamation of a State of Emergency by the Office of the Governor on July 30, 2021
- The Proclamation orders the State's utilities to create a temporary program for 2021 that would provide incentives for large electric users to reduce their electric demand when called upon and allows customers to use their Prohibited Resources (aka Back Up Generators) to do so
- The program's purpose is to help mitigate the accelerating and compounding effects of continued wildfires, on-going drought, and extreme heat conditions that the State of California is facing
- CSEP will allow eligible participants to be compensated for incremental load reduction during a CSEP event achieved through (i) reduced usage and/or (ii) use of backup generation (BUG) to reduce load during an event

What are the CSEP Parameters?

Program Parameter	Details
Overview	Earn incentives for committing to reducing your electricity usage by at least 500 kW during each hour of an event. This temporary program ends October 31, 2021
Compensation for Verified Load Reduction	<ul style="list-style-type: none"> • Earn incentives of \$2 per kWh of actual load reduction • No payment if there are no emergency events, but may receive Mobilization payment • Exported energy will not receive compensation
Compensation Payout Date	December 2021
Compensation for Mobilization (notified but not dispatched)	\$0.75 per kWh (based upon customer's bid amount) for each hour/duration in notice
Incremental Load Reduction (ILR) Calculation	Based on the difference between your service account's energy baseline and actual energy use for each hour of the event (weekday baseline will differ from weekend baseline)
Penalties	There are no penalties if you fail to perform. However, you should only enroll if you have high confidence you can perform
Enrollment Requirements	<ul style="list-style-type: none"> • Execute a Customer Agreement and comply with program terms and conditions • submit a bid or commitment amount • Reduce at least 500 kW (incremental load reduction) for each hour of an event • Provide contact info to receive event notifications & provide information about backup generation
Event Trigger	<ul style="list-style-type: none"> • CAISO Emergency Notice / No testing
When it's in Effect	3pm to 10pm; 7-days a week; August to October 2021
Minimum Dispatch Duration Per Event	One (1) hour
Maximum Dispatch Duration Per Event	Seven (7) hours
Annual Dispatch Hours Minimum/Maximum	None
Use of Back-Up Generators or Prohibited Resources*	Portable and stationary generator use will be considered "emergency use" running from two hours prior to an event until one hour after an event

* After August 15 through October 31 a customer account with a BUG enrolled in ELRP, BIP, API, or CSEP is eligible for permitting relief per the Compliance Notice issued by the South Coast Air Quality Management Districts (SCAQMD). For more information, please review the [Compliance Advisory Notice](#)

What are the CSEP Eligibility Requirements?

Customer Eligibility Parameter	Details
Minimum (Incremental Load Reduction) kW Enrollment	At least 500 kW per hour (at the customer level)
Minimum Bid (Incremental Load Reduction)	100 kW per hour (per service account)
Eligible Participants	Non-Residential Customers (Bundled or Unbundled), except accounts serving cold ironing end uses
Dual Participation Eligibility:	
Net Energy Metering (NEM)	Not Allowed
Emergency Load Reduction Program (ELRP)	Not Allowed
Agricultural & Pumping Interruptible Program (AP-I)	Allowed, but not recommended. Please consider ELRP
Base Interruptible Program (BIP)	Allowed with restrictions
Summer Discount Plan (SDP) Program	Allowed with restrictions
Critical Peak Pricing (CPP)	Allowed
Capacity Bidding Program (CBP)	Not Allowed
Real-Time Pricing (RTP)	Allowed
3rd party Demand Response Providers (DRPs) or Aggregators	Not Allowed
Demand Response Auction Mechanism (DRAM)	Not Allowed
Local Capacity Resources (LCR's)	Not Allowed
Power Purchase Agreements (PPA's)	Not Allowed
Optional Binding Mandatory Curtailment (OBMC)	Allowed

CSEP Incremental Load Reduction

A customer's incremental load reduction will be calculated using a baseline. See details below.

CSEP Participation Type	Incremental Load Reduction Eligible for CSEP
<p>CSEP customer (not enrolled in any Demand Response program)</p>	<p>Incremental Load Reduction = reduction below the customer's baseline (for each CSEP event hour)</p>
<p>CSEP customer, also enrolled in BIP with a Firm Service Level (FSL) > 100 kW</p>	<ul style="list-style-type: none"> • Overlapping CSEP and BIP event hours: <ul style="list-style-type: none"> – Incremental Load Reduction = Reduction below FSL (for each overlapping hour) • CSEP event, but no BIP event: <ul style="list-style-type: none"> – Incremental Load Reduction = Reduction below baseline (for each CSEP event hour)
<p>CSEP customer, also enrolled in AP-I or SDP</p>	<ul style="list-style-type: none"> • Overlapping CSEP and AP-I/SDP event hours: <ul style="list-style-type: none"> – Incremental Load Reduction = None • CSEP event, but no AP-I/SDP event: <ul style="list-style-type: none"> – Incremental Load Reduction = Reduction below baseline (for each CSEP event hour)

What are the CSEP Enrollment Requirements?

- Execute a customer agreement
- Provide contact information to be used to receive event notifications
- Provide bid amount (weekday and weekend/holidays; can be same amount for both)
- Provide the following information about your backup generator(s):
 - Identify how much, for each generator, you intend to use during CSEP events
 - Provide information about each generator, including but not limited to:
 - Type
 - Portable or Stationary
 - Federal Emissions Tier
 - Generator Name Plate Capacity
 - Ramp Time
 - Fuel
 - Zip Code

Ensure Successful Participation

Your participation in CSEP is critical to ensuring continued reliability. Please review these tips to guarantee your enrollment can be processed quickly and your participation in events is seamless

Complete Enrollment Information Fully

- To avoid back and forth communications to obtain required enrollment information, please validate, prior to submittal, that the enrollment information is completed in its entirety

Check and Maintain Back-Up Generators or Prohibited Resources

- Back-up generators and/or prohibited resources that will be used for CSEP event participation should be checked and maintained prior to and throughout the program activation period
- Ensure there is adequate fuel supply in advance and that fuel supplies are maintained. There is a high likelihood of CSEP events being called on consecutive days

Provide Up-to-Date Contact Information

- Successful event participation in a CSEP is predicated on accurate contact information. Identify who within your organization has been identified as being critical to receive mobilization and event activation notifications

What's Next?

- Program details are currently being finalized with plans to begin enrollments August 15, 2021
- We are here to help answer any questions you have on the program or the enrollment process
- If you are interested in enrolling in the program, please let your account manager know or send an email to BCD.acctmgt.solutions@sce.com



THANK YOU!