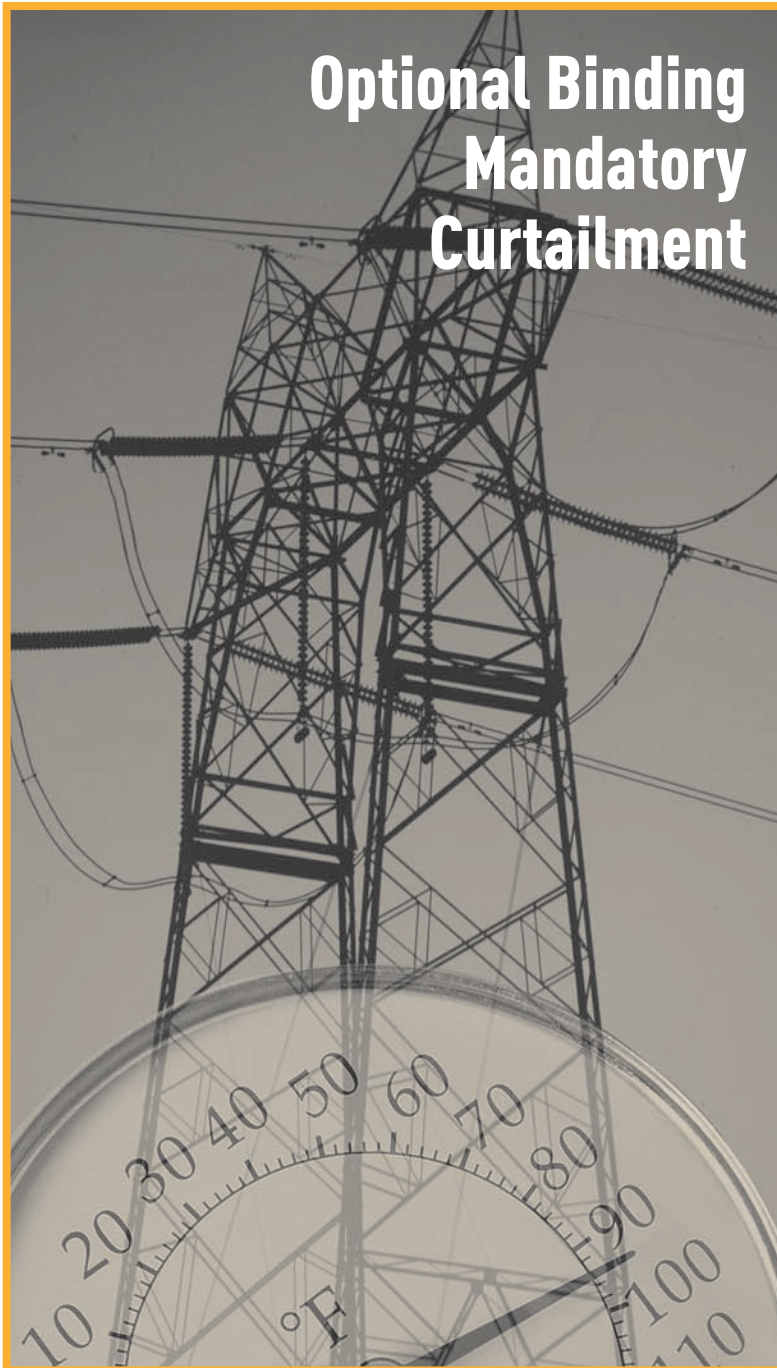


DEMAND RESPONSE **2007**



*A program that exempts
you from rotating
outages during tight
demand periods.*



Does your business demand an electric power supply that is on all the time? Do you have production lines that are very sensitive to power disruptions? Are you in a tight supply or transmission congestion zone?



Under the Optional Binding Mandatory Curtailment (E-OBMC) Program, you can be exempted from any potential rotating outages if you agree to reduce the load on the entire electric circuit that serves your facility, when requested. There are no financial incentives for participating in the E-OBMC program—instead your benefit is the exemption from rotating outages.

If power that's always on is crucial for your business, consider the Optional Binding Mandatory Curtailment Program.

PROGRAM DETAILS

- Notice of required load reductions will be issued whenever the California Independent System Operator (CAISO) calls for rotating outages in PG&E service territory
- PG&E will notify you of the required load reductions—ranging from 5% to 15%—along with the start and end times of an E-OBMC event
- E-OBMC events may occur on any day, and there are no limits to their frequency or duration
- You are expected to reduce your circuit's load to the required level within 15 minutes of notification
- E-OBMC exempts participants from “block progression” rotating outages—those based on supply constraints—but participation is not a guarantee against a rotating outage that may be caused by daily, localized emergency circuit switching
- Each year you must submit a load reduction plan showing how you will achieve the necessary reduction
- You are responsible for all costs necessary to participate in the E-OBMC program, and there are penalties for not complying with plan curtailments

Load reduction levels for this program are calculated as a percentage of the baseline on your circuit. You will be asked to reduce the load on your circuit to a specific level during each event.

If you share an electric circuit with other PG&E customers and you are the E-OBMC lead customer, you will need to work with the affected customers to ensure that the load reductions for the entire circuit meet the program requirements.

E-OBMC events may be called on weekdays, holidays, or weekends, and your baseline for each period will be determined by the average hourly usage on the circuit on similar days. For instance, if an E-OBMC event is called on a business day, the 10 prior business days will be used as the baseline (excluding any day when an E-OBMC curtailment occurred). You may exclude a limited number of days from the baseline in advance, for example for ramp-up and ramp-down operations, by identifying them in your annual E-OBMC load reduction plan.

ELIGIBILITY

You qualify for E-OBMC if you meet all of the following requirements:

- Receive bundled service from PG&E or are a direct access service customer in PG&E service territory
- Can reduce electric load on a PG&E circuit or dedicated substation to a specified level within 15 minutes of notification
- Can achieve a 15% load reduction from your established baseline
- File your E-OBMC load reduction plan annually

The load reduction plan must show how you will reduce up to 15% of your circuit load below the prior year's average monthly peak circuit demand, adjusted for any major changes in loads on the circuit.

INCENTIVES AND PENALTIES

The incentive for participating in E-OBMC is protection against certain kinds of power disruptions. However, if you are not able to reduce your load to the level specified in each notice, you will be subject to a penalty of \$6 for each kilowatt hour above your power reduction commitment. For example, if your average load is 1000 kilowatts and you do not comply with a notice to reduce load to a maximum of 95%, you will be subject to a charge for each kilowatt over 950 kilowatts for each hour during the duration of the event.

Participation in E-OBMC may be terminated for failure to reduce load a second time during a 1-year period. Customers terminated for non-compliance are not permitted to participate for a period of 5 years.

EQUIPMENT REQUIREMENTS

If you are the only customer on your circuit, standard interval metering may be sufficient for you to participate in the program. For multi-customer circuits, substation-level metering will be required. In either event, program participants will pay the cost of any additional required metering equipment. PG&E will facilitate communications between customers on a shared electric circuit for the purposes of participating in this program.

ENERGY MANAGEMENT TOOLS

If your demand is 200 kilowatts or greater and you have an interval meter, PG&E will provide, free of charge, access to your account information through InterAct. This is a powerful online service through which you can monitor and analyze your energy usage on a next-day basis to optimize your participation in E-OBMC, as well as your daily energy use.

EVENT NOTIFICATION

You will be notified of an E-OBMC event through the e-mail address and text messaging device you designate.

CONCURRENT PARTICIPATION IN OTHER PROGRAMS

The E-OBMC Program does permit concurrent participation in the Business Energy Coalition, Demand Bidding Program, and the Capacity Bidding Program. However, customers participating in those programs will not be paid for load reduction during E-OBMC operations. E-OBMC participants may participate, with limitations, in some other PG&E's and Third Party's reliability and demand response programs. Ask your PG&E representative about the opportunities and restrictions.

ENERGY MANAGEMENT INTEGRATION

Energy efficiency and demand reduction can work hand-in-hand to help you reduce your energy costs. If you have installed special control systems as part of your energy efficiency upgrades, you may find the E-OBMC program especially easy to participate in. For example, you can pre-program your energy management system to automatically enable predetermined load reduction strategies that correspond with the amount of load relief that is being requested.

With new projects, some measures that provide energy efficiency benefits and enable demand response qualify for both energy efficiency and demand response incentives, making these investments especially financially attractive.

N E X T S T E P

Contact your PG&E representative or call our Business Customer Service Center at 800-468-4743 to determine whether this program meets your requirements and find out how it would complement other programs in your Integrated Energy Management portfolio.

This program is offered in accordance with Schedule E-OBMC and approved by the California Public Utilities Commission. Additional and important details are available from your PG&E representative and on PG&E's Web site pge.com/DemandResponse.

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