

ELECTRIC RULE NO. 24/32
DIRECT PARTICIPATION DEMAND RESPONSE

CUSTOMER NOTIFICATION FORM LETTER

**FOR NON-UTILITY DEMAND RESPONSE PROVIDERS SERVING
RESIDENTIAL AND SMALL COMMERCIAL CUSTOMERS**

August 9, 2016

Dear Customer,

Chai Energy sends this letter by the order of the California Public Utilities Commission (“Commission” or “CPUC”) to all residential and small commercial customers¹ who have expressed interest in enrolling in Demand Response (“DR”) Services with a non-utility DR Provider (DRP). You have the right to choose to enroll in DR Service(s) with a non-utility DRP. This letter is only a summary and may not fully convey the terms and conditions of your contract.

SUMMARY OF YOUR DR SERVICE CONTRACT

Terms and Conditions

Incentive payment(s)	<i>Customers will be rewarded for their participation in Power Pay Days with variable points and variable monetary incentives.</i>
Response to a DR Event	<i>Participation is voluntary. There is no penalty for nonperformance, however, only participating customers will receive the incentive.</i>
Event Notification	<i>Customers will receive the first event notification approximately 24 hours before the event starts. In addition, customers can set subsequent event notifications based on their timing preference.</i>
Event Criteria	<i>An event will be triggered when the customer’s Proxy Demand Resource is dispatched on the CAISO Day Ahead Market.</i>
Event Period	<i>An event can be triggered on non-holiday weekdays from 1:00 p.m. – 6:00 p.m. during April through October and 4:00 p.m. – 9:00 p.m. during November through March.</i>
Number of Events	<i>The estimated number of events is 6 per year.</i>
Term(s) of DR Service	<i>Start and end dates are determined by the selections each customer made on his/her CISR-DRP form or GBC third-party authorization.</i>
Installed Equipment	<i>No equipment is required to download the Chai Lite mobile application or to participate in the Power Pay Day program. However, users can opt to upgrade to Chai Pro, which uses an energy monitoring device to deliver real-time energy use data to the mobile application. There is a one time fee for this device.</i>

¹ D.12-11-025, Ordering Paragraph 17.

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Meter Data Access	<i>The DRP will access meter, billing, program, customer and interval data after the customer completes and signs a CISR-DRP form or authorizes Chai Energy as an authorized third-party through Green Button Connect.</i>
Penalties for non-performance	<i>There are no penalties for non-performance.</i>
Your right to cancel	<i>Customers can disenroll from the demand response program at anytime without penalties or fees.</i>
Estimated Incentive Payments	<i>Customers will receive between \$0.50 and \$1 per kWh reduced during event hours. Customers can “cash out” at anytime.</i>
Additional Information	<i>Chai Energy users also agree to the Standard Terms of Service available at www.chaienergy.com/terms-dram and Customer Agreement available at www.chaienergy.com/customer-agreement</i>

[For customers enrolled in utility’s event-based demand response program(s):]

We would like to inform you that upon the enrollment in our Power Pay Day Program as of [date], utility will automatically disenroll your service account from Critical Peak Pricing and place it under an Otherwise Applicable Tariff (OAT). You should be aware that you may lose your bill protection under Critical Peak Pricing. Please contact Southern California Edison for more details on Critical Peak Pricing obligations and OAT provisions.

Attached please find additional customer information and a summary of CPUC rules on DR Services.

Sincerely yours,



Cole Hershkowitz
CEO, Chai Energy

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STATE OF CALIFORNIA

Edmund G. Brown Jr., Governor

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



IMPORTANT CUSTOMER INFORMATION



The DR Provider's (DRP's) letter provides only a summary of the terms and conditions. If you want more detail about the costs, terms, and conditions of your DR Service, read the complete terms and conditions in your contract with the non-utility DRP or by calling your DRP representative. Please read the DRP letter and the following information carefully prior to the commencement of DR service.

SUMMARY OF CPUC RULES ON DR SERVICES

The California Public Utilities Commission ("CPUC" or "Commission") adopted a set of rules, called Electric Rule 24/32, applicable to all DRPs providing DR Services to utilities' Bundled Service customers, which can be found on your utility's website². The following are some important highlights of Rule 24/32, and other applicable CPUC regulations:

DRP Registration

All non-utility DRPs must have a valid registration with the Commission and the California Independent System Operator (CAISO) prior to providing DR Service(s). Customers should confirm non-utility DRPs are properly registered and listed on the CPUC website, when considering the DR Services³.

Enrollment with Multiple DRPs or Utility DR Programs

The CPUC prohibits customer account registration with multiple DRPs at the CAISO for the same period or in DR Service with a non-utility DRP while simultaneously participating in a utility demand response program. You need to notify your DRP to disenroll you from your current DR Service or program prior to enrolling with another DRP for the same period.

By enrolling in a DR Service with a non-utility DRP, you understand that you must disenroll from your utility's demand response program(s). Disenrollment from the DR Services or utility's program(s) will be subject to any contractual or program obligations currently in effect with your current DR Service or your utility's demand response program(s)⁴.

² PG&E's Rule 24: http://www.pge.com/tariffs/tm2/pdf/ELEC_RULES_24.pdf

SCE's Rule 24: https://www.sce.com/NR/sc3/tm2/pdf/Rule_24.pdf

SDG&E's Rule 32: http://www.sdge.com/tm2/pdf/ELEC_ELEC-RULES_ERULE32.pdf

³ You may find registered non-utility DRPs on the CPUC website at: <http://www.cpuc.ca.gov/General.aspx?id=6306>

⁴ Please check with your utility or its website for a complete list of utility DR programs.

<http://www.cpuc.ca.gov/General.aspx?id=5926>

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If you are currently in the Critical Peak Pricing program, you will be automatically disenrolled from the program upon the enrollment of DR Service and the DRP successfully registering your service account in the CAISO's system. Your utility will place your service account under a new applicable rate schedule, e.g., Time of Use rate. You may lose bill protection under the Critical Peak Pricing program, which may affect your utility bills.

Meter Data Access

All non-utility DRPs must obtain customer approval in order to access your electric usage data and other personal information regarding your service account. Consent is provided through your utility's Customer Information Service Request (CISR-DRP) form, or other electronic means, if available. You may obtain the CISR-DRP form from your utility or non-utility DRP. The CISR-DRP form also allows you to revoke, at any time, any previously granted authorization, subject to any early termination provisions specified in your contract.

The CISR-DRP form provides you with options to authorize your DRP to access your data, including for a specified period of time or indefinitely, until revoked by you. If you make no election, your utility will assume that your authorization is for an indefinite period of time (per CPUC Resolution E-4599). With your permission, your DRP may also act as your agent to automatically revoke data transmittal on your behalf upon disenrollment from DR Service.

When discontinuing DR Service with your DRP, it will be YOUR responsibility to REVOKE authorization to STOP the transmittal of your energy usage data and other previously authorized personal information from your utility to the DRP.

Customer Privacy

Once you authorize disclosure of your energy usage data and other personal information to a non-utility DRP, the non-utility DRP is required to maintain the privacy and security of that data, subject to the Commission's privacy policies, your utility is not. The Commission's privacy policies can be found in Decisions (D.) 12-08-045 and 11-07-056-or by contacting your DRP.

Complaint Procedures

You have the option to file a complaint or action at the appropriate business court or agency. You may also file a formal complaint, informal complaint, or seek alternative dispute resolution (ADR) at the Commission regarding your DR Services.

Informal Complaint:

Before filing a formal complaint, a consumer may wish to resolve the matter informally by contacting the CPUC's Consumer Affairs Branch (CAB). CAB can assist consumers in resolving a matter with a DR Provider or a Utility by providing neutral evaluation of issues. CAB can also help consumers file an informal complaint.

Contact the Consumer Affairs Branch:

Before calling the Consumer Affairs Branch, review the information provided on "How To Prepare For Your Contact With CAB": <http://consumers.cpuc.ca.gov/howtoprepare/>

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Call 800-649-7570 (toll free) or 415-703-4973
TDD for speech and hearing impaired call 800-229-6846 (statewide).
Public telephone hours are between 8:30 a.m. and 4:30 p.m.

Submit an informal complaint online at: <http://consumers.cpuc.ca.gov/CAB>

Mail an informal complaint to:
Consumer Affairs Branch
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Formal Complaint:

Through the Formal Complaint procedure, the Commission can order the DRP to take corrective action, including reimbursements for non-payment for performance. It is important to note, however, that the Commission is not allowed to award damages for such things as personal injury, property damage, emotional distress, or loss of wages or profits. To request compensation for damages, the customer must file a claim in a civil court.

Privacy Notice

Whether or not your Formal Complaint is filed in paper form or electronically, Formal Complaints filed with the Commission become a public record and may be posted on the CPUC's website. Therefore, any information you provide in the Formal Complaint, including, but not limited to, your name, address, city, state, zip code, telephone number, email address and the facts of your case may be available on-line for later public viewing.

A formal complaint must be filed at the Commission. **If you need help with or have any questions about filing your formal complaint, contact the CPUC's Public Advisor's Office.**

CPUC Public Advisor's Office
505 Van Ness Avenue
San Francisco, CA 94102
Call 866-849-8390 (toll free) or 415-703-2074
public.advisor@cpuc.ca.gov
<http://consumers.cpuc.ca.gov/pao/>

Instructions for filing a formal complaint:
<http://consumers.cpuc.ca.gov/formalcomplaintinfo/>

Alternative Dispute Resolution Program (ADR)

ADR commonly describes processes, such as facilitation, negotiation, mediation, and early neutral evaluation to help disputants resolve a conflict without a formal decision by a court or agency. When successful, ADR may achieve results that a court or agency could not order, give the parties more ownership in the result, and reduce litigation and agency costs.

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The Administrative Law Judge (ALJ) Division administers the ADR program and trained, experienced ALJs serve as neutrals in the program.

ADR can occur at any time during a formal proceeding. The early use of ADR saves parties time and money and avoids unnecessary escalation of a dispute. On occasion, ADR may be available to help resolve disputes that are still informal and have yet to be filed as formal complaints. Most ADR sessions are completed in ½ to 2 days. Some ADR sessions continue over several weeks, with the parties meeting for a day or two at a time.

For additional information visit: http://www.cpuc.ca.gov/alternative_dispute_resolution/

USEFUL WEBSITES & CONTACT INFORMATION

California Public Utilities Commission

Consumer Affairs Branch
505 Van Ness Avenue
San Francisco, CA 94102
Call 800-649-7570 (toll free) or 415-703-4973
www.cpuc.ca.gov

Energy Division - DRP Registration Desk

FAQ on Demand Response Providers: <http://www.cpuc.ca.gov/General.aspx?id=6306>
DRP_Registration@cpuc.ca.gov

Southern California Edison Company (SCE)

SCE Customer Support: 800-655-4555, or SCE3rdPartyDRP@sce.com
SCE Rule 24: https://www.sce.com/NR/sc3/tm2/pdf/Rule_24.pdf

Chai Energy

Customer Support
525 S Hewitt Street
Los Angeles, CA 90013
Call 844-487-2424
Email support@chaienergy.com
www.chaienergy.com