

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



December 29, 2006

Advice Letter 2839-E-A

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

Subject: Supplement: 2007-2008 Capacity Bidding Program (CBP) to Replace the California Power Authority Demand Reserves Partnership (CPA-DRP), and Approval and Recovery of Replacement Program Costs (Establishes New Electric Rate Schedule E-CBP)

Dear Ms. de la Torre:

Advice Letter 2839-E-A is effective October 19, 2006. A copy of the advice letter and resolution are returned herewith for your records.

Sincerely,m

Sean H. Gallagher, Director  
Energy Division

<b>REGULATORY RELATIONS</b>	
Tariffs Section	
M Brown	D Poster
R Deia Torre	S Ramaiya
B Lam	
JAN 19 2007	
Return to	Records
cc to	File



**Brian K. Cherry**  
Director  
Regulatory Relations

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San Francisco, CA 94105

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June 1, 2006

**Advice 2839-E**

(Pacific Gas and Electric Company ID U 39 E).

Public Utilities Commission of the State of California

**Subject: 2007-2008 Capacity Bidding Program (CBP) to Replace the California Power Authority Demand Reserves Partnership (CPA-DRP), and Approval and Recovery of Replacement Program Costs (Establishes New Electric Rate Schedule E-CBP)**

Pacific Gas and Electric Company (PG&E) hereby submits for filing revisions to its electric tariffs. These changes are filed to comply with existing Commission decisions, including Decision (D.) 06-03-024, which adopted an uncontested modified settlement filed by Southern California Edison Company (SCE), PG&E, San Diego Gas & Electric Company (SDG&E), and other parties (The Demand Response (DR) settlement).

The affected tariff sheets are listed in the enclosed Attachment 1.

**A. Purpose**

Through this filing, PG&E seeks approval of a successor demand response program to the existing CPA-DRP program. The CPA-DRP program is a part of the Department of Water Resources (DWR) revenue requirement. The DWR CPA-DRP contract expires on May 17, 2007. The DR settlement requires PG&E to file "its proposed successor to this [CPA-DRP] program by June 1, 2006." (Section III.C.7, Appendix A of D.06-03-024).

The proposed replacement program (CBP) will have two components, wholesale and retail, and will be in effect in 2007 and 2008. The largest portion of the megawatts currently enrolled in the CPA-DRP is the DWR pumping load reduction, for approximately 200 MW, which PG&E proposes to retain under a bilateral wholesale contract with DWR. Ideally, both components will be available several months before May 17, 2007 to allow for an efficient transition. Other wholesale

customers may be eligible for a bilateral agreement. In addition, this advice letter proposes a new program and retail tariff for retail customer participation either directly or through aggregators.

PG&E's proposed CBP is a key element of PG&E's resource adequacy portfolio and PG&E's strategy to meet the Commission's 5% DR target for 2007 set in D.03-06-032.

PG&E requests approval of: (1) the retail program and tariff (Electric Rate Schedule E-CBP); (2) implementing forms and agreements; (3) the E-CBP revenue requirement; and (4) the program cost recovery mechanism. Approval of the contract with DWR for pumping load drop will be addressed in a supplemental advice letter once the negotiations are complete.

## **B. Proposal**

PG&E's proposed CBP includes a wholesale contract with DWR and a retail program.

### **1. Wholesale contract with DWR**

In response to the Commission's order to file a replacement program for the current CPA-DRP program, PG&E is in the process of negotiating a bilateral transaction with DWR to retain the wholesale portion of the load currently enrolled in the CPA-DRP program. At the time of this filing, negotiations with DWR are underway. Once PG&E is able to agree on a final contract, PG&E will file a supplemental advice letter (or will submit a new advice, should 2839-E already be approved) containing the specific elements of the PG&E-DWR contract, including the incremental costs associated with that contract. In addition, if PG&E enters into bilateral contracts with any additional wholesale loads, PG&E will present those agreements to the Commission for approval via advice letters.

### **2. E-CBP Retail Tariff**

In developing the CBP, PG&E and the other utilities devoted considerable time to soliciting input from aggregators, customers, and the settling parties in A.05-06-006. As a result of these discussions, the CPA-DRP was modified to address the settling parties' concerns and enhance program effectiveness.

*a. Description of Program*

The proposed E-CBP tariff allows considerable flexibility for participants. A customer may enroll in the retail program directly with PG&E or through an aggregator. The aggregator can enter into an arrangement with a customer that is customized for the specific needs of that customer. The program elements are summarized in the table below:

<b>Program Element</b>	<b>Discussion</b>
Product	Day-ahead for demand reduction: 1-4 Hour 2-6 Hour 4-8 Hour
Season	May 1 through October 31
Call Window	11:00 a.m. to 7:00 p.m.
Maximum hours per month	24 hours per product per congestion zone.
Notice	3:00 p.m. on the business day before an event
Baseline	Same as currently used in E-DBP
Capacity Price	Varies by product (number of hours available in a day) and the month. See tariff for details.
Energy Price	15 MMBtu/MWh times PG&E citygate midpoint gas price as published by Platts Gas Daily for the date of the E-CBP event plus performance adjustments.

The existing CPA-DRP program was used as a starting point to develop the proposed retail program. The main similarities and differences between the two programs are discussed below:

- The existing program requires all but very large customers to enroll through an aggregator. The proposed E-CBP tariff allows a customer to enroll directly with PG&E or through an aggregator.
- If a customer enrolls directly with PG&E, then each Service Agreement is treated separately and has its own baseline, performance, and payment obligations.
- If a customer enrolls through an aggregator, then the aggregator can combine similar Service Agreements to balance benefits and risks. Each aggregated group will be treated separately and has its own baseline, performance, and payment obligations.
- The existing program allows a broad range of customers to participate. The proposed retail program will allow the same range of customers except wholesale (e.g. municipal, WAPA, etc.) and residential. All commercial, industrial, and agricultural customers are eligible for the proposed program.

*b. Baselines*

The proposed program will require the same methodologies for computing a customer's or an aggregated group's baseline as PG&E's current Demand Bidding Program (DBP). PG&E understands that the report by Itron dated April 28, 2006, and posted on the CEC website, raised issues related to the DBP baseline. PG&E believes that the baselines should be consistent across programs and that baselines for all programs should be addressed in a combined process.

*c. San Francisco Community Power (SFCP) Pilot*

The SFCP Small Customer Aggregation Pilot Program aims at aggregation in the existing program and targets hard-to-reach customers. In D.06-03-024, the Commission approved the DR settlement in which PG&E agreed to provide certain services to small and medium sized commercial customers enrolled in the existing CPA-DRP program through SFCP. These services include interval meters and communication equipment at no cost to the participant or SFCP. The cost of these services was included in the DR Settlement. PG&E plans to continue these services with the proposed program subject to the terms and conditions of the DR Settlement and D.06-03-024.

*d. Role of APX in Retail Tariff*

The CPA contracted with Automated Power Exchange (APX) to be the coordinator for the existing CPA-DRP program. APX manages the day-to-day operations of the program. A single coordinator allows an aggregator or a customer to manage its Service Agreements through one computer application even when the Service Agreements are located in more than one utility's service territory. SDG&E, SCE, and PG&E plan to contract with APX to provide similar state-wide services for the proposed CBP. APX's computer application meets most of the requirements for the proposed program and it is economic to continue to use APX's application instead of rebuilding this application. The utilities have been in discussions with APX to modify its computer application to accommodate the proposed CBP.

*e. E-CBP Complements PG&E's DR Portfolio*

PG&E's proposed E-CBP complements other programs in its DR portfolio. E-CBP provides customers with additional choice and flexibility by offering a program where customers can participate either directly or through an aggregator. Customers who choose to participate directly take on the sole obligation to perform and receive the full benefit of program incentives. Customers who choose to participate through an aggregator sacrifice some financial incentive in exchange for the performance flexibility and risk mitigation of belonging to a group managed by the aggregator.

*f. Marketing and Recruitment Efforts to Enroll Customers in E-CBP*

PG&E will need to have knowledgeable customer contact representatives provided with information to inform customers about E-CBP and motivate their participation. Just as it was in the case in CPA-DRP, aggregators will have a significant role in customer recruitment, as they have financial incentives to secure participants. PG&E's outreach efforts will result in both direct enrollment of participants as well as promotion of participating through an aggregator.

Labor costs for delivery of this tariff program will be recovered under Customer Care in the General Rate Case, consistent with the treatment of the other DR programs (e.g. CPP, DBP, SLRP, etc.). However the costs for developing training, education, and creating effective outreach materials for E-CBP specifically will require additional funding, as consideration of recovery of these costs was deferred by the Commission in PG&E's 2006-2008 DR programs decision (D.06-03-024) to this present filing.

PG&E proposes training, educational and outreach activities including customer and aggregator workshops, "webinars", online information, brochures, printed material, and tariff training for appropriate PG&E customer contact personnel, customers, and aggregators. The total budget required for these expenses is \$180,000 for the two year period 2007-2008.

In addition to the activities identified above, PG&E proposes to generate public awareness through E-CBP-specific press releases and other media such as association newsletters. Consistent with the Integrated Demand Side Management (ISDM) portfolio approach approved by the CPUC in PG&E's 2006-2008 DR programs decision (D.06-03-024), E-CBP will also be promoted by PG&E as a component of the IDSM portfolio. Thus E-CBP materials may be included with other related materials, such as other DR programs or Customer Energy Efficiency offerings. E-CBP messages may be included in PG&E customer communication vehicles such as newsletters, its website [www.pge.com](http://www.pge.com), as well as face-to-face interaction at public events and customer sites.

### **3. Resource Adequacy**

Based on the resource adequacy (RA) counting rules adopted by the Commission in D.03-06-072 and confirmed in D.05-10-042, the demand response obtained by PG&E under the proposed CBP, will count towards PG&E's RA requirements. As required by D.04-10-035 (the first Resource Adequacy Decision), CBP provides up to 144 hours which exceeds the required 48 hours of demand reduction for the summer season.

### **C. Cost Effectiveness**

PG&E has used updated market prices, energy and capacity cost<sup>1</sup> data to evaluate the effectiveness of the E-CBP, by applying the Total Resource Cost (TRC) test described in the Standard Practice Manual (SPM).

Although that evaluation indicates E-CBP will not be cost effective compared to conventional resources available in the market today (Table 1 below), PG&E proposes the CBP because it is consistent with the goals of Energy Action Plan II, and increases the megawatts enrolled in demand response programs. As noted above, the demand response PG&E obtains under the proposed CBP also will count towards meeting PG&E's resource adequacy requirements.

**Table 1**

<b>Total Resource Cost-Effectiveness Analysis of CBP</b>			
		<b>2007</b>	<b>2008</b>
A	Total Incremental Cost with CBP	\$2,552,765	\$2,477,523
B	Total Incremental Cost without CBP	\$1,709,110	\$1,821,734
B-A	Net Benefit/(Net Cost)	(\$843,656)	(\$655,789)
B/A	Benefit/Cost Ratio	0.67	0.74

In addition, the proposed E-CBP is also in the range of cost-effectiveness of other DR programs approved by the Commission in D.06-03-024. PG&E presented testimony regarding the average cost-effectiveness of the portfolio of programs approved by the Commission for the 2006-2008 time-frame. PG&E's testimony in A.05-06-006 showed the DR portfolio TRC cost effectiveness ratio was 0.3 in 2007 and 0.8 in 2008. (P. 2-10 of August 26, 2005 supplemental testimony). For these reasons PG&E believes the proposed E-CBP is consistent with Commission guidance regarding DR programs.

PG&E notes that it has employed the cost-effectiveness methodology based upon the existing SPM as directed by the Commission in A.05-06-006. This same methodology was used by PG&E to evaluate the cost-effectiveness of the other DR programs adopted by the Commission in D.06-03-024 for 2006-2008. The methodology has been used here for consistency purposes. As the Commission directed in D.06-03-024 the cost effectiveness methodology for DR programs is being addressed elsewhere.

<sup>1</sup> For purposes of this analysis PG&E assumes a long-term avoided capacity cost based on the net cost of a new combustion turbine that would be needed after Northern California reaches load resource balance.

A detailed work paper is available upon request, subject to confidentiality restrictions regarding pricing and forecast data.

#### **D. Measurement and Evaluation**

The current measurement and evaluation (M&E) of DR tariffs and programs continues to function under the oversight of the Working Group 2 Measurement and Evaluation subcommittee as instructed in D.06-03-024. The process for developing M&E protocols and evaluating cost-benefit issues initiated by D.05-11-009 may change the scope and process for DR M&E in 2007-2008, however, M&E is anticipated for this program and is included in this advice filing as an incremental cost to the M&E costs already approved in D.06-03-024.

As stated in Section B, the proposed replacement program includes two elements that suggest different evaluation efforts. The first element, the wholesale contract, is a PG&E-only program and will include existing DWR pumping load reduction under a new contractual arrangement directly with PG&E's Procurement Department beginning in 2007. The second element is the CBP retail tariff that has changed the prior program design to allow customers to enroll directly with PG&E or via an aggregator. The retail tariff will be a statewide program and should be evaluated in joint utility efforts as has been done for other DR statewide programs. PG&E estimates a total PG&E M&E budget for both elements of \$400,000 for its 2007-2008 component of statewide retail program evaluation activities.

#### **E. Budget Request**

PG&E forecasts the following annual budgets to implement the retail portion of the proposed program in 2007 and 2008 as follows:

Cost Category	2007	2008
Capacity Incentives:	\$1,596,000	\$2,128,000
Energy Incentives:	\$326,000	\$434,000
Metering <sup>2</sup> :	-	-
M&E:	\$200,000	\$200,000
PG&E Administration:	\$400,000	\$300,000
PG&E Marketing:	\$160,000	\$20,000
APX:	\$500,000	\$500,000
<b>TOTAL:</b>	<b>\$3,182,000</b>	<b>\$3,582,000</b>

<sup>2</sup> The metering amount may be zero because of the following: (1) Participants greater than 200 kW are entitled to a meter at no cost but most customers who are expected to participate already have meters; (2) customers less than 200 kW must purchase the meter as a Special Facility; and (3) the metering cost for SFCP has been included elsewhere.

The annual capacity and energy dollars were determined for budgetary purposes as follows:

Item	Assumption
Estimate for 2007	
Capacity Nominated per month	30 MW
Average Capacity Payment	\$13,300/MW-mo
Monthly Capacity Payments	\$399,000/mo
Annual Capacity Payments (4 months) <sup>3</sup>	\$1,596,000/yr
Hours Called	24 hr/mo
MWh per month	720 MWh/mo
MWh per year. (4 months)	2,880 MWh/yr
Average Price per MWh	\$113/MWh
Annual Cost of Energy	\$325,440/yr

Item	Assumption
Estimate for 2008	
Capacity Nominated per month	40 MW
Average Capacity Payment	\$13,300/MW-mo
Monthly Capacity Payments	\$532,000/mo
Annual Capacity Payments (4 months) <sup>4</sup>	\$2,128,000/yr
Hours Called	24 hr/mo
MWh per month	960 MWh/mo
MWh per year. (4 months)	3,840 MWh/yr
Average Price per MWh	\$113/MWh
Annual Cost of Energy	\$433,920/yr

## **F. Cost Recovery**

PG&E proposes the costs for the wholesale and retail portions of the CBP be recovered through separate cost-recovery vehicles. PG&E proposes that the costs for wholesale transactions be recovered through the Energy Resource and Recovery Account (ERRA). This mechanism will be further described when PG&E files for approval of the wholesale agreement(s).

Regarding the revenue requirement and incurred expenses for the retail E-CBP tariff, PG&E proposes that these costs be recovered and tracked in the Demand Response Revenue Balancing Account (DRRBA) and Demand Response

<sup>3</sup> The calculation uses 4 months instead of 6 months because the capacity price for 2 of the 6 summer months is \$0.00

<sup>4</sup> The calculation uses 4 months instead of 6 months because the capacity price for 2 of the 6 summer months is \$0.00

Expense Balancing Account (DREBA) starting in 2007.<sup>5</sup> D.06-03-024 established annual revenue requirements for the DR portfolio included in the approved settlement for the 2006-2008 DR activities. The annual revenue requirement for the retail CBP offering should be added to the 2007 and 2008 DRRBA revenue requirements. The costs associated with the retail CBP should be tracked against the revenue requirement in the DREBA, in the same fashion the DR programs approved in D.06-03-024 are currently recorded. No changes to the preliminary statement are needed, as the current DRRBA/DREBA preliminary statements note that the accounts record the current demand response revenue requirement authorized by the Commission.

No changes to PG&E's ERRRA preliminary statement (Part CP) are required to allow for cost recovery of the wholesale portions of CBP.

### **G. Tariff Changes**

New Electric Rate Schedule E-CBP

New Sample Form 79-1074 -- Agreement for Customers Participating Directly in the Capacity Bidding Program

New Sample Form 79-1075 -- Notice to Add or Delete Customers Participating in the Capacity Bidding Program

New Sample Form 79-1076 -- Agreement for Aggregators participating in the Capacity Bidding Program

### **H. Protests**

Anyone wishing to protest this filing may do so by sending a letter by **June 21, 2006**, which is 20 days from the date of this filing. Protests should be mailed to:

CPUC Energy Division  
Attention: Tariff Unit, 4<sup>th</sup> Floor  
505 Van Ness Avenue  
San Francisco, California 94102

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<sup>5</sup> The DRRBA and DREBA accounts were established in accordance with D.06-03-024. The DRRBA (Preliminary statement Part ED) records the annual revenue requirement for the DR portfolio, and tracks it against actual revenues. DRRBA is a two way balancing account, so that under- or over-collections in one year are amortized in the subsequent year. The DREBA (Preliminary statement Part EC) is a one-way balancing account that tracks actual expenses against the revenue requirement over the three year budget cycle. Any over-collection at the end of 2008 shall be disposed of as directed by the CPUC; any under-collection shall be at shareholder risk.

Facsimile: (415) 703-2200  
E-mail: [jjr@cpuc.ca.gov](mailto:jjr@cpuc.ca.gov) and [jnj@cpuc.ca.gov](mailto:jnj@cpuc.ca.gov)

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

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](mailto:PGETariffs@pge.com)

### **Effective Date**

PG&E requests this advice letter be approved effective **January 1, 2007**, but that the Energy Division provide approval upon regular notice, **July 1, 2006**, which is 30 calendar days from the date of filing. A notice of approval ensures PG&E has adequate time to incorporate the approved amounts in rates for January 1, 2007. The rate changes will be included in PG&E's Annual Electric True-Up advice filing.

### **Notice**

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this Advice Letter is being sent electronically and via U.S. mail to parties shown on the attached list and to the service list for A.05-06-006. Address changes should be directed to Rose de la Torre at (415) 973-4716. Advice Letter filings can also be accessed electronically at:

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



Director - Regulatory Relations

Attachments

cc: Service List – A.05-06-006

# 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 (ID U39)**

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Bernard Lam

Phone #: (415) 973-4878

E-mail: bxlc@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) #: **2839-E**

Subject of AL: 2007-2008 Capacity Bidding Program (CBP) to Replace the California Power Authority Demand Reserves Partnership (CPA-DRP), and Approval and Recovery of Replacement Program Costs (Establishes New Electric Rate Schedule E-CBP)

Keywords (choose from CPUC listing): Demand Side Management, Agreements

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

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

D.06-03-024

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL<sup>1</sup>: \_\_\_\_\_

Resolution Required?  Yes  No

Requested effective date: **January 1, 2007**

No. of tariff sheets: 14

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: E-CBP and Sample Forms 79-1074, 79-1075, 79-1076

Service affected and changes proposed<sup>1</sup>: New demand response program

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**

**Attention: Tariff Unit**

**505 Van Ness Ave.,**

**San Francisco, CA 94102**

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

**Pacific Gas and Electric Company**

**Attn: Brian K. Cherry**

**Director, Regulatory Relations**

**77 Beale Street, Mail Code B10C**

**P.O. Box 770000**

**San Francisco, CA 94177**

**E-mail: PGETariffs@pge.com**

<sup>1</sup> Discuss in AL if more space is needed.

**ATTACHMENT 1  
Advice 2839-E**

<b>Cal P.U.C. Sheet No.</b>	<b>Title of Sheet</b>	<b>Cancelling Cal P.U.C. Sheet No.</b>
25031-E	Schedule E-CBP--Capacity Bidding Program	New
25032-E	Schedule E-CBP (Cont.)	New
25033-E	Schedule E-CBP (Cont.)	New
25034-E	Schedule E-CBP (Cont.)	New
25035-E	Schedule E-CBP (Cont.)	New
25036-E	Schedule E-CBP (Cont.)	New
25037-E	Schedule E-CBP (Cont.)	New
25038-E	Schedule E-CBP (Cont.)	New
25039-E	Sample Form 79-1074--Agreement for Customers Participating Directly in the Capacity Bidding Program	New
25040-E	Sample Form 79-1075--Notice to Add or Delete Customers Participating in the Capacity Bidding Program	New
25041-E	Sample Form 79-1076--Agreement for Aggregators Participating in the Capacity Bidding Program	New
25042-E	Table of Contents -- Sample Forms	24750-E
25043-E	Table of Contents -- Rate Schedules	24960-E
25044-E	Table of Contents -- Rate Schedules	25027-E



Schedule E-CBP—Capacity Bidding Program

**APPLICABILITY:** The Capacity Bidding Program (CBP) is a voluntary demand response program that offers customers incentives for reducing energy consumption when requested by PG&E. Schedule E-CBP is available to PG&E customers receiving bundled service or Direct Access (DA) service and being billed on a PG&E commercial, industrial, or agricultural electric rate schedule. An eligible customers must continue to take service under the provisions of its otherwise applicable schedule (OAS).

(N)

**TERRITORY:** This schedule is available throughout PG&E's electric service territory.

**ELIGIBILITY:** A customer cannot be on Schedule E-CBP and participate in any other demand response program except for E-OBMC and E-POBMC. Customers that receive electric power from third parties (other than through direct access), customers billed via net-metering (NEM, NEMFC, NEMBIO, etc.), and customers billed for standby service (either full or partial) are not eligible for the CBP.

A customer may enroll directly with PG&E or with an Aggregator. An Aggregator is an entity, appointed by a customer, to act on behalf of said customer with respect to all aspects of the CBP, including but not limited to: (1) the receipt of notices from PG&E under this program; (2) the receipt of incentive payments from PG&E; and (3) the payment of penalties to PG&E.

Aggregators and customers participating in the CBP must comply with the terms of this schedule and associated agreements.

**SUBSCRIPTION LIMIT:** PG&E reserves the right to limit the subscription amount available to participate in the CBP, consistent with Commission guidelines.

**PRODUCTS:** The following products are available:

Product	Minimum Duration per Event	Maximum Duration per Event	Maximum Event Hours Per Operating Month	Maximum Events Per Day
1-4 Hour	1 hour	4 hours	24	1
2-6 Hour	2 hours	6 hours	24	1
4-8 Hour	4 hours	8 hours	24	1

The program season is May 1 through October 31.

The program days are Monday through Friday during the program season, excluding PG&E holidays. PG&E holidays during the program season are the dates on which the following holidays are legally observed: Memorial Day, Independence Day, and Labor Day.

The program hours are 11 a.m. to 7 p.m. on programs days.

(N)

(Continued)



Schedule E-CBP—Capacity Bidding Program  
(Continued)

**AGGREGATOR'S  
PORTFOLIO:**

An Aggregator must submit a Notice to Add or Delete Customers Participating in the Capacity Bidding Program (Form 79-1075) to add a customer's Service Agreements (SAs) to add or delete a customer's SAs from its portfolio. PG&E will review and approve each SA before the SA can be included in an Aggregator's portfolio. Additions to the portfolio will be effective upon PG&E's approval date. Deletions from the portfolio will be effective at the end of the current calendar month in which this notice is received provided PG&E receives this notice at least 15 calendar days prior to the end of the current month. A SA can be included in only one portfolio at a time.

(N)

**CUSTOMER  
SPECIFIC  
ENERGY  
BASELINE:**

To participate in this program, a customer, including aggregated customers, must have a valid customer specific energy baseline (CSEB) at least 5 calendar days prior to the first day of the operating month.

A CSEB will be valid for purposes of participation if there are at least ten (10) similar days of interval data available in PG&E's CBP Website.

For directly-enrolled customers, the CSEB on any given day during the program is the hourly average based on the three (3) highest energy usage days of the immediate past ten (10) similar days. The three (3) highest energy usage days are those days with the highest total kilowatt hour usages between 11 a.m. and 7 p.m. The past ten (10) similar days will include Monday through Friday, excluding PG&E holidays and will additionally exclude days when the customer was paid to reduce load on an interruptible or other curtailment program or days when rotating outages were called.

For Aggregators, each Capacity Nomination will have its own CSEB based its associated aggregated group. The CSEB for the aggregated group is the hourly average based on the three (3) highest energy usage days of the immediate past ten (10) similar days for the load profile of the aggregated group. The three (3) highest energy usage days are those days with the highest total kilowatt hour usages for the aggregated group between 11 a.m. and 7 p.m. The hourly load profile on any given day during the program is determined by summing the hour by hour interval data for each of the SAs in the aggregated group. The past ten (10) similar days will include Monday through Friday, excluding PG&E holidays and will additionally exclude days when the customer was paid to reduce load on an interruptible or other curtailment program or days when rotating outages were called.

(N)

(Continued)



Schedule E-CBP—Capacity Bidding Program  
(Continued)

**CAPACITY  
NOMINATIONS:**

Capacity Nominations must be submitted by directly-enrolled customers and Aggregators no later than 5 calendar days prior to the operating month. All Capacity Nominations are fixed for their associated operating month. All operating months begin and end at the beginning and ending of its corresponding calendar month.

A directly-enrolled customer cannot submit a Capacity Nomination until all requirements specified herein have been met.

An Aggregator can include only those SAs that are in its portfolio.

A directly-enrolled customer must nominate capacity in the following category for each enrolled SA:

Product

An Aggregator must nominate capacity in the following categories:

Product

Bundled/Direct Access

Congestion Zone (NP-15 or ZP-26)

No later than 5 calendar days prior to the first day of the operating month, an Aggregator must specify the SAs from its portfolio that shall be included in the aggregated group associated with each Capacity Nomination. The characteristics of selected SAs must match the categories of its associated Capacity Nomination. These aggregated groups will be used to determine the CSEB and performance during the operating month. A SA can be included in only one aggregated group and only one CSEB for a given operating month.

**RATES:**

The payments under this rate schedule will be determined from the following components.

1. Capacity Price
2. Capacity Payment and Capacity Penalty
3. Energy Payment

**CAPACITY  
PRICE:**

Capacity Price by Month

Product	May	June	July	August	September	October
1-4 Hour	\$0.00/kW	\$3.71/kW	\$15.60/kW	\$21.57/kW	\$13.30/kW	\$0.00/kW
2-6 Hour	\$0.00/kW	\$3.71/kW	\$15.60/kW	\$21.57/kW	\$13.30/kW	\$0.00/kW
4-8 Hour	\$0.00/kW	\$3.71/kW	\$15.60/kW	\$21.57/kW	\$13.30/kW	\$0.00/kW

(N)

(N)

(Continued)



Schedule E-CBP—Capacity Bidding Program  
(Continued)

CAPACITY  
PAYMENT AND  
CAPACITY  
PENALTY:

All Capacity Payments will be determined separately for each Capacity Nomination submitted by directly-enrolled customers or Aggregators as specified above.

If no CBP Events were called during the operating month, then the Capacity Payment for the operating month is equal to product of Nominated Capacity and Capacity Price for the applicable operating month.

If one or more CBP Events were called during the operating month, then the Capacity Payment for the operating month is the sum of the Adjusted Hourly Capacity Payments/Penalties for the operating month which are determined as follows:

- 1) The Hourly Delivered Capacity for the event hour is equal to the CSEB for the event hour minus the average demand during the event hour. The average demand is defined as the energy consumed during the event hour converted to demand measured in kilowatts. The Hourly Delivered Capacity cannot be greater than the Nominated Capacity or less than zero (0).
- 2) The Hourly Delivered Capacity Ratio for the event hour is Hourly Delivered Capacity divided by the Nominated Capacity.
- 3) The Unadjusted Hourly Capacity Payment equals the product of the Nominated Capacity for the operating month and the Capacity Price for the operating month divided by the number of event hours in the operating month.
- 4) The Adjusted Hourly Capacity Payment/Penalty is determined from the following table:

Hourly Delivered Capacity Ratio	Adjusted Hourly Capacity Payment/Penalty
$\geq 0.90$ and $\leq 1$	Adjusted Hourly Capacity Payment = Unadjusted Hourly Capacity Payment * Hourly Delivered Capacity Ratio  Adjusted Hourly Capacity Penalty = 0
$\geq 0.50$ and $< 0.90$	Adjusted Hourly Capacity Payment = 0  Adjusted Hourly Capacity Penalty = 0
$\geq 0$ and $< 0.50$	Adjusted Hourly Capacity Payment = 0  Adjusted Hourly Capacity Penalty = Unadjusted Hourly Capacity Payment * (0.50 - Hourly Delivered Capacity Ratio)

(N)

(N)

(Continued)



Schedule E-CBP—Capacity Bidding Program  
(Continued)

ENERGY  
PAYMENT:

All Energy Payments will be determined separately for each Capacity Nomination. (N)

If no CBP Events were called during the operating month, then the monthly Energy Payment is zero (0).

If one or more CBP Events were called during the operating month, then the monthly Energy Payment is obtained by summing the Hourly Energy Payments. The Hourly Energy Payments will be determined as follows:

$$\text{Nominated Energy}_{HR} = \text{Nominated Capacity}_{HR}$$

$$\text{Delivered Energy}_{HR} = \text{lesser of Delivered Capacity}_{HR} \text{ or } 1.5 * \text{Nominated Energy}_{HR}$$

$$\text{If Delivered Energy}_{HR} \geq \text{Nominated Energy}_{HR}$$

$$\text{Energy Payment}_{HR} = \text{Delivered Energy}_{HR} * \text{Energy Price}_{HR}$$

$$\text{If Delivered Energy}_{HR} < \text{Nominated Energy}_{HR}$$

$$\text{Energy Payment}_{HR} = \text{Delivered Energy}_{HR} * \text{Energy Price}_{HR} \text{ less } (\text{Nominated Energy}_{HR} - \text{Delivered Energy}_{HR}) * \text{the higher of the ex-post energy price for the event hour or the Energy Price}_{HR}$$

$$\text{Where the Energy Price}_{HR} = 15,000 \text{ BTU/kWh} * \text{PG\&E citygate midpoint gas price as published by Platts Gas Daily for the date of the CBP Event } (\$/\text{BTU})$$

SPECIAL  
CONDITIONS  
FOR DIRECT  
ACCESS  
CUSTOMERS:

DA customers enrolling directly with the PG&E must make the necessary arrangements with their ESP before enrolling in this program. Directly-enrolled DA customers must notify their ESP when a CBP Event has been scheduled.

Aggregators must make the necessary arrangements with the ESP of its DA customers before enrolling DA customers in this program. Aggregators must notify the ESP of its DA customers when a CBP Event has been scheduled.

A directly-enrolled DA customer and Aggregator on behalf of a DA customer must arrange for a Scheduling Coordinator to Scheduling Coordinator (SC-to-SC) trade with PG&E's scheduling agent for payments to be received for the DA customer's participation in the CBP. The directly enrolled DA customer and Aggregator is responsible for the following: (1) The SC-to-SC trade must be submitted in a timeframe that complies with the California Independent System Operator's (ISO's) requirements and, (2) all imbalance or other additional costs incurred by PG&E or PG&E's program coordinator if the customer's SC fails to submit a SC-to-SC trade or if the SC-to-SC trade is not accepted by the ISO because of an action or inaction of the customer's SC. The directly enrolled DA customer or Aggregator shall not be entitled to any capacity or energy payment from PG&E for load dropped by a DA customer during a CBP Event unless PG&E receives a SC-to-SC trade for such load reductions during the CBP Event. If a SC-to-SC trade of sufficient capacity is not delivered to PG&E or PG&E's scheduling agent, then the directly enrolled DA customer's and Aggregator's performance on behalf of DA customers shall be deemed zero for the purpose of calculating payments and penalties due under Schedule E-CBP. (N)

(Continued)



Schedule E-CBP—Capacity Bidding Program  
(Continued)

SPECIAL  
CONDITIONS  
FOR DIRECT  
ACCESS  
CUSTOMERS:  
(Cont'd.)

The directly enrolled DA customer and Aggregators on behalf of DA customers are responsible for notifying the ESP that the ESP will not be compensated by PG&E for the SC-to-SC trade submitted as a result of CBP Events.  
  
See Agreement For Customers Participating Directly In The Capacity Bidding Program (Form 79-1074) and Agreement For Aggregators Participating In The Capacity Bidding Program (Form 79-1076) for additional information.

(N)

METERING AND  
COMMUN-  
ICATIONS  
EQUIPMENT:

Each customer must have an approved interval meter and approved meter communications equipment installed and operating prior to participating on this program in order to establish a valid CSEB. See Baseline section for additional details.

An approved interval meter is capable of recording usage in 15-minute intervals and being read remotely by PG&E and by PG&E's Program Coordinator. If the customer is receiving DA service, then a Meter Data Management Agent (MDMA) may also read the customer's meter on behalf of the customer's ESP.

For bundled service customers with a maximum demand of 200 kW or greater for three consecutive months in the past 12 billing months, PG&E will provide and install the metering and communication equipment at no cost to the customer if metering and communication equipment are required. For other bundled service customers, PG&E will, if required, provide and install the metering equipment at the customer's expense pursuant to Electric Rule 2, Special Facilities.

Installation of an approved interval meter and approved meter communications equipment for a DA customer is the responsibility of the customer's ESP or its MDMA. The meter and associated equipment must be installed in accordance with Electric Rule 22. If PG&E is the MDMA on behalf of the DA customer's ESP, then no additional fees will be required. If the DA customer uses a third-party MDMA, then the customer will be responsible for any and all costs associated with providing PG&E acceptable interval data on a daily basis, including any additional metering or communication equipment and any additional fees assessed by the customer's ESP.

Prior to customer's participation in the program, the customer must be able to successfully transfer meter data according to PG&E's specification on a daily basis for a period of no less than ten (10) calendar days.

For small and medium sized commercial customers enrolled through the San Francisco Community Power (SFCP) Small Customer Aggregation Pilot Program, PG&E will, pursuant to D.06-03-024, provide interval meters and communication equipment at no cost to the participant or SFCP.

All measurements for the CSEB and performance will be determined using the customer's electric revenue interval meter without loss factor adjustments.

(N)

(Continued)



Schedule E-CBP—Capacity Bidding Program  
(Continued)

**NOTIFICATION  
EQUIPMENT:**

Directly-enrolled customers and Aggregators, at their expense, must have: (1) access to the Internet and an e-mail address to receive notification of a CBP Event; and (2) an alphanumeric pager that is capable of receiving a text message sent via the Internet. A directly-enrolled customer or Aggregator cannot participate in the CBP until all of these requirements have been satisfied.

If a CBP Event occurs, directly-enrolled customers and Aggregators will be notified using one or more of the above mentioned systems. It is the responsibility of the Aggregator to notify its aggregated customers.

PG&E will make best efforts to notify directly-enrolled customers and Aggregators; however receipt of such notice is the responsibility of the participating customer or Aggregator. In addition, the customer or Aggregator may check PG&E's CBP website to see if a CBP Event has been triggered. PG&E does not guarantee the reliability of the pager system, e-mail system, or website by which the customer receives notification.

**CONTRACTS  
AND FORMS:**

Customers wanting to directly enroll in PG&E's CBP must submit a signed Agreement For Customers Participating Directly In The Capacity Bidding Program (Form 79-1074).

Aggregators must submit a signed Agreement For Aggregators Participating In The Capacity Bidding Program (Form 79-1076). Aggregators must submit a Notice to Add or Delete Customers Participating in the Capacity Bidding Program (Form 79-1075) signed by the aggregated customer to add or delete a customer from its portfolio.

**CONTRACTUAL  
ARRANGEMENT  
BETWEEN  
CUSTOMER AND  
AGGREGATOR:**

The terms and conditions of the agreement governing the relationship between the Aggregator and a customer with respect to such customer's participation in the CBP through such Aggregator are independent of PG&E. Any disputes arising between Aggregator and such customer shall be resolved by the parties.

**BILLING  
DISPUTES:**

If a directly-enrolled customer or Aggregator disputes a bill issued by PG&E, the disputed amount will be deposited by the customer or Aggregator with the California Public Utilities Commission (Commission) pending resolution of the dispute under the existing Commission procedures for resolving such disputes with PG&E. No termination of participation in the CBP will occur for this dispute while the Commission is hearing the matter, provided that the full amount in dispute is deposited with the Commission.

If a customer has a billing dispute with its Aggregator, the customer will remain obligated to pay PG&E charges for its OAS in a timely manner. Neither the Aggregator nor the customer shall withhold payment of PG&E charges pending resolution of a dispute between the customer and Aggregator.

(N)

(N)

(Continued)



Schedule E-CBP—Capacity Bidding Program  
(Continued)

PROGRAM  
TRIGGER AND  
NOTIFICATION:

PG&E may trigger a CBP Event when PG&E's procurement stack is expected to require the dispatch of electric generation facilities with heat rates of 15,000 BTU/kWh or greater. However, PG&E retains the sole discretion not to call a CBP Event even when the trigger is met. Separate CBP Events will be called by congestion zone (NP-15 or ZP-26) where the customer is located.

(N)

PG&E will notify directly-enrolled customers and Aggregators by 3:00 p.m. on a day-ahead basis of a CBP Event for the following business day. Notices will be issued by 3:00 p.m. on the business day immediately prior to a PG&E holiday or weekend if a CBP Event is planned for the first business day following the PG&E holiday or weekend.

PG&E may call up to two (2) test CBP Events per calendar year. Test CBP Events will be treated as actual CBP Events, including payments and penalties, and will count towards the product limits.

PROGRAM  
RESEARCH AND  
ANALYSIS:

All customers participating on this program agree to allow personnel from the California Energy Commission (CEC), PG&E, and their contracting agents, reasonable access to conduct a site visit for measurement and evaluation, access to the customer's interval meter data, and agree to complete any surveys needed to enhance this program.

ACCESS TO  
CUSTOMER  
SPECIFIC USAGE  
DATA:

PG&E will provide an aggregated customer's electric usage and electric meter data for the Service Agreements to its Aggregator so Aggregator can determine the payment payable to and penalties chargeable to Customer under Schedule E-CBP.

TERM:

The initial term is 12 months. After the initial 12 months, a directly-enrolled customer or Aggregator may request to terminate its participation in this program by submitting to PG&E a completed Cancellation of Contract (Form 62-4778). The termination will be effective on the later of: (1) the beginning of the calendar month that is immediately after the initial 12 month term; and (2) the beginning of the calendar month that is closest to but at least thirty (30) calendar days after PG&E received the Cancellation of Contract. The Schedule E-CBP expires on December 31, 2008.

PAYMENTS, AND  
AFFECT ON  
CUSTOMER'S  
BILL FOR THE  
OAS:

For directly-enrolled customers, the payments and penalties due under this program will be added to the customer's bill for the OAS within 60 calendar days after the end of the operating month.

For Aggregators, payments due under this program will be sent as a check to the Aggregator within 60 calendar days after the end of the operating month. The charges under the OAS for an aggregated customer will not be adjusted.

(N)

(Continued)



**Pacific Gas and Electric Company**  
San Francisco, California

*Cancelling*

Original

Cal. P.U.C. Sheet No.

25039-E

Cal. P.U.C. Sheet No.

PACIFIC GAS AND ELECTRIC COMPANY  
AGREEMENT FOR CUSTOMERS PARTICIPATING DIRECTLY  
IN THE CAPACITY BIDDING PROGRAM  
FORM NO. 79-1074 (06/06)  
(ATTACHED)

(N)  
-----  
(N)

Advice Letter No. 2839-E

Decision No. 06-03-024

Issued by

**Thomas E. Bottorff**  
Senior Vice President  
Regulatory Relations

Date Filed June 1, 2006

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_

**AGREEMENT FOR CUSTOMERS PARTICIPATING DIRECTLY  
IN THE CAPACITY BIDDING PROGRAM**

This Agreement (Agreement) for Customers participating directly in the Capacity Bidding Program (CBP) is entered into by and between Pacific Gas and Electric Company (PG&E), a California corporation, and \_\_\_\_\_ (Customer), a \_\_\_\_\_ . PG&E and Customer may sometimes be referred to herein as a “Party” and collectively as the “Parties”.

WHEREAS, the California Public Utilities Commission (CPUC) has authorized the CBP, a day-ahead capacity bidding program as set forth in PG&E’s Schedule E-CBP, (Schedule E-CBP), which is attached hereto as **Attachment A** and incorporated herein by this reference, whereby PG&E pays eligible customers for participating in the CBP; and

WHEREAS, Customer desires to participate directly in the CBP for the service agreements listed on **Attachment B** subject to the applicable PG&E tariff rules and rate schedules.

NOW, THEREFORE, in consideration of the mutual undertakings set forth below, the Parties agree as follows:

1. For the term of this Agreement, Customer shall receive service in accordance with Schedule E-CBP and Customer’s Otherwise Applicable Schedule filed with the CPUC, as such schedules now exist or may hereafter be amended or superseded. If the CPUC approves any modification to Schedule E-CBP, any such modification shall be incorporated herein and this Agreement will continue in full force and effect as to Schedule E-CBP as so modified, unless and until the Parties execute a new agreement, or unless and until PG&E or Customer terminates this Agreement.
2. Customer understands that Schedule E-CBP is a voluntary program whereby Customer receives Capacity and Energy Payments for delivered Capacity and delivered Energy during CBP Events. Customer understands that the Customer may receive penalties for non-performance under Schedule E-CBP.
3. PG&E reserves the right to contact Customer to confirm its Capacity Nominations, to clarify possible errors, and to remove Customer from Schedule E-CBP if Customer does not comply with the terms and conditions of Schedule E-CBP or this Agreement.
4. Schedule E-CBP has an initial term of 12 months. A directly-enrolled customer may request to terminate its participation in this program by submitting to PG&E a completed Cancellation of Contract (Form 62-4778). The termination will be effective on the later of 1) the beginning of the calendar month that is immediately after the initial 12 month term, and 2) the beginning of the calendar month that is closest to but at least thirty (30) calendar days after PG&E received the Cancellation of Contract. Unless Customer or PG&E terminates Customer’s participation in the CBP, the Customer shall remain enrolled through December 31, 2008.
5. Direct Access (DA) customers shall be solely responsible for having an arrangement with its energy service provider (ESP) and/or scheduling coordinator for the purposes of ensuring that PG&E’s Scheduling Coordinator receives a delivery of an amount of energy that is equal to the amount of load dropped by customer during a CBP Event. The trade shall be scheduled as a Scheduling Coordinator to Scheduling Coordinator (SC-to-SC) trade to the congestion zone in which the DA customer is located. DA customers shall not be entitled to any capacity or energy payment from PG&E for the load dropped by a DA customer during a CBP Event unless PG&E receives a trade for such load reductions during the CBP Event. PG&E shall not be responsible for enforcing requirements applicable to the performance of the Scheduling Coordinators. DA customers agree to follow the SC-to-SC trade protocol in Attachment C. DA customer shall also be required to pay any imbalance charges imposed on PG&E by the California Independent System Operator arising from Customer’s failure to make a compliant SC-to-SC trade. DA

customer is responsible for notifying its ESP that the ESP will not be compensated by PG&E for SC-to-SC trades submitted as a result of CBP Events.

6. PG&E shall not be liable to Customer for any damages caused by PG&E's conduct in compliance with, or as permitted by, Schedule E- CBP or other tariffs, this Agreement and associated legal and regulatory requirements related to the CBP. PG&E shall not be liable for any damages caused by Customer's failure to comply with PG&E's tariffs, this Agreement and associated legal and regulatory requirements.
7. Customer shall not assign this Agreement without prior written consent of PG&E.
8. PG&E may immediately terminate this Agreement upon written notice to Customer if Customer breaches any material obligation under this Agreement and fails to cure such breach within fifteen (15) calendar days after receiving written notice of the breach. Customer must notify PG&E upon curing the identified breach.
9. Customer agrees to allow personnel from the California Energy Commission (CEC), PG&E and their contracting agents' reasonable access to conduct a site visit for measurement and evaluation, access to the Customer's interval meter data, and agree to complete any surveys needed to enhance this program.
10. This Agreement shall at all times be subject to the changes or modifications by the CPUC as the CPUC may from time to time, direct in the exercise of its jurisdiction.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized agents to be effective on the date of PG&E's signature below provided all necessary requirements of Schedule E-CBP have been met.

Customer		Pacific Gas and Electric Company	
Signature:	_____	Signature:	_____
Print Name:	_____	Print Name:	_____
Title:	_____	Title:	_____
Date:	_____	Date:	_____

The following attachments are attached hereto and incorporated by reference:

- Attachment A: Schedule E-CBP
- Attachment B: Customer Information
- Attachment C: Protocol for SC-to-SC Trade

**ATTACHMENT A**  
**Schedule E-CBP**

**ATTACHMENT B**  
**Customer Information**

**Site Information:**

Site Name: \_\_\_\_\_  
Service Address: \_\_\_\_\_  
\_\_\_\_\_  
Service Agreement Number: \_\_\_\_\_  
Electric Meter Number: \_\_\_\_\_

**Site Contact:**

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
\_\_\_\_\_  
Telephone Number: \_\_\_\_\_  
Pager Number: \_\_\_\_\_  
Email Address: \_\_\_\_\_

**Primary CBP Event Contact:**

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
\_\_\_\_\_  
Telephone Number: \_\_\_\_\_  
Pager Number: \_\_\_\_\_  
Email Address: \_\_\_\_\_

**Secondary CBP Event Contact:**

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
\_\_\_\_\_  
Telephone Number: \_\_\_\_\_  
Pager Number: \_\_\_\_\_  
Email Address: \_\_\_\_\_

**ATTACHMENT C**  
**Protocol for SC-to-SC Trade**

Five calendar days prior to the beginning of each operating month, Customer shall provide to PG&E via PG&E's CBP website, monthly nominations of demand response broken down by Product Type and by Congestion Zone (i.e., NP-15 or ZP-26, as currently established by the CAISO) to be made available under this Agreement.

PG&E or PG&E's program coordinator shall notify Customer by 1500 hours if a dispatch of any Product is required the next business day. PG&E's notification shall specify the MW amount of each Product in each hour and by Congestion Zone. Such schedules shall be for contiguous hours only. Each business day following a PG&E notification, Customer shall perform or cause to be performed a Scheduling Coordinator to Scheduling Coordinator trade to PG&E's scheduling agent at least 1-1/2 hours in advance of the CAISO Hour-Ahead scheduling time line equivalent to the demand reduction set forth in PG&E's notification for that hour. Such MW traded shall be adjusted by the Distribution Loss Factor for each Customer to account for delivery at the CAISO interface. The Electric Service Provider will not be compensated by PG&E for SC-to-SC trades submitted as a result of CBP Events.

**Market Redesign and Technology Upgrade**

The foregoing protocols are intended for implementation under the current CAISO electric market structure. At this time, the precise treatment of Demand Response by the CAISO under Market Redesign and Technology Upgrade (MRTU) is uncertain. PG&E reserves the right to modify these protocols so that utilization of the Products can be consistent with MRTU requirements.



**Pacific Gas and Electric Company**  
San Francisco, California

*Cancelling*

Original

Cal. P.U.C. Sheet No.  
Cal. P.U.C. Sheet No.

25040-E

PACIFIC GAS AND ELECTRIC COMPANY  
NOTICE TO ADD OR DELETE CUSTOMERS PARTICIPATING  
IN THE CAPACITY BIDDING PROGRAM  
FORM NO. 79-1075 (06/06)  
(ATTACHED)

(N)  
-----  
(N)

Advice Letter No. 2839-E  
Decision No. 06-03-024

Issued by  
**Thomas E. Bottorff**  
Senior Vice President  
Regulatory Relations

Date Filed June 1, 2006  
Effective \_\_\_\_\_  
Resolution No. \_\_\_\_\_

103323



**NOTICE TO ADD OR DELETE CUSTOMERS PARTICIPATING  
IN THE CAPACITY BIDDING PROGRAM**

**Instructions:** Aggregators and Customers use this notice to officially notify Pacific Gas and Electric Company (PG&E) of your intent to add or delete PG&E customers from the Aggregator’s CBP portfolio. Send the completed notice to PG&E’s Demand Response Program Department by U.S. mail or fax; however, the original must be mailed as soon as possible if the notice was faxed.

**Fax to:** Pacific Gas and Electric Company  
Demand Response Program Department  
Attn: CBP Manager  
FAX: 415-973-4177

**Mail signed original to:** Pacific Gas and Electric Company  
Demand Response Program Department  
Attn: CBP Manager  
77 Beale, B7B  
San Francisco, CA 94105

PG&E may verify the information on this notice with the Customer.

Aggregator Company Name:		Aggregator Code:	
--------------------------	--	------------------	--

This notice adds or deletes a customer’s Service Agreements from the Aggregator’s CBP portfolio. PG&E will review and approve each Service Agreement to be added to determine if it meets the minimum requirements as specified in Schedule E-CBP. PG&E must approve each Service Agreement before the Service Agreement can be included in an Aggregator’s portfolio. Additions to the portfolio will be effective upon PG&E’s approval date. Deletions from the portfolio will be effective at the end of the current calendar month in which this notice is received provided PG&E receives this notice at least 15 calendar days prior to the end of the current month.

By signing this notice, Aggregator and Customer understand that the Aggregator has the authority to act on behalf of the Customer in connection with the CBP for the Customer’s Service Agreements shown below. Such authority is subject to the applicable terms and conditions of Schedule E-CBP and the Agreement For Aggregators Participating In The Capacity Bidding Program (Form 79-1076).

Customer designates the above-named Aggregator to act on its behalf as its Aggregator pursuant to Schedule E-CBP for all purposes, including, but not limited to, the receipt of payments, the payment of penalties, if any, and the receipt of all notices sent by PG&E under the E-CBP program.

Customer understands that PG&E will provide its electric usage and electric meter data for the Service Agreements to Aggregator so Aggregator can determine the payment payable to and penalties chargeable to Customer under Schedule E-CBP. Customer also agrees to allow personnel from the California Energy Commission (CEC), PG&E, and their contracting agents, reasonable access to conduct a site visit for measurement and evaluation, access to the Customer’s interval meter data, and agree to complete any surveys needed to enhance this program.

Customer acknowledges that Aggregator is not PG&E’s agent for any purpose. PG&E shall not be liable to the Customer for any damages resulting from any acts, omissions, or representations made by Aggregator in connection with Aggregator’s solicitation of Customer or with the Aggregator’s performance any of its functions in the CBP. PG&E shall not be liable to Customer for any damages caused to the Customer by any failure by Aggregator to comply with PG&E’s tariffs or for any damages caused by Aggregator’s failure to perform any commitment to the Customer.

Customer Name:		Aggregator Name	
Title:		Title	
Signature:		Signature:	
Date:		Date:	

**Notice by Aggregator to Add/Delete Customers**  
**Please Print or Type Clearly**

Aggregator Name: \_\_\_\_\_

	Add/ Delete	Customer Site Name	PG&E Service Agreement Number	Electric Meter Number	Service Address and City
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.					
15.					
16.					
17.					
18.					
19.					
20.					



**Pacific Gas and Electric Company**  
San Francisco, California

*Cancelling*

Original

Cal. P.U.C. Sheet No.

25041-E

Cal. P.U.C. Sheet No.

PACIFIC GAS AND ELECTRIC COMPANY  
AGREEMENT FOR AGGREGATORS PARTICIPATING  
IN THE CAPACITY BIDDING PROGRAM  
FORM NO. 79-1076 (06/06)  
(ATTACHED)

(N)  
-----  
(N)

Advice Letter No. 2839-E

Decision No. 06-03-024

Issued by

**Thomas E. Bottorff**  
Senior Vice President  
Regulatory Relations

Date Filed June 1, 2006

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_

103324

**AGREEMENT FOR AGGREGATORS PARTICIPATING IN THE  
CAPACITY BIDDING PROGRAM**

This Agreement (Agreement) for Aggregators participating in the Capacity Bidding Program (CBP) is entered into by and between Pacific Gas and Electric Company (PG&E), a California corporation, and \_\_\_\_\_ (Aggregator), a \_\_\_\_\_ . PG&E and Aggregator may sometimes be referred to herein as a “Party” and collectively as the “Parties”.

WHEREAS, the California Public Utilities Commission (CPUC) has authorized the CBP, a day-ahead capacity bidding program as set forth in PG&E’s Schedule E-CBP, (Schedule E-CBP), which is attached hereto as **Attachment A** and incorporated herein by this reference, whereby PG&E pays eligible Aggregators for participating in the CBP; and

WHEREAS, the CPUC has authorized the participation of Aggregators in the CBP, and Aggregator desires to participate in the CBP subject to the applicable PG&E tariff rules and rate schedules.

NOW, THEREFORE, in consideration of the mutual undertakings set forth below, the Parties agree as follows:

**I. AGGREGATOR’S OBLIGATIONS**

A. Status; Subject to Applicable PG&E Tariffs. Aggregator’s status in the CBP shall be as an “Aggregator” under Schedule E-CBP. Aggregator shall be subject to all applicable tariff rules and regulations (which rules and regulations are hereby incorporated herein as an integral part of this Agreement), including, but not limited to, the rates, terms and conditions set forth in Schedule E-CBP, as such rules and regulations may be amended from time to time.

B. Representation of Customers. Aggregator shall represent those customers in PG&E’s electric service territory eligible to participate in the CBP, who have elected to participate through Aggregator with respect to such customer’s service agreement(s), by having appropriate contractual or other arrangements with each such eligible customer whereby such customer authorizes Aggregator, as its representative, to receive payments and to pay penalty charges on behalf of such customer in connection with the customer’s participation, through Aggregator, in the CBP. Aggregator shall be solely responsible for having the appropriate contractual or other arrangements with each customer whom Aggregator represents in the CBP. PG&E shall not be responsible for monitoring, auditing, reviewing or enforcing such arrangements. Aggregator acknowledges and agrees that, in its representation of PG&E customers for the CBP, Aggregator is subject to the terms and conditions of Schedule E-CBP and this Agreement.

C. Aggregator Service Establishment. Aggregator must submit an executed Agreement for Aggregators Participating in the CBP. The Agreement becomes effective upon execution by PG&E.

D. Required Notice to Add or Delete Customers. Once Aggregator has entered into the appropriate contractual or other arrangements with each customer whom Aggregator represents in the CBP, Aggregator shall deliver to PG&E a “Notice to Add or Delete Customers Participating in the Capacity Bidding Program” in the form attached hereto as **Attachment B**, adding such customer’s service agreement(s) to Aggregator’s portfolio. The Notice shall be executed by the Aggregator and each affected customer. Aggregator shall notify PG&E that it has dropped a customer service agreement from its portfolio by delivering to PG&E a “Notice to Add or Delete Customers Participating in the Capacity

Bidding Program” signed by customer and Aggregator. Aggregator shall deliver such Notices to PG&E as specified in the Notice.

PG&E must approve each Service Agreement before the Service Agreement can be included in the Aggregator’s portfolio. Additions to and deletions from the Aggregator’s portfolio will be effective as specified in the E-CBP Tariff and the Notice.

E. Ensure Necessary Arrangements with Scheduling Coordinators for Direct Access Customers. Aggregator shall be solely responsible for having the appropriate contractual or other arrangements with the Scheduling Coordinator (SC) and/or the Energy Service Provider (ESP) for each DA customer whom Aggregator represents in the CBP to ensure that PG&E’s SC receives a of an amount of energy that is equal to the amount of load dropped by Aggregator’s customer during a CBP Event. The trade shall be scheduled as a Scheduling Coordinator to Scheduling Coordinator (SC-to-SC) trade to the congestion zone in which the DA customer is located. Aggregator shall not be entitled to any capacity or energy payment from PG&E for load dropped by a DA customer during a CBP Event pursuant to an Aggregator nomination unless PG&E’s receives a SC-to-SC trade for such load reductions during the CBP Event. If a SC-to-SC trade of a sufficient capacity is not delivered to PG&E, the DA customer’s performance shall be deemed zero for the purpose of calculating payments and penalties due under Schedule E-CBP. PG&E shall not be responsible for enforcing requirements applicable to the performance of the Scheduling Coordinators. The Aggregator agrees to follow the SC-to-SC trade protocol in **Attachment C**. Aggregator shall be required to pay any imbalance charges imposed on PG&E by the California Independent System Operator arising from the Aggregator’s failure to make a compliant SC-to-SC trade for its DA customer’s load drop. The Aggregator is responsible for notifying the ESP for its DA customers that the ESP will not be compensated by PG&E for SC-to-SC trades submitted as a result of CBP Events.

F. Secure Customer Participation in Measurement and Evaluation Activities. Aggregator shall agree, and shall cause each customer whom Aggregator represents on the CBP to agree, to (i) allow personnel from the California Energy Commission, PG&E, and their contracting agents reasonable access to customer’s facilities to conduct a site visit for measurement and evaluation of activities related to the CBP; and (ii) participate in and complete any surveys needed to enhance the CBP. Aggregator’s failure to secure these agreements may result in the termination of this Agreement and/or a determination by PG&E that Aggregator is ineligible to participate in the CBP.

G. Timeliness and Due Diligence. Aggregator shall exercise due diligence in meeting its obligations and deadlines under Schedule E-CBP and this Agreement to facilitate customer participation through Aggregator in the CBP.

## **II. GENERAL TERMS**

A. Definitions. Except where explicitly defined herein, the capitalized terms used in this Agreement shall have the meanings set forth in Schedule E-CBP.

B. Customer-Specific Usage or Meter Data. Upon the addition of a Service Agreement to an Aggregator’s portfolio, Usage or meter data for the Service Agreement will become available on a going forward basis via the format available in PG&E’s CBP Website.

### III. LIMITATION OF LIABILITIES

A. PG&E shall not be liable to the Aggregator for any damages caused by PG&E's conduct in compliance with, or as permitted by, Schedule E-CBP or other tariffs, this Agreement and associated legal and regulatory requirements related to the CBP.

B. PG&E's liability to Aggregator for any loss, cost, claim, injury, liability or expense, including reasonable attorneys' fees, relating to or arising from any act or omission in PG&E's performance of this Agreement shall be limited to the amount of direct damage actually incurred. In no event shall PG&E be liable to Aggregator for any indirect, special, consequential or punitive damages of any kind whatsoever, whether in contract, tort or strict liability.

### IV. PAYMENT

A. Payment Terms. During the term of this Agreement, PG&E shall make any payments due to Aggregator (after deducting any amounts due to PG&E) pursuant to the terms and conditions of Schedule E-CBP within sixty (60) calendar days following the end of each operating month by mailing an invoice and check payable to Aggregator to the following address:

Name: \_\_\_\_\_  
Attention: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_

B. Late Payments. PG&E's charges to Aggregator as provided in Schedule E-CBP and Commission rules will be considered past due if it is not paid within 15 calendar days after transmittal of an invoice by PG&E. If an Aggregator does not pay PG&E's invoice within such 15 calendar days, then:

1. A 7-day notice may be mailed to the Aggregator and to each of the customers in the Aggregator's portfolio. If the charges in the notice remain unpaid after the expiration of the 7-day notice, PG&E shall have the right to terminate the Aggregator Agreement and Aggregator's participation in the CBP. If Aggregator's participation in the CBP is terminated, the Aggregator remains responsible for all outstanding charges billed pursuant to Schedule E-CBP, even if such charges are identified after the termination becomes effective.

2. If the Aggregator agreement is not terminated, the Aggregator will be unable to add customers to its portfolio until late payments are cured.

3. PG&E may require full collateral in the form of cash, irrevocable standby letter of credit, security bond or any other security instrument deemed appropriate by PG&E if the Aggregator makes more than one late payment. If such collateral is requested and not provided by the Aggregator to PG&E, the Aggregator's participation will be subject to termination by PG&E.

### V. REPRESENTATIONS AND WARRANTIES

A. Each Party represents and warrants that it is and shall remain in compliance with all applicable laws.

B. Each Party represents and warrants that (a) it has the full power and authority to execute and deliver this Agreement and to perform its terms and conditions; (b) the execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate or other action by

such Party; and (c) this Agreement constitutes such Party's legal, valid and binding obligation, enforceable against such Party in accordance with its terms.

C. Each Party shall exercise all reasonable care, diligence and good faith in the performance of its duties pursuant to this Agreement, and carry out its duties in accordance with applicable recognized professional standards in accordance with the requirements of this Agreement.

D. With each submission of a "Notice to Add or Delete Customers Participating in the Capacity Bidding Program," and until such time as Aggregator submits such Notice for the removal of such customer from Aggregator's representation, Aggregator represents and warrants that:

1. Each customer whom Aggregator represents is eligible to participate in the CBP and has elected to participate in the CBP through Aggregator;

2. Aggregator has entered into the appropriate contractual or other arrangements with such customer whereby such customer has authorized Aggregator to receive payments from and to pay penalty charges to PG&E on behalf of such customer in connection with such customer's participation in the CBP.

## **VI. TERM**

A. The term of this Agreement shall commence as of the Effective Date and shall continue in full force and effect until December 31, 2008, unless terminated earlier pursuant to this section or to Section VII.

B. An Aggregator may request to terminate its participation in this program by submitting to PG&E a completed Cancellation of Contract (Form 62-4778). The termination will be effective on the later of 1) the beginning of the calendar month that is immediately after the initial 12 month term, and 2) the beginning of the calendar month that is closest to but at least thirty (30) calendar days after PG&E received the Cancellation of Contract.

## **VII. TERMINATION**

A. Termination for Default. PG&E may immediately terminate this Agreement upon written notice to Aggregator if Aggregator breaches any material obligation under this Agreement and fails to cure such breach within fifteen (15) calendar days after receiving written notice of the breach. Customer must notify PG&E upon curing identified breach

B. Effect of Termination. Upon an issuance of a notice to terminate this Agreement, PG&E shall have the right to solicit the direct participation in the CBP of customers represented by Aggregator who are eligible to participate directly in the CBP. All Service Agreements will be removed from the Aggregator's portfolio upon the effective date of the termination.

## **VIII. INDEMNIFICATION**

A. Indemnification of PG&E. To the fullest extent permitted by law, Aggregator shall indemnify, defend and hold harmless PG&E, and its parent company, subsidiaries, affiliates and their respective shareholders, officers, directors, employees, agents, representatives, successors and assigns (collectively, the "Indemnified Parties"), from and against any and all claims, actions, suits, proceedings, losses,

liabilities, penalties, fines, damages, costs or expenses, including without limitation reasonable attorneys' fees (Claim), resulting from (a) any breach of the representations, warranties, covenants and obligations of Aggregator under this Agreement, (b) any act or omission of Aggregator, whether based upon Aggregator's negligence, strict liability or otherwise, in connection with the performance of this Agreement, or (c) any third party claims of any kind, whether based upon negligence, strict liability or otherwise, arising out of or connected in any way to Aggregator's performance or nonperformance under this Agreement.

B. Defense of Claim. If any Claim is brought against the Indemnified Parties, Aggregator shall assume the defense of such Claim, with counsel reasonably acceptable to the Indemnified Parties, unless in the opinion of counsel for the Indemnified Parties a conflict of interest between the Indemnified Parties and Aggregator may exist with respect to such Claim. If a conflict precludes Aggregator from assuming the defense, then Aggregator shall reimburse the Indemnified Parties on a monthly basis for the Indemnified Parties' reasonable defense costs through separate counsel of the Indemnified Parties' choice. If Aggregator assumes the defense of the Indemnified Parties with acceptable counsel, the Indemnified Parties, at their sole option and expense, may participate in the defense with counsel of their own choice without relieving Aggregator of any of its obligations hereunder.

C. Survival. Aggregator's obligation to indemnify the Indemnified Parties shall survive the expiration or termination of this Agreement.

## **IX. NOTICES**

A. Mailing Address. Except for payments, which shall be made pursuant to Section IV, any formal notice, request, or demand required or permitted under this Agreement shall be given in writing by PG&E and Aggregator, and shall be (a) mailed by first-class mail, (b) mailed by registered, certified, (c) mailed by overnight mail, (d) delivered by hand, or (e) faxed with confirmation as set forth below, to the other Party as indicated below, or to such other address as the parties may designate by written notice.

To Aggregator:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Phone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_

To PG&E:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Phone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_

B. Notices. Notices delivered by hand shall be deemed received when delivered. Notices sent by facsimile shall be deemed received upon receipt but must be confirmed by mail within seventy-two (72) hours. Notices delivered by first class mail shall be deemed received forty-eight (48) hours (not including weekends and holidays) after deposit, postage prepaid, in the

U.S. mail, or if certified, registered or overnight mailing is used, as acknowledged by the signed receipt of mailing.

## **X. CONFIDENTIALITY**

A. Confidentiality. Aggregator shall not disclose any Confidential Information obtained pursuant to this Agreement to any third party, including any affiliates of Aggregator, without the express prior written consent of PG&E. As used herein, the term "Confidential Information" means proprietary business, financial and commercial information pertaining to PG&E, customer names and other information related to customers, including energy usage data (Customer Information), any trade secrets and any other information of a similar nature, whether or not reduced to writing or other tangible form. Confidential Information shall not include: (a) information known to Aggregator prior to obtaining the same from PG&E; (b) information in the public domain at the time of disclosure by Aggregator; (c) information obtained by Aggregator from a third party who did not receive the same, directly or indirectly, from PG&E; or (d) information approved for release by express prior written consent of an authorized representative of PG&E.

B. Use of Confidential Information. Aggregator hereby agrees that it shall use the Confidential Information solely for the purpose of performing under this Agreement. Aggregator agrees to use at least the same degree of care Aggregator uses with respect to its own proprietary or confidential information, which in any event shall result in a reasonable standard of care to prevent unauthorized use or disclosure of the Confidential Information.

C. Authorized Disclosure. Notwithstanding any other provisions of this Section Aggregator may disclose any of the Confidential Information in the event, but only to the extent, that, based upon advice of counsel, Aggregator is required to do so by the disclosure requirements of any law, rule, regulation or any order, decree, subpoena or ruling or other similar process of any court, governmental agency or regulatory authority. Prior to making or permitting any such disclosure, Aggregator shall provide PG&E with prompt written notice of any such requirement so that PG&E (with Aggregator's assistance if requested by PG&E) may seek a protective order or other appropriate remedy.

D. Term. The confidentiality provisions set forth in this Section shall remain in full force and effect with respect to any Confidential Information until the date that is five (5) years after the date of PG&E's disclosure of such Confidential Information to Aggregator pursuant to this Agreement; provided, further, that such confidentiality provisions shall remain in full force and effect with respect to any Customer Information in perpetuity.

E. Remedies. The Parties acknowledge that the Confidential Information is valuable and unique, and that damages would be an inadequate remedy for breach of this Section and the obligations of Aggregator are specifically enforceable. Accordingly, the Parties agree that in the event of a breach or threatened breach of this Section by Aggregator, PG&E shall be entitled to seek an injunction preventing such breach, without the necessity of proving damages or posting any bond. Any such relief shall be in addition to, and not in lieu of, monetary damages or any other legal or equitable remedy available to PG&E.

## **XI. MISCELLANEOUS**

A. Assignment. This Agreement, and the rights and obligations granted and/or obtained by Aggregator hereunder, shall not be further transferred or assigned by Aggregator without the prior written consent of PG&E. Any assignment in violation of this section shall be void.

B. Independent Contractor. Aggregator shall perform its obligations under this Agreement as an independent contractor, and no principal-agent or employer-employee relationship or joint venture or partnership shall be created with PG&E.

C. Choice of Law. This Agreement shall be carried out and interpreted under the laws of the State of California, without regard to any conflict of law principles thereof. Except for matters and disputes with respect to which the CPUC is the proper venue for dispute resolution pursuant to applicable law or this Agreement, the federal and state courts located in San Francisco, California shall constitute the sole proper venue for resolution of any matter or dispute hereunder. The Parties submit to the exclusive jurisdiction of such courts with respect to such matters and disputes.

D. Resolution of Disputes. Any dispute arising between the Parties relating to the interpretation of this Agreement or to the performance of a Party's obligations hereunder shall be reduced to writing and referred to the Parties' designated representative for resolution. The Parties shall be required to meet and confer in an effort to resolve any such dispute.

E. Waiver. Any failure or delay by either Party to exercise any right, in whole or part, hereunder shall not be construed as a waiver of the right to exercise the same, or any other right, at any time thereafter.

F. CPUC Jurisdiction: This Agreement shall be subject to all of PG&E's applicable tariffs on file with and authorized by the Commission and shall at all times be subject to changes or modifications as the Commission may direct from time to time in the exercise of its jurisdiction.

G. Entire Agreement; Amendments. This Agreement, including the Attachments listed below, sets forth the entire understanding of the Parties as to the subject matter hereof, and supersedes any prior discussions, offerings, representations or understanding (whether written or oral), and shall only be superseded by an instrument in writing executed by both Parties. This Agreement shall not be modified by course of performance, course of conduct or usage of trade.

*Attachment A: Schedule E-CBP*

*Attachment B: Notice to Add or Delete Customers Participating in the Capacity Bidding Program*

*Attachment C: Protocol for SC-to-SC Trade*

H. Survival. Notwithstanding the expiration or termination of this Agreement, the Parties shall continue to be bound by the provisions of this Agreement, which, by their nature, survive completion or termination.

I. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

J. Headings. The headings contained in this Agreement are solely for the convenience of the Parties and shall not be used or relied upon in any manner in the construction or interpretation of this Agreement.

IN WITNESS WHEREOF, the authorized representatives of PG&E and Aggregator have executed this Agreement as of the Effective Date.

AGGREGATOR

PACIFIC GAS AND ELECTRIC COMPANY

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

ATTACHMENT A  
SCHEDULE E-CBP

ATTACHMENT B

Notice to Add or Delete Customers Participating in the Capacity Bidding Program

## ATTACHMENT C

### Protocol for SC-to-SC Trade

Five calendar days prior to the beginning of each operating month, Aggregator shall provide to via PG&E's CBP website, monthly nominations of demand response broken down by Product Type and by Congestion Zone (i.e., NP-15 or ZP-26, as currently established by the CAISO) to be made available under this Agreement.

PG&E or PG&E's program coordinator shall notify Aggregator by 1500 hours if a dispatch of any Product is required the next business day. PG&E's notification shall specify the MW amount of each Product in each hour and by Congestion Zone. Such schedules shall be for contiguous hours only. Each business day following a PG&E notification, Aggregator shall perform or cause to be performed a Scheduling Coordinator to Scheduling Coordinator trade to PG&E's scheduling agent at least 1-1/2 hours in advance of the CAISO Hour-Ahead scheduling time line equivalent to the demand reduction set forth in PG&E's notification for that hour. Such MW traded shall be adjusted by the Distribution Loss Factor for each Customer to account for delivery at the CAISO interface. The Electric Service Provider will not be compensated by PG&E for SC-to-SC trades submitted as a result of CBP Events.

### Market Redesign and Technology Upgrade

The foregoing protocols are intended for implementation under the current CAISO electric market structure. At this time, the precise treatment of Demand Response by the CAISO under Market Redesign and Technology Upgrade (MRTU) is uncertain. PG&E reserves the right to modify these protocols so that utilization of the Products can be consistent with MRTU requirements.



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