



Electric Sample Form No. 79-1185
Cost Envelope Option NEM Agreement Appendix

Sheet 1

(N)

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**Please Refer to Attached
Sample Form**

Advice 4909-E
Decision 16-06-052

Issued by
Robert S. Kenney
Vice President, Regulatory Affairs

Date Filed September 2, 2016
Effective December 15, 2016
Resolution _____

Agreement Appendix Covering the Cost Envelope Option for the NEM Eligible Generating Facility Completing the Fast Track Initial Review or Supplemental Review, or Independent Study Process***(To Be Added to the Applicable Rule 21 Generator Interconnection Agreement for the Generating Facility)***

This Appendix is for use by Applicants who have selected the Cost Envelope Option pursuant to Rule 21 Section E.7 and interconnecting Net Energy Metering (NEM) Generating Facilities, which includes Generating Facilities taking service under Schedule NEM or NEM2 (including NEMA, NEM2A, NEMMT, NEM2MT, the California Department of Corrections and Rehabilitation, CDCR or The Armed Forces as described in Schedule NEM or NEM2), Schedules NEMV or NEM2V, Schedules NEMVMASH or NEM2VMASH, and Schedule NEMFC (including NEMFCA and NEMMT as described in Schedule NEMFC.) (For Non-NEM Applicants who have selected the Cost Envelope Option for interconnecting NEM Generating Facilities, see Form 79-1183.)

Under a five year pilot program, a Generator Interconnection Applicant applying for interconnection under Pacific Gas And Electric Company's (PG&E's) Electric Rule 21 Fast Track or Independent Study Processes has the option to request that interconnection cost estimates be performed under the Cost Envelope Option (CE Option), as described in Rule 21, Section E.7 and elsewhere, pursuant to Decision (D.) 16-06-052, provided the option conditions are met.

Under the CE Option, an Applicant's interconnection cost liability is limited to an envelope of 25% above and below PG&E's estimated interconnection costs. The Cost Envelope will be applied to the estimated costs subject to the Cost Envelope provided by PG&E in this appendix as a part of the Generator Interconnection Agreement (GIA).

Note that costs associated with required:

- environmental studies,
- environmental mitigation,
- permits, or
- easements

related to the construction and installation of interconnection facilities or distribution system upgrades are excluded from the Cost Envelope.

Network Upgrades interconnection costs are also excluded from the Cost Envelope. Allocation of such costs is governed by the California Independent System Operator's (CAISO) / Federal Energy Regulatory Commission (FERC) jurisdictional tariff.

Site specific description of Interconnection Facilities, Distribution Upgrades, and Network Upgrades as well as associated Cost of Ownership and Applicable Taxes Subject to the Cost Envelope Option and Outside the Cost Envelope Option for the Generating Facility is attached. (Excluding certain costs outside utility control as noted above and in Rule 21 E.7)

This Appendix shall at all times be subject to such changes or modification by the CPUC as said Commission may, from time to time, direct in the exercise of its jurisdiction.