

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



February 15, 2006

Advice Letter 2759-E

Rose de la Torre
Pacific Gas & Electric
77 Beale Street, Room 1088
Mail Code B10C
San Francisco, CA 94105

Subject: Revisions to Schedule NEMBIO – Net Energy Metering Service for Biogas
Customer-Generatoors

Dear Ms de la Torre:

Advice Letter 2759-E is effective January 1, 2006. A copy of the advice letter is returned herewith
for your records.

Sincerely,

Sean H. Gallagher, Director
Energy Division

REGULATORY RELATIONS	
Tariffs Section	
M Brown	D Poster
R Dela Torre (2)	S Ramaiya (1)
B Lam	
FEB 24 2006	
Records	
Return to	File
cc to	



**Pacific Gas and
Electric Company®**

Brian K. Cherry
Director
Regulatory Relations

77 Beale Street, Room 1087
San Francisco, CA 94105

Mailing Address
Mail Code B10C
Pacific Gas and Electric Company
P.O. Box 770000
San Francisco, CA 94177

415.973.4977
Internal: 223.4977
Fax: 415.973.7226
Internet: BKC7@pge.com

December 21, 2005

Advice 2759-E

(Pacific Gas and Electric Company ID U 39 E)

**Subject: Revisions to Schedule NEMBIO – Net Energy Metering Service for
Biogas Customer-Generators**

Public Utilities Commission of the State of California

Pacific Gas and Electric Company (PG&E) hereby submits for filing revisions to its electric tariffs. The affected tariff sheets are listed on the enclosed Attachment I.

Purpose

The purpose of this filing is to implement various changes, including revising the “repeal date” on the biogas digester net energy metering rate schedule NEMBIO and the accompanying interconnection agreement Form 79-997, in accordance with Assembly Bill (AB) 728.

Background

Existing law under Public Utilities Code Section 2827.9, until January 1, 2006, requires PG&E to offer a standard tariff to provide for net energy metering for eligible biogas digester customer-generators. Assembly Bill 728, signed by the Governor on September 29, 2005, revises the January 1, 2006, repeal date. AB 728 provides that 1) no biogas digester electrical generating facility would be eligible for participation in the tariff that has not commenced operation by December 31, 2009 and 2) biogas digester customer-generators remain eligible for the tariff only for the operating life of the eligible biogas digester electrical generating facility.

Additionally, Ordering Paragraph 4 of Decision (D.) 05-08-013 orders the Rule 21 Working Group to develop proposed rules for Distributed Generation (DG) interconnections to distribution systems having a network configuration. PG&E has added wording to advise customers before starting projects that would interconnect in such locations, that they should first contact PG&E because the requirements for such interconnections have not yet been fully defined.

Tariff Revisions

The following changes were made to the Rate Schedule NEMBIO tariff sheet as a result of AB 728 and D.05-08-013:

- 1) Revised the language related to the total rated generation capacity from:

"Pursuant to PU Code Section 2827.9, this Schedule is available on a first-come, first serve basis and will be closed to new customers once 5,000 kW of rated generating capacity is served under this Schedule and will expire on January 1, 2006, unless extended by legislation."

to the new language based on AB 728:

"Pursuant to PU Code Section 2827.9, this Schedule is available on a first-come, first serve basis and will be closed to new customers once the combined statewide cumulative rated generating capacity used by the eligible biogas digester customer-generators in the service territories of the three largest electrical corporations in the state reaches 50,000 kW."

- 2) Removed the old repeal date and added language for the new date by which a generator must be begin operation:

"No Biogas Customer-Generator shall be eligible for participation on NEMBIO that has not commenced operation by December 31, 2009."

- 3) Added AB 728 language "grandfathering" existing units as of December 31, 2009 for the life of the generating facility:

"A biogas digester customer-generator shall be eligible for the tariff established pursuant to this section, only for the operating life of the Biogas Customer-Generator."

- 4) Added a paragraph in accordance AB 728 allowing three biogas generating facilities that are greater than 1,000 kW but not more than 10,000 kW:

"Notwithstanding the generating capacity limit of up to 1,000 kW, in the service territories of the three largest electrical corporations in the state, up to three large Biogas Customer-Generators with a generating capacity of more than 1,000 kW and not more than 10,000 kW, otherwise meeting the criteria above, shall be eligible for NEMBIO."

- 5) Language regarding interconnection to a network distribution system was added to the Applicability section:

"Customers with Biogas Customer-Generators requesting interconnections

in portions of San Francisco and Oakland where PG&E has a network grid must contact PG&E about generation export limitations.”

- 6) Added new language from PU Code Section 2827.9 (g) stating:

“As required by PU Code Section 2827.9, no Biogas Customer-Generator that is subject to the best available control technology (BACT) requirements shall be eligible for participation in NEMBIO unless the Biogas Customer-Generator has installed the best available control technology as required by the regional air pollution control district at the time of installation to ensure the maximum feasible reductions in toxic and criteria pollutants.”

On the interconnection agreement form 79-997 used with Rate Schedule NEMBIO, the following changes were made:

- 1) In section 5.1 the expiration date was revised to read:

“This Agreement shall become effective as of the last date entered in Section 18, below, which shall be no later than 12/31/09. The Agreement shall continue in full force and effect until the earliest date that one of the following events occurs: ...”

- 2) Also, in section 5.1, subsection (d) the following condition was added regarding the term of the agreement:

“The end of the operating life of the eligible biogas digester electrical generating facility.”

- 3) Finally, in section 5.2, subsection (c), the expiration date was revised to read:

“Biogas Customer-Generator fails to interconnect and operate the Generating Facility per the terms of this Agreement prior to January 1, 2010; or, ...”

- 4) A new Appendix D was added to note:

No Biogas Customer-Generator that is subject to the best available control technology (BACT) requirements shall be eligible for participation on NEMBIO unless the Biogas Customer-Generator has installed the best available control technology as required by the regional air pollution control district at the time of installation to ensure the maximum feasible reductions in toxic and criteria pollutants.

- 5) Contact addresses for PG&E were updated.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **January 10, 2005**, which is 20 days from the date of this filing. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. Protests should be mailed to:

CPUC - Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: jjr@cpuc.ca.gov and jjj@cpuc.ca.gov

Protests also should be sent by e-mail and facsimile to Mr. Jerry Royer, Energy Division, as shown above, and by U.S. mail to Mr. Royer at the above address.

The protest should be sent via both e-mail and facsimile to PG&E on the same date it is mailed or delivered to the Commission at the address shown below.

Pacific Gas and Electric Company
Attention: Brian Cherry
Director, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-7226
E-mail: PGETariffs@pge.com

Effective Date

PG&E requests that this advice filing become effective **January 1, 2006**, in compliance with AB 728.

Notice

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this advice letter is being sent electronically and sent via U.S. mail to parties shown on the attached list and Service List R.04-03-017. Address change requests should also be directed to Rose de la Torre at (415) 973-4716. Advice letter filings can be accessed electronically at:

<http://www.pge.com/tariffs>

Brian K. Cherry
Director, Regulatory Relations

Attachments

cc: Service List R.04-03-017

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. Pacific Gas and Electric Company (ID39G)

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Shilpa Ramaiya

Phone #: (415) 973- 3186

E-mail: srrd@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **2759-E**

Subject of AL: Revisions to Schedule NEMBIO – Net Energy Metering Service for Biogas Customer-Generators

Keywords (choose from CPUC listing): Forms, Text Changes

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: N/A

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: N/A

Summarize differences between the AL and the prior withdrawn or rejected AL¹: _____

Resolution Required? Yes No

Requested effective date: **01-01-06**

No. of tariff sheets: 5

Estimated system annual revenue effect: (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: Schedule NEMBIO

Service affected and changes proposed¹: Compliance with AB 728 and D.05-08-013

Pending advice letters that revise the same tariff sheets: N/A

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division

Utility Info (including e-mail)

Attention: Tariff Unit

505 Van Ness Ave.,

San Francisco, CA 94102

jjr@cpuc.ca.gov and jnj@cpuc.ca.gov

¹ Discuss in AL if more space is needed.

**ATTACHMENT 1
Advice 2759-E**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
24060-E	Schedule NEMBIO--Net Energy Metering Service for Biogas Customer-Generators	22675-E
24061-E	Form 79-997--Interconnection Agreement for Net Energy Metering of Qualifying Biogas Digester Generating Facilities	22697-E
24062-E	Table of Contents -- Sample Forms	23921-E
24063-E	Table of Contents -- Rate Schedules	24039-E
24064-E	Table of Contents -- Rate Schedules	22702-E



Pacific Gas and Electric Company
San Francisco, California

Original
Cancelling

Original

Cal. P.U.C. Sheet No.

24061-E

Cal. P.U.C. Sheet No.

22697-E

PACIFIC GAS AND ELECTRIC COMPANY
INTERCONNECTION AGREEMENT FOR NET ENERGY METERING
OF QUALIFYING BIOGAS DIGESTER GENERATING FACILITIES
FORM NO. 79-997 (REV. 12/05)
(ATTACHED)

(T)

Advice Letter No. 2759-E

Decision No.

101812

Issued by
Thomas E. Bottorff
Senior Vice President
Regulatory Relations

Date Filed December 21, 2005

Effective January 1, 2006

Resolution No. _____



WE DELIVER ENERGY.™

This "Interconnection Agreement for Net Energy Metering of Qualifying Biogas Digester Generating Facilities" ("Agreement") is entered into by and between _____ ("Biogas Customer-Generator"), and Pacific Gas and Electric Company ("PG&E"), a California Corporation. Biogas Customer-Generator and PG&E are sometimes also referred to in this Agreement jointly as "Parties" or individually as "Party." In consideration of the mutual promises and obligations stated in this Agreement and its attachments, the Parties agree as follows:

1. SCOPE AND PURPOSE

This Agreement provides for Biogas Customer-Generator to interconnect and operate an Eligible Biogas Digester Electrical Generating Facility in parallel with PG&E's Distribution System to serve the electrical loads connected to the electric service account that PG&E uses to interconnect Biogas Customer-Generator's Generating Facility. Biogas Customer-Generator's Generating Facility is intended primarily to offset part or all of the Biogas Customer-Generator's own electrical requirements. Consistent with, and in order to effectuate, the provisions of Section 2827.9 of the California Public Utilities Code and Pacific Gas and Electric Company's electric rate Schedule NEMBIO ("NEMBIO"), Parties enter into this Agreement. This Agreement applies to the Biogas Customer-Generator's Generating Facilities identified below with the specified characteristics and generating capacity, and does not allow interconnection or operation of facilities different than those described.

2. SUMMARY AND DESCRIPTION OF BIOGAS CUSTOMER-GENERATOR'S GENERATING FACILITY AND DESIGNATION OF OTHERWISE-APPLICABLE-RATE SCHEDULE.

2.1 A description of the Generating Facility, including a summary of its significant components and a single-line diagram showing the general arrangement of how Biogas Customer-Generator's Eligible Biogas Digester Electrical Generating Facility and loads are interconnected with PG&E's Distribution System, are attached to, and made a part of this Agreement. (This description is supplied by Biogas Customer-Generator as Appendix A).

2.2 Generating Facility identification number: _____ (Assigned by PG&E)

2.3 Biogas Customer-Generator's electric service account number: _____ (Assigned by PG&E)

2.4 Name and address used by PG&E to locate the electric service account used to interconnect the Eligible Biogas Digester Electrical Generating Facility with PG&E's Distribution System:

Name: _____

Address: _____

City/Zip Code: _____

INTERCONNECTION AGREEMENT FOR NET ENERGY METERING OF BIOGAS DIGESTER GENERATING FACILITIES

- 2.5 The Gross Nameplate Rating of the Generating Facility is: _____ kW.
- 2.6 The Net Nameplate Rating of the Generating Facility is _____ kW.
- 2.7 The expected annual energy production of the Generating Facility is _____ kWh.
- 2.8 The Generating Facility's expected date of Initial Operation is _____.
The expected date of Initial Operation shall be within two years of the date of this Agreement.
- 2.9 Biogas Customer-Generator's otherwise-applicable-rate schedule as of the execution of this Agreement is _____.

3. DOCUMENTS INCLUDED; DEFINED TERMS

- 3.1 This Agreement includes the following exhibits which are specifically incorporated herein and made a part of this Agreement.

- Appendix A Description of Generating Facility and Single-Line Diagram (Supplied by Biogas Customer-Generator)
- Appendix B A Copy of PG&E's Agreement for Installation of Allocation of Special Facilities for Parallel Operation of Nonutility-Owned Generation and/or Electrical Standby Service (Form 79-280) ("Special Facility Agreement"), if applicable, (Formed by the Parties).
- Appendix C List of qualifying accounts eligible for aggregation under Special Condition 2 of Schedule NEMBIO (if applicable).
- Appendix D Affidavit from Customer-Generator warranting that the Customer Generator's Eligible Biogas Digester Electrical Generating Facility Complies with the BACT requirements of PUC Code Section 2827.9 (if applicable).

In addition PG&E Electric Tariff Rules and Rates, including but not limited to Electric Rules 2, 14, 15, 16, and 21, Schedule NEMBIO, and Biogas Customer-Generator's otherwise applicable rate schedule, available at PG&E's web-site at www.pge.com, or by request, are specifically incorporated herein and made part of this Agreement.

- 3.2 When initially capitalized, whether in the singular or in the plural, the terms used herein shall have the meanings assigned to them either in this Agreement, or in PG&E's Rule 21, Section H, or in Schedule NEMBIO.

4. CUSTOMER BILLING AND PAYMENT OPTIONS

Biogas Customer-Generator initially selects Pacific Gas and Electric Company's electric rate schedule referenced in Section 2.9 of this Agreement as its otherwise-applicable rate schedule. Biogas Customer-Generator understands that they will be billed according to Schedule NEMBIO.

As provided under Special Condition 2 of Schedule NEMBIO, dairy operations may aggregate

the electric load of other qualifying accounts. Exhibit C of this Agreement lists all accounts that qualify for this provision. Exhibit C may be modified from time to time by mutual consent of the Parties. Biogas Customer-Generator must provide PG&E with at least 60 days Notice pursuant to Section 11 of this Agreement, of proposed changes to Exhibit C.

5. TERM AND TERMINATION

5.1 This Agreement shall become effective as of the last date entered in Section 18, below, which shall be no later than 12/31/09. The Agreement shall continue in full force and effect until the earliest date that one of the following events occurs:

- (a) The Parties agree in writing to terminate the Agreement.
- (b) Unless otherwise agreed in writing by the Parties, at 12:01 A.M. on the day following the date the electric service account through which Biogas Customer-Generator's Generating Facility is interconnected to PG&E's Distribution System is closed or terminated.
- (c) At 12:01 A.M. on the 61st day after Biogas Customer-Generator or PG&E provides written Notice pursuant to Section 11 below to the other Party of Biogas Customer-Generator's or PG&E's intent to terminate this Agreement.
- (d) The end of the operating life of the eligible biogas digester electrical generating facility.

5.2 Biogas Customer-Generator may elect to terminate this Agreement pursuant to the terms of Section 5.1(c) for any reason. PG&E may elect to terminate this Agreement pursuant to the terms of Section 5.1(c) for one or more of the following reasons:

- (a) A change in applicable rules, tariffs, and regulations, as approved or directed by the Commission, or a change in any local, state or federal law, statute or regulation, either of which materially alters or otherwise affects PG&E's ability or obligation to perform PG&E's duties under this Agreement; or,
- (b) Biogas Customer-Generator fails to take all corrective actions specified in PG&E's Notice that Biogas Customer-Generator's Generating Facility is out of compliance with the terms of this Agreement within the time frame set forth in such Notice; or,
- (c) Biogas Customer-Generator fails to interconnect and operate the Generating Facility per the terms of this Agreement prior to January 1, 2010; or,
- (d) Biogas Customer-Generator abandons the Generating Facility. PG&E shall deem the Generating Facility to be abandoned if PG&E determines, in its sole opinion, the Generating Facility is non-operational and Biogas Customer-Generator does not provide a substantive response to PG&E Notice of its intent to terminate this Agreement as a result of Biogas Customer-Generator's apparent abandonment of the Generating Facility affirming Biogas Customer-Generator's intent and ability to continue to operate the Generating Facility; or,
- (e) Biogas Customer-Generators facility ceases to meet all applicable safety and performance standards set out in Section 6.

5.3 Notwithstanding any other provisions of this Agreement, PG&E shall have the right to

unilaterally file with the Commission, pursuant to the Commission's rules and regulations, an application to terminate this Agreement.

- 5.4 Any agreements attached to and incorporated into this Agreement shall terminate concurrently with this Agreement unless the Parties have agreed otherwise in writing.

6 GENERATING FACILITY REQUIREMENTS:

- 6.1 Biogas Customer-Generator's generator must meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories such as Underwriters Laboratories and, where applicable rules of the Public Utilities Commission regarding safety and reliability.
- 6.2 Biogas Customer-Generator shall: (a) maintain the Facility and Interconnection Facilities in a safe and prudent manner and in conformance with all applicable laws and regulations including, but not limited to, Section 6.1, and (b) obtain any governmental authorizations and permits required for the construction and operation of the Facility and interconnection facilities. Biogas Customer-Generator shall reimburse Pacific Gas and Electric Company for any and all losses, damages, claims, penalties, or liability it incurs as a result of Biogas Customer-Generator's failure to obtain or maintain any governmental authorizations and permits required for construction and operation of Biogas Customer-Generator's Facility.
- 6.3 Biogas Customer-Generator shall not commence parallel operation of the Facility until Pacific Gas and Electric Company has provided written approval to the Biogas Customer-Generator to do so. No such approval shall be provided until at least ten (10) working days following the utility's receipt of the inspection clearance of the governmental authority having jurisdiction. Such approval shall not be unreasonably withheld. Pacific Gas and Electric Company shall have the right to have representatives present at the initial testing of Biogas Customer-Generator's protective apparatus. Biogas Customer-Generator shall notify the utility five (5) working days prior to the initial testing.
- 7.2 The Biogas Customer-Generator warrants that they are the recipient of local, state, or federal funds; or they self-finance pilot projects designed to encourage the development of eligible biogas digester electrical generating facilities.

7. INTERCONNECTION FACILITIES

- 7.1 Biogas Customer-Generator and/or PG&E, as appropriate, shall provide Interconnection Facilities that adequately protect PG&E's Distribution System, personnel, and other persons from damage or injury, which may be caused by the operation of Biogas Customer-Generator's Generating Facility.
- 7.2 Biogas Customer-Generator shall be solely responsible for the costs, design, purchase, construction, operation, and maintenance of the Interconnection Facilities that Biogas Customer-Generator owns.
- 7.3 If the provisions of PG&E's Electric Rule 21, or any other tariff or rule approved by the Commission, requires PG&E to own and operate a portion of the Interconnection Facilities, Biogas Customer-Generator and PG&E shall promptly execute an Special

Facilities Agreement that establishes and allocates responsibility for the design, installation, operation, maintenance, and ownership of the Interconnection Facilities. This Special Facilities Agreement shall be attached to and made a part of this Agreement as Appendix B.

8. LIMITATION OF LIABILITY

Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages of any kind whatsoever.

9. INSURANCE

9.1 In connection with Customer-Generator's performance of its duties and obligations under this Agreement, Customer-Generator shall maintain, during the term of this Agreement, general liability insurance with a combined single limit of not less than:

- (a) Two million dollars (\$2,000,000) for each occurrence if the Gross Nameplate Rating of Producer's Generating Facility is greater than one hundred (100) kW;
- (b) One million dollars (\$1,000,000) for each occurrence if the Gross Nameplate Rating of Producer's Generating Facility is greater than twenty (20) kW and less than or equal to one-hundred (100) kW; and
- (c) Five hundred thousand dollars (\$500,000) for each occurrence if the Gross Nameplate Rating of Producer's Generating Facility is twenty (20) kW or less.
- (d) Two hundred thousand dollars (\$200,000) for each occurrence if the Gross Nameplate Rating of Producer's Generating Facility is ten (10) kW or less and Producer's Generating Facility is connected to an account receiving residential service from PG&E.

Such insurance shall include coverage for "Premises-Operations, Owners and Contractors Protective, Products/Completed Operations Hazard, Explosion, Collapse, Underground, Contractual Liability, and Broad Form Property Damage including Completed Operations."

9.2 The general liability insurance required in this Section shall, by endorsement to the policy or policies, (a) include PG&E as an additional insured; (b) contain a severability of interest clause or cross-liability clause; (c) provide that PG&E shall not by reason of its inclusion as an additional insured incur liability to the insurance carrier for payment of premium for such insurance; and (d) provide for thirty (30) calendar days' written notice to PG&E prior to cancellation, termination, alteration, or material change of such insurance.

9.3 If Biogas Customer-Generator's Generating Facility is connected to an account receiving residential service from PG&E and the requirement of Section 9.2(a) prevents Biogas Customer-Generator from obtaining the insurance required in this

**INTERCONNECTION AGREEMENT FOR NET ENERGY METERING OF BIOGAS DIGESTER GENERATING
FACILITIES**

Section, then upon Biogas Customer-Generator's written Notice to PG&E in accordance with Section 11.1, the requirements of Section 9.2(a) shall be waived.

- 9.4 Evidence of the insurance required in Section 9.2 shall state that coverage provided is primary and is not in excess to or contributing with any insurance or self-insurance maintained by PG&E.
- 9.5 Biogas Customer-Generator agrees to furnish the required certificates and endorsements to PG&E prior to Initial Operation. PG&E shall have the right to inspect or obtain a copy of the original policy or policies of insurance.
- 9.6 If Biogas Customer-Generator is self-insured with an established record of self-insurance, Biogas Customer-Generator may comply with the following in lieu of Section 9.2:
- (a) Biogas Customer-Generator shall provide to, PG&E, at least thirty (30) calendar days prior to the date of Initial Operation, evidence of an acceptable plan to self-insure to a level of coverage equivalent to that required under Section 9.1.
 - (b) If Biogas Customer-Generator ceases to self-insure to the level required hereunder, or if Biogas Customer-Generator is unable to provide continuing evidence of Biogas Customer-Generator's ability to self-insure, Biogas Customer-Generator agrees to immediately obtain the coverage required under Section 9.1.
- 9.7 All insurance certificates, statements of self insurance, endorsements, cancellations, terminations, alterations, and material changes of such insurance shall be issued and submitted to the following:

Pacific Gas and Electric Company
Attn: Manager, Generation Interconnection Services.
PO Box 770000
Mail Code N7L
San Francisco, California 94177

10 INDEMNITY FOR FAILURE TO COMPLY WITH INSURANCE PROVISIONS

- 10.1 If Biogas Customer-Generator fails to comply with the insurance provisions of this Agreement, Biogas Customer-Generator shall, at its own cost, defend, save harmless and indemnify Pacific Gas and Electric Company, its directors, officers, employees, agents, assignees, and successors in interest from and against any and all loss, liability, damage, claim, cost, charge, demand, or expense of any kind or nature (including attorney's fees and other costs of litigation) resulting from the death or injury to any person or damage to any property, including the personnel and property of the utility, to the extent that the utility would have been protected had Biogas Customer-Generator complied with all such insurance provisions. The inclusion of this Section 10.1 is not intended to create any expressed or implied right in Biogas Customer-Generator to elect not to provide any such required insurance.
- 10.2 The provisions of this Section 10 shall not be construed to relieve any insurer of its obligations to pay any insurance claims in accordance with the provisions of any valid

insurance policy.

11 NOTICES

- 11.1 Any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person or sent by first class mail, postage prepaid, to the person specified below:

If to PG&E: Pacific Gas and Electric Company
Attention: Business Customer Services
P.O. Box 770000
Mail Code B19H
San Francisco, California 94177
Phone: (800) 468-4743
FAX: (415) 972-5309

If to Biogas Customer-Generator:

Biogas Customer-Generator Name: _____

Address: _____

City: _____

Phone: () _____

FAX: () _____

- 11.2 A Party may change its address for Notices at any time by providing the other Party notice of the change in accordance with Section 11.1.
- 11.3 The Parties may also designate operating representatives to conduct the daily communications, which may be necessary or convenient for the administration of this Agreement. Such designations, including names, addresses, and phone numbers may be communicated or revised by one Party's Notice to the other.

12. REVIEW OF RECORDS AND DATA

- 12.1 PG&E shall have the right to review and obtain copies of Biogas Customer-Generator's operations and maintenance records, logs, or other information such as, Generation Unit availability, maintenance outages, circuit breaker operation requiring manual reset, relay targets and unusual events pertaining to Biogas Customer-Generator's Generating Facility or its interconnection with PG&E's Distribution System.
- 12.2 Biogas Customer-Generator authorizes to release to the California Energy Commission (CEC) information regarding Biogas Customer-Generator's facility, including customer name, location, size, and operational characteristics of the unit, as requested from time to time pursuant to the CEC's rules and regulations.

13. ASSIGNMENT

Biogas Customer-Generator shall not voluntarily assign its rights nor delegate its duties under this Agreement without PG&E's written consent. Any assignment or delegation Biogas Customer-Generator makes without PG&E's written consent shall not be valid. PG&E shall not unreasonably withhold its consent to Biogas Customer-Generator's assignment of this Agreement.

14. NON-WAIVER

None of the provisions of this Agreement shall be considered waived by a Party unless such waiver is given in writing. The failure of a Party to insist in any one or more instances upon strict performance of any of the provisions of this Agreement or to take advantage of any of its rights hereunder shall not be construed as a waiver of any such provisions or the relinquishment of any such rights for the future, but the same shall continue and remain in full force and effect.

15. GOVERNING LAW, JURISDICTION OF COMMISSION, INCLUSION OF PG&E's TARIFF SCHEDULES AND RULES

15.1 This Agreement shall be interpreted, governed, and construed under the laws of the State of California as if executed and to be performed wholly within the State of California without giving effect to choice of law provisions that might apply to the law of a different jurisdiction.

15.2 This Agreement shall, at all times, be subject to such changes or modifications by the Commission as it may from time to time direct in the exercise of its jurisdiction.

15.3 The interconnection and services provided under this Agreement shall at all times be subject to the terms and conditions set forth in the Tariff Schedules and Rules applicable to the electric service provided by, PG&E, which Tariff Schedules and Rules are hereby incorporated into this Agreement by this reference.

15.4 Notwithstanding any other provisions of this Agreement, PG&E shall have the right to unilaterally file with the Commission, pursuant to the Commission's rules and regulations, an application for change in rates, charges, classification, service, tariff or rule or any agreement relating thereto.

16. AMENDMENT AND MODIFICATION

This Agreement can only be amended or modified by a writing signed by both Parties.

17. ENTIRE AGREEMENT

This Agreement, including any incorporated Tariff Schedules and rules, contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter of this Agreement. Each party also represents that in entering into this Agreement, it has not relied on any promise, inducement, representation, warranty, agreement or other statement not set forth in this Agreement or in the incorporated tariff schedules and rules.

18 SIGNATURES

IN WITNESS WHEREOF, the Parties hereto have caused two originals of this Agreement to be executed by their duly authorized representatives. This Agreement is effective as of the last date set forth below.

BIOGAS CUSTOMER-GENERATOR'S
NAME

PACIFIC GAS AND ELECTRIC COMPANY

By: _____

By: _____

Name _____

Name: _____

Title: _____

Title: Manager,
Generation Interconnection Srvc

Date: _____

Date: _____

**APPENDIX A
DESCRIPTION OF GENERATING FACILITY
AND SINGLE-LINE DIAGRAM,
(Provided by Biogas Customer-Generator)**

**APPENDIX B
(If Applicable)
RULE 21 "SPECIAL FACILITIES" AGREEMENT
(Formed between the Parties)**

**APPENDIX C
(If Applicable)**

**LIST OF QUALIFYING ACCOUNTS ELIGIBLE
FOR AGGREGATION UNDER SPECIAL
CONDITION 2 OF SCHEDULE NEMBIO**

**INTERCONNECTION AGREEMENT FOR NET ENERGY METERING OF BIOGAS DIGESTER GENERATING
FACILITIES**

Customer Account No.

Address (Street, City, Zip Code)

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Signature: (PG&E): _____ Date: _____

(Customer) _____ Date: _____

Date Completed:

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**INTERCONNECTION AGREEMENT FOR NET ENERGY METERING OF BIOGAS DIGESTER GENERATING
FACILITIES**

**APPENDIX D
(If Applicable)**

**AFFIDAVIT THE CUSTOMER GENERATOR'S ELIGIBLE BIOGAS DIGESTER ELECTRICAL
GENERATING FACILITY COMPLIES WITH *BEST AVAILABLE CONTROL TECHNOLOGY* (BACT)
REQUIREMENTS, PURSUANT TO SECTION 2827.10 OF THE CALIFORNIA PUBLIC UTILITIES
CODE**

INTERCONNECTION AGREEMENT FOR NET ENERGY METERING OF BIOGAS DIGESTER GENERATING FACILITIES

BIOGAS DIGESTER CUSTOMER-GENERATOR'S WARRANTY THAT IT MEETS THE BACT REQUIREMENTS OF SECTION 2827.9 OF THE CALIFORNIA PUBLIC UTILITIES CODE

Biogas Digester Customer-Generator has declared that if its Biogas Digester Electric Generating Facility is subject to the best available control technology (BACT) requirements as defined section 2827.9 Section (g) of the California Public Utilities Code, the Customer-Generator will have installed the best available control technology as required by the regional air pollution control district at the time of installation to ensure the maximum feasible reductions in toxic and criteria pollutants. ("BACT Eligibility Requirements")

Biogas Digester Customer-Generator warrants that, beginning on the date of Initial Operation and continuing throughout the term of this Agreement, Biogas Digester Customer-Generator and the Generating Facility shall continue to meet the BACT Eligibility Requirements. If Biogas Digester Customer-Generator or the Generating Facility ceases to meet the BACT Eligibility Requirements, Biogas Digester Customer-Generator shall promptly provide PG&E with Notice of such change pursuant to Section 11 of this Agreement. If at any time during the term of this Agreement PG&E determines, in its sole discretion, that Biogas Digester Customer-Generator or Generating Facility may no longer meet the BACT Eligibility Requirements, PG&E may require Biogas Digester Customer-Generator to provide evidence, that Biogas Digester Customer-Generator and/or Generating Facility continues to meet the BACT Eligibility Requirements, within 15 business days of PG&E's request for such evidence. If PG&E determines in its sole judgment that Biogas Digester Customer-Generator either failed to provide evidence in a timely manner or that it provided insufficient evidence that its Generating Facility continues to meet the BACT Eligibility Requirements, then the BACT Eligibility Status shall be deemed ineffective until such time as Biogas Digester Customer-Generator again demonstrates to PG&E's reasonable satisfaction that Biogas Digester Customer-Generator meets the requirements for an Eligible Biogas Digester customer-generator and/or the Generating Facility meets the requirements for a Eligible Biogas Digester electrical generating facility (the "BACT Eligibility Status Change").

PG&E shall revise its records and the administration of this Agreement to reflect the BACT Eligibility Status Change and provide Notice to Biogas Digester Customer-Generator of the BACT Eligibility Status Change pursuant to Section 11 of this Agreement. Such Notice shall specify the effective date of the BACT Eligibility Status Change. This date shall be the first day of the calendar year for which PG&E determines in its sole discretion that the Biogas Digester Customer-Generator and/or Generating Facility first ceased to meet the BACT Eligibility Requirements. PG&E shall invoice the Biogas Digester Customer-Generator for any tariff charges that were not previously billed during the period between the effective date of the BACT Eligibility Status Change and the date of the Notice in reliance upon Biogas Digester Customer-Generator's representations that Biogas Digester Customer-Generator and/or Generating Facility complied with the BACT Eligibility Requirements and therefore was eligible for the rate treatment available under the Net Energy Metering provisions of PG&E's Schedule NEMBIO, *Net Energy Metering Service For Biogas Customer-Generators*.

Any amounts to be paid or refunded by Biogas Digester Customer-Generator, as may be invoiced by PG&E pursuant to the terms of this warranty, shall be paid to PG&E within 30 days of Biogas Digester Customer-Generator's receipt of such invoice.

Biogas Digester Customer-Generator's Initials _____



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79-978	REV 1/05	Interconnection Agreement for Net Energy Metering of Solar or Wind Electric Generating Facilities 1,000 kW or less, other than Residential or Small Commercial Facilities of 10 kW or less	22695-E
79-994	REV 2/05	Application for Interconnecting Residential or Small Commercial Net Energy Metering (NEM) Customers With Solar or Wind Electric Generating Facilities of 10 Kilowatts or less	23049-E (T)
79-997	REV 12/05	Interconnection Agreement for Net Energy Metering of Qualifying Biogas Digester Generating Facilities.....	24061-E (T)
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Advice Letter No. 2759-E

Decision No.

101813

Issued by
Thomas E. Bottorff
Senior Vice President
Regulatory Relations

Date Filed December 21, 2005

Effective January 1, 2006

Resolution No. _____



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**PG&E Gas and Electric Advice
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ABAG Power Pool	DGS Natural Gas Services	Northern California Power Agency
Accent Energy	DMM Customer Services	Office of Energy Assessments
Aglet Consumer Alliance	Douglass & Liddell	Palo Alto Muni Utilities
Agnews Developmental Center	Downey, Brand, Seymour & Rohwer	PG&E National Energy Group
Ahmed, Ali	Duke Energy	Pinnacle CNG Company
Alcantar & Elsesser	Duke Energy North America	PITCO
Anderson Donovan & Poole P.C.	Duncan, Virgil E.	Plurimi, Inc.
Applied Power Technologies	Dutcher, John	PPL EnergyPlus, LLC
APS Energy Services Co Inc	Dynegy Inc.	Praxair, Inc.
Arter & Hadden LLP	Ellison Schneider	Price, Roy
Avista Corp	Energy Law Group LLP	Product Development Dept
Barkovich & Yap, Inc.	Energy Management Services, LLC	R. M. Hairston & Company
BART	Enron Energy Services	R. W. Beck & Associates
Bartle Wells Associates	Exelon Energy Ohio, Inc	Recon Research
Blue Ridge Gas	Exeter Associates	Regional Cogeneration Service
Bohannon Development Co	Foster Farms	RMC Lonestar
BP Energy Company	Foster, Wheeler, Martinez	Sacramento Municipal Utility District
Braun & Associates	Franciscan Mobilehome	SCD Energy Solutions
C & H Sugar Co.	Future Resources Associates, Inc	Seattle City Light
CA Bldg Industry Association	G. A. Krause & Assoc	Sempra
CA Cotton Ginners & Growers Assoc.	Gas Transmission Northwest Corporation	Sempra Energy
CA League of Food Processors	GLJ Energy Publications	Sequoia Union HS Dist
CA Water Service Group	Goodin, MacBride, Squeri, Schlotz &	SESCO
California Energy Commission	Hanna & Morton	Sierra Pacific Power Company
California Farm Bureau Federation	Heeg, Peggy A.	Silicon Valley Power
California Gas Acquisition Svcs	Hitachi Global Storage Technologies	Smurfit Stone Container Corp
California ISO	Hogan Manufacturing, Inc	Southern California Edison
Calpine	House, Lon	SPURR
Calpine Corp	Imperial Irrigation District	St. Paul Assoc
Calpine Gilroy Cogen	Integrated Utility Consulting Group	Stanford University
Cambridge Energy Research Assoc	International Power Technology	Sutherland, Asbill & Brennan
Cameron McKenna	Interstate Gas Services, Inc.	Tabors Caramanis & Associates
Cardinal Cogen	IUCG/Sunshine Design LLC	Tansev and Associates
Cellnet Data Systems	J. R. Wood, Inc	Tecogen, Inc
Chevron Texaco	JTM, Inc	TFS Energy
Chevron USA Production Co.	Kaiser Cement Corp	Transcanada
Childress, David A.	Luce, Forward, Hamilton & Scripps	Turlock Irrigation District
City of Glendale	Manatt, Phelps & Phillips	U S Borax, Inc
City of Healdsburg	Marcus, David	United Cogen Inc.
City of Palo Alto	Masonite Corporation	URM Groups
City of Redding	Matthew V. Brady & Associates	Utility Cost Management LLC
CLECA Law Office	Maynor, Donald H.	Utility Resource Network
Commerce Energy	McKenzie & Assoc	Wellhead Electric Company
Constellation New Energy	McKenzie & Associates	Western Hub Properties, LLC
Cooperative Community Energy	Meek, Daniel W.	White & Case
CPUC	Mirant California, LLC	WMA
Cross Border Inc	Modesto Irrigation Dist	
Crossborder Inc	Morrison & Foerster	
CSC Energy Services	Morse Richard Weisenmiller & Assoc.	
Davis, Wright, Tremaine LLP	Navigant Consulting	
Defense Fuel Support Center	New United Motor Mfg, Inc	
Department of the Army	Norris & Wong Associates	
Department of Water & Power City	North Coast Solar Resources	