

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



May 10, 2007

Advice Letter 2980-E

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

Subject: Revisions to Electric Schedule E-BEC – Business Energy Coalition (BEC) to Facilitate the Approved Expansion of Program in D.06-11-049, Modifying Demand Response Programs in 2007

Dear Ms. de la Torre:

Advice Letter 2980-E is effective May 3, 2007. A copy of the advice letter and resolution are returned herewith for your records.

Sincerely,

Sean H. Gallagher, Director
Energy Division

REGULATORY RELATIONS	
M Brown	Tariffs Section
R Dela Torre	D Poster
B Lam	M Hughes
MAY 17 2007	
Return to _____	Records _____
cc to _____	File _____



Brian K. Cherry
Vice President
Regulatory Relations

77 Beale Street, Room 1087
San Francisco, CA 94105

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Mail Code B10C
Pacific Gas and Electric Company
P.O. Box 770000
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February 8, 2007

Advice 2980-E

(Pacific Gas and Electric Company ID U 39 E)

Subject: Revisions to Electric Schedule E-BEC – Business Energy Coalition (BEC) to facilitate the approved expansion of program in Decision 06-11-049, Modifying Demand Response Programs in 2007

Public Utilities Commission of the State of California

Pacific Gas and Electric Company (PG&E) hereby submits for filing revisions to its electric rate schedule, E-BEC - *Business Energy Coalition (BEC)*. The affected tariff sheets listed on the enclosed Attachment 1.

Purpose

Commission Decision (D.) 06-11-049 approved enhancements to PG&E's demand response programs including electric rate schedule E-BEC. In compliance with D. 06-11-049, PG&E filed Advice Letter 2953-E on December 15, 2006, which, among other things, increased maximum subscription to 50 MW.¹ PG&E proposes additional modifications in order to implement the Commission's approved enhancements.

Background

The BEC program is a demand-side load management program intended to engage businesses to participate in a demand response program based on an innovative customer-utility partnership approach approved by the Commission in D. 05-01-056. The program provides advanced metering and real-time energy usage to help customers modify their energy use to reduce peak energy usage

¹ Ordering Paragraph 2, D.06-11-049, states, "PG&E, SCE and SDG&E shall, within 15 days of the effective date of this order, file tariffs in compliance with this order."

during program events. The program is currently limited to the City and County of San Francisco and the surrounding Bay Area counties. Participants are paid an incentive payment for reducing load during program events.

Proposed Tariff Revisions

PG&E proposes the following revisions to the BEC program in order to successfully reach the goal of 50 MW:

- Expand the availability of the program to PG&E's entire electric service territory,
- Expand the eligibility of the BEC program to sectors beyond the current office, hospitality, and high-tech.
- Expand the BEC program to Optional Binding Mandatory Curtailment (Schedule E-POBMC and E-OBMC) customers.
- Eliminate one of the program triggers tied to San Francisco, as the proposed territory will be expanded.
- Insert a "soft trigger" to allow the program to only be called as needed rather than require adherence to an inflexible criteria.
- Provide notification of a BEC event by 12 noon for day-ahead events in order to give customers more certainty and time to prepare for reducing load.
- Modify the incentive payment to once per year to simplify the process.
- Correct various typographical errors and improve clarity.

Protest Period

Anyone wishing to protest this filing may do so by sending a letter by **February 28, 2007**, 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
Tariff Files, Room 4005
DMS Branch
505 Van Ness Avenue
San Francisco, California 94102

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

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

The protest also should be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission:

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

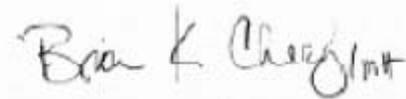
Facsimile: (415) 973-7226
E-mail: PGETariffs@pge.com

Effective Date

PG&E requests that this advice filing become effective on regular notice, **March 10, 2007**, which is 30 calendar days after the date of filing.

Notice

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this Advice Letter is being sent electronically or via U.S. mail to parties shown on the attached list and to the service lists 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>**.



Vice President - Regulatory Relations

Attachment

cc: Service Lists – 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 U39M

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Megan Hughes

Phone #: (415) 973-1877

E-mail: MEHr@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) #: **2980-E**

Subject of AL: Revisions to Electric Schedule E-BEC – Business Energy Coalition (BEC) to facilitate the approved expansion of program in Decision 06-11-049, Modifying Demand Response Programs in 2007

Keywords (choose from CPUC listing): Memorandum Account

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

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

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL

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

Resolution Required? Yes No

Requested effective date: **March 10, 2007**

No. of tariff sheets: 4

Estimated system annual revenue effect: (%)

Estimated system average rate effect (%):

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: Rate schedule E-BEC

Service affected and changes proposed¹:

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

inj@cpuc.ca.gov and mas@cpuc.ca.gov

Utility Info (including e-mail)

Attn: Brian K. Cherry

Vice President, Regulatory Relations

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

¹ Discuss in AL if more space is needed.

**ATTACHMENT 1
Advice 2980-E**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
25948-E	Schedule E-BEC--Business Energy Coalition Program	25692-E
25949-E	Schedule E-BEC (Cont.)	25693-E
25950-E	Schedule E-BEC (Cont.)	25694-E
25951-E	Schedule E-BEC (Cont.)	25695-E
25955-E	Table of Contents -- Rate Schedules	25619-E
25956-E	Table of Contents -- Title Page	25728-E



SCHEDULE E-BEC—BUSINESS ENERGY COALITION

APPLICABILITY: The Business Energy Coalition (BEC) program is a pilot demand response program ordered in Decision (D.) 05-01-056 and expanded in D.06-11-049. The Program is an initiative between both PG&E and major business leaders to demonstrate load curtailment. Customers enrolled in the Program will be required to reduce their load down to their firm service level (FSL) within the time frame specified in their event notification. (T)

The pilot Program will terminate on December 31, 2008. (T)

TERRITORY: This schedule is available throughout PG&E's service territory (T)

ELIGIBILITY: PG&E bundled-service customers, Community Choice Aggregation Service (CCA Service), Direct Access (DA) customers, and wholesale customers are eligible for Schedule E-BEC. Each participant should have a minimum average monthly demand of 200 kilowatts (kW), and should be able to reduce their demand by a minimum of 200 kW. Participants must take service on a PG&E demand time-of-use rate schedule. In addition, each participant (or account) is responsible for any processing fees associated with any rate schedule change required to participate in the Program. (T)

Customers on a net energy metering rate schedule (i.e., NEM, NEMFC, or NEMBIO), Standby, Critical Peak Pricing Program (E-CPP), Schedule Load Reduction Program (E-SLRP), or any other performance tariffs are not eligible to participate in the Program. (T)

Customers with a blend of cogeneration and utility services or customers participating in another demand response program will be evaluated for eligibility by PG&E on a case-by-case basis. Customers with cogeneration will be eligible based only on their actual PG&E demand.

Customers must have the required metering equipment, KYZ pulse output device, and Internet access in place prior to participation in the BEC Program.

The Energy Coalition (Program Manager) is the organization managing and signing-up customers on this pilot program. As stated in the Memorandum of Understanding, a customer must agree to number of kW ("Firm Service Level") which it will attempt to reduce to during a Program event. Customers must demonstrate to PG&E's satisfaction that they can meet the Program's minimum requirements. (T)

Customers who are deemed essential under the Electric Emergency Plan as adopted in Decision 01-04-006 and Rulemaking 00-10-002, must submit to PG&E a written declaration that states that the customer is, to the best of that customer's understanding, an essential customer under California Public Utilities Commission (Commission) rules and exempt from rotating outages. It must also state that the customer voluntarily elects to participate in an interruptible program for part or its entire load based on adequate backup generation or other means to interrupt load upon request by the respondent utility, while continuing to meet its essential needs. In addition, an essential customer may commit no more than fifty percent (50%) of its average peak load to interruptible programs.

(Continued)



SCHEDULE E-BEC—BUSINESS ENERGY COALITION
(Continued)

METERING EQUIPMENT: Each account must have an interval meter with a KYZ pulse output device to interface with the Program's communication system. If required, the Program will provide and install the metering equipment at no cost to the customer, including KYZ pulse output device, and installation of a dedicated phone line or Ethernet connection to transmit program load data. (T)

NOTIFICATION EQUIPMENT: In the event of a Program curtailment operation, PG&E will notify the Program Manager prior to 12 noon for day-ahead events and a minimum of an hour-ahead for day-of events. The Program Manager will be notified by pager, email, fax and/or phone. Receipt of such notice is the responsibility of the Program Manager. (T)
(T)

The Program Manager is responsible for notifying each of the customers participating in the Program. Customers, at their expense, must have access to the Internet and an e-mail address to receive notification via the Internet. Failure to receive a Program operation notice does not release the Program Manager or each customer from its obligation to participate. PG&E does not guarantee the reliability of the pager system, e-mail system, fax system, or Internet site by which notification is received.

- PROGRAM DETAILS:**
1. A third-party facilitator (Program Manager) may be used to manage the Program on behalf of PG&E.
 2. An engineering and/or site assessment may be provided to identify load that can be curtailed during Program events. The evaluation will determine each member's FSL. During a Program event, each BEC participant should reduce its load to the prescribed FSL.
 3. The committed load reduction will be evaluated as the difference between the sum of each participant's two-year average peak demand and the sum of each participant's FSL. (T)
(T)
 4. The total program load reduction may not exceed 50 megawatts (MW). (T)
 5. A Program event may be triggered for actual or forecasted statewide or local shortages or emergencies throughout the pilot program period. Specifically, a Program event may be issued when any of the following occur:
 - The California Independent System Operator (CAISO) declares or PG&E expects the CAISO to declare a Stage 1 or higher emergency. (T)
|
 - The CAISO forecasts or PG&E expects the CAISO forecasted system load to meet or exceed 43,000 MW. (T)
 - The CAISO or PG&E foresees or declares a localized system emergency, including but not limited to high temperature forecasts, loss of generation or transmission resources. PG&E may call an event for a particular participant group, defined by PG&E's transmission planning areas. (T)
|
(T)
(D)
 6. Program events will not exceed five (5) hours per event, one (1) event per day, five (5) events per month, twenty-five (25) hours per month, and one hundred (100) hours throughout the pilot period.

(Continued)



SCHEDULE E-BEC—BUSINESS ENERGY COALITION
(Continued)

PROGRAM DETAILS: (Cont'd.)	7. Program events will be issued by 12 noon for day-ahead events, Monday through Friday, excluding holidays.	(T)
	8. The Program will conduct a system test with each participant to assure energy reduction. In the event there are no actual curtailments, a two-hour test will be conducted every other month throughout the pilot program period.	
INCENTIVE PAYMENTS:	Each Program participant will receive an incentive payment of \$50/kW annually based on their committed load reduction. Incentive payments will be paid by check to each participant by the Program Manager, unless another form of payment is agreed upon between PG&E and the participant.	(T) (T)
FAILURE TO REDUCE LOAD:	Non-performance penalties are assessed on the group's load curtailment level, and not on an individual participant's basis. If the group fails to meet the group's established FSL, the group will draw from its Shortfall Reserve Fund to pay for all CAISO charges, imbalance penalties, and other potential penalties. If the penalties/charges exceed the Shortfall Reserve Fund, the Energy Coalition will be responsible for any additional costs. Any outstanding balance in the Shortfall Reserve Fund will be proportionately distributed to participants at the completion of the pilot program or, if applicable, carried over for an extended program.	
PROGRAM TERM AND CONDITIONS:	The pilot program will remain open until December 31, 2008. This tariff shall at all times be subject to such changes or modifications as the Commission may direct from time to time in the exercise of its jurisdiction. PG&E reserves the right to modify or terminate the Program, with Commission approval and thirty (30) days' written notice to participants.	(T) (T)
BILLING:	Participants' regular electric service bills will continue to be calculated each month based on their actual recorded monthly demands and energy usage and their otherwise applicable schedule.	(T)

(Continued)



SCHEDULE E-BEC—BUSINESS ENERGY COALITION
(Continued)

INTERACTION WITH CUSTOMER'S OTHER APPLICABLE CHARGES OR PROGRAMS:	Load can only be committed to one interruptible program for any given hour of a curtailment, and customers will be paid for performance under only one program for a given load reduction.	
	Customers who participate in PG&E's Critical Peak Pricing Program (E-CPP) or PG&E's Schedule Load Reduction Program (E-SLRP) may not participate in the BEC Program while on E-CPP or E-SLRP.	(T) (T) (T)
	With limitations, participants in PG&E's Non-Firm Program, PG&E's Base Interruptible Program (E-BIP), or the Optional Binding Mandatory Curtailment Programs (E-OBMC/E-POBMC) may participate in the BEC Program. These customers may participate in the BEC Program provided that their BEC committed load is below the non-BEC Program's FSL.	(T) (T)
	Customers who participate in a third party sponsored interruptible load program must immediately notify PG&E, and such activity may affect the customer's BEC Program eligibility.	(D) (T)
DIRECT ACCESS CUSTOMERS:	Customers participating in this program and receiving service under CCA Service/DA must notify their Community Choice Aggregator (CCA)/Energy Service Provider that they are participating in this Program and when they participate in a BEC event. The per event notification must include the amount of hourly load reduction committed for a day-ahead event, or the customer's committed load reduction for an hour-ahead event.	(T) (T)
	A CCA Service/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 CCA Service/DA customer's participation in the program. The CCA Service/DA customer is responsible for the following: (1) the SC to SC trade must be submitted in a timeframe that complies with the CAISO'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 CAISO because of an action or inaction of the customer's SC.	(T) | | | | (T)

(Continued)

TABLE OF CONTENTS

Table of Contents

SCHEDULE	TITLE OF SHEET	CAL P.U.C. SHEET NO.	
Title Page	.....	25728-E	
Rate Schedules	.....25660, 25364, 25872,	25955-E	(T)
Preliminary Statements	.....25624-25625, 25661,	25455-E	
Rules	.....	25362-E	
Sample Forms	.....25874, 25630, 25875-25876, 25418, 25877-25878-E		

TABLE OF CONTENTS

**Rate Schedules
 Direct Access**

SCHEDULE	TITLE OF SHEET	CAL P.U.C. SHEET NO.
E-CREDIT	Revenue Cycle Services Credits.....	24944-24945, 16569, 24946-24947, 16572, 24948-24949, 16575, 24950-24951, 16578-E
E-DASR	Direct Access Services Request Fees	14847-E
E-ESP	Services to Energy Service Providers	16109, 15828-15830, 16221-E
E-ESPNSF	Energy Service Provider Non-Discretionary Service Fees	16535-16536-E
E-EUS	End User Services	19750, 14853, 19751-E
DA-CRS	Direct Access Cost Responsibility Surcharge	25133, 25616, 25616-E

**Rate Schedules
 Community Choice Aggregation**

E-CCA	Services to Community Choice Aggregators.....	22992-22995-E
E-CCAINFO	Information Release to Community Choice Aggregators	23058-23060-E
CCA CRS	Community Choice Aggregation Cost Responsibility Surcharge (Interim)	25617, 25617-E

**Rate Schedules
 Curtailment Options**

E-BIP	Base Interruptible Program	24953, 22849-22851, 24954-E
E-OBMC	Optional Binding Mandatory Curtailment Plan	18839-18840, 18429, 23000, 18431, 23001-E
E-DBP	Demand Bidding Program.....	22853-22854, 25231, 22856-22858, 24744-24745*-E
E-SLRP	Scheduled Load Reduction Program	21676-21678, 18842, 20387-E
E-POBMC	Pilot Optional Binding Mandatory Curtailment Plan	18903-18905, 23002, 18907, 23003, 18909-E
E-CPP	Critical Peak Pricing Program	23450, 25333, 20398, 23451-23452, 24746*, 20403-E
E-BEC	Business Energy Coalition Program.....	25948-25949, 25950-25951-E (T)
E-CBP	Capacity Bidding Program	25404-25413-E
E-NF	Non-Firm Service	25234, 25234, 24272-24277, 25235, 24279-E

**Rate Schedules
 Energy Charge Rates**

E-FFS	Franchise Fee Surcharge.....	23004-E
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**PG&E Gas and Electric Advice
Filing List
General Order 96-A, Section III(G)**

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