



ELECTRIC SCHEDULE E-POBMC
PILOT OPTIONAL BINDING MANDATORY CURTAILMENT PLAN

Sheet 1

APPLICABILITY: The Pilot Optional Binding Mandatory Curtailment (POBMC) Plan is a pilot program to test adjustment of the program's load reduction baseline to reflect real-time demand. A POBMC Plan may be an alternative to a rotating outage (RO) for certain customers. Under an POBMC Plan, PG&E may authorize a customer to reduce their demand to an agreed upon level in lieu of being included in PG&E's rotating outage block progression. This schedule is open on a first-come, first-serve basis to a maximum total of ten (10) PG&E customers located in Alameda, San Mateo, or Santa Clara counties who can meet the eligibility requirements. Customers participating in Schedule E-OBMC as of the effective date of the schedule shall have priority for available positions over other customers. An eligible customer should submit a POBMC Plan to PG&E for review and acceptance. If the plan is approved by PG&E, PG&E will send such approval to the customer in writing. The written approval letter will specify the effective start date of the POBMC Plan. This pilot program is available for qualifying customers until modified or terminated in the rate design phase of the next general rate case or similar proceeding unless otherwise directed by the CPUC.

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PROGRAM OPERATIONS: PG&E shall require a customer to operate its POBMC Plan upon each and every notice from the California Independent System Operator (CAISO) that a firm load curtailment is required within the PG&E service territory. Additionally, PG&E reserves the right to require a customer to operate its POBMC Plan when PG&E or the ISO has initiated or is planning to initiate firm load curtailments in a local geographic area within the PG&E service territory. POBMC Plan curtailments shall be required concurrent with each and every firm load curtailment.

Upon notification from PG&E of an POBMC curtailment, POBMC customers must immediately commence implementation of the load curtailment measures contained in their load reduction plan. Upon notice from PG&E, POBMC customers are required to reduce their load such that the load on their circuit or dedicated substation is at or below the Maximum Load Level (MLL) corresponding to the percent load reduction communicated in the notice. The load measurements for the circuit shall be taken at PG&E's distribution substation.

The MLLs correspond to a reduction in a circuit's loading of between five (5) and fifteen (15) percent in five (5) percent increments. The CAISO may call for load reductions on a required MW level, but PG&E will require POBMC customers to reduce their load to the next highest five (5) percent increment. For each operation, PG&E will notify the customer of the required percent reduction, along with the start and end times for the POBMC operation. PG&E may extend the end time or increase the percentage reduction of any ongoing POBMC operation as necessary to correspond with CAISO directives.

Maximum Load Levels (MLLs) shall be established by PG&E for the circuit or dedicated substation, which correspond to each of the 5, 10, and 15 percent load reduction levels. The following MLL calculation methodology shall apply for: a) customers not participating in a capacity interruptible program, b) customers participating in a capacity interruptible program where the customer's adjusted baseline is less than the customer's capacity interruptible program firm service level (FSL), and c) customers participating in a capacity interruptible program where the customer has met their monthly or annual curtailment obligation. The MLL for the 5 percent load reduction is equal to the product of the adjusted baseline times 0.95. The MLL for the 10 percent load reduction is equal to the product of the adjusted baseline times 0.90. The MLL for the 15 percent load reduction is equal to the product of the adjusted baseline times 0.85.

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PROGRAM
 OPERATIONS:
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The following MLL calculation methodology shall apply for customers participating in a capacity interruptible program where the customer has not met their monthly or annual curtailment obligation and the customer's FSL under that program is less than the customer's adjusted baseline. The MLL for the 5 percent load reduction is equal to the product of the FSL times 0.95. The MLL for the 10 percent load reduction is equal to the product of the FSL times 0.90. The MLL for the 15 percent load reduction is equal to the product of the FSL times 0.85. Customers participating in a capacity interruptible program who complete their monthly or annual capacity interruptible program curtailment obligation during a concurrent POBMC curtailment must continue to curtail from the lower of the FSL or POBMC adjusted baseline until the conclusion of the POBMC curtailment.

The baseline for determining MLLs is equal to the average recorded hourly usage amount (if available) for the same hours as the POBMC operation hours on the immediate past 10 similar days, excluding days when the customer was paid to reduce load under PG&E's Demand Bidding Program and days when the POBMC program operated. For establishing similar days, if the POBMC event is called on a business day, then 10 prior business days are used; if the POBMC event is called on a weekend or holiday, then 10 prior weekend and holiday days are used.

The adjusted baseline for each hour of a curtailment event is determined by applying the adjustment amount to the 10-similar day baseline. The adjustment amount is equal to the average hourly circuit demand over the most recent 4-hour period immediately prior to the initial curtailment notice, excluding periods when a POBMC curtailment occurred, minus the average hourly 10-similar day baseline for the circuit over the same 4-hour period. The customer is responsible for determining the applicable baseline adjustment amount at the time of the POBMC curtailment. PG&E will only be responsible for determining the applicable baseline adjustment amount following each curtailment event for the purpose of evaluating customer compliance with the curtailment.

Each calendar year a POBMC participant may exclude the following periods from the 10-day baseline: (a) a period of 15 calendar days designated in advance both for ramp-up and ramp-down of operations during which period the adjusted baseline will be the hourly average circuit load for the most recent prior day; (b) up to 10 days as determined by the customer and designated in advance to accommodate conditions in the customer's operations that affect the 10-day baseline; and (c) up to two days as determined by the customer where unplanned outages or other events cause the circuit load to deviate substantially from normal conditions. The customer shall provide a minimum of 10 calendar days prior notice to PG&E when exercising option (a); a minimum of 7 calendar days prior notice to PG&E when exercising option (b); and notice to PG&E within one calendar day after the outage or event when exercising option (c). Customer requests for the above exclusions must be received by PG&E in written or e-mail format within the specified time frames or the requested exclusion will not be allowed. Customers requesting an operation ramp-up period under option (a) above must also specify a commensurate operation ramp-down period occurring within one year of the ramp-up period. The 10-day baseline following the ramp-down period must be reduced a minimum of 25 percent from the 10-day baseline immediately prior to the ramp-down period. Customers failing to achieve a 25 percent reduction in the 10-day baseline following a ramp-down period will not be allowed future operation ramp-up periods for two years following the ramp-up period.

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PROGRAM
 OPERATIONS:
 (Cont'd.)

Required load reductions must be achieved as quickly as possible but no later than 15 minutes after the primary customer receives notification from PG&E. POBMC customers who fail to curtail to or below the required MLL of their circuit within the specific amount of time or who fail to maintain the MLL for the entire duration of the POBMC operation shall be subject to the non-compliance penalties specified below.

A POBMC Plan is not a guarantee against a customer being subject to a RO, because daily and emergency circuit switching may cause the circuit to become subject to ROs.

The customer may not receive advance notice from PG&E of such a RO. Additionally, a POBMC Plan is applicable to only electrical emergencies requiring a rotation outage, and it does not prevent a customer from being subject to outages caused by other load shedding schemes. All customers involved in a particular POBMC Plan must be served from the same circuit unless expressly agreed to by PG&E.

A single POBMC Plan shall be required for a group of customers on a particular circuit that are undertaking the load reductions. For a group of customers, one of the customers shall be the lead customer for the POBMC Plan. This lead customer shall be the signing party of the POBMC Agreement and shall guarantee the load reductions and pay for all non-compliance penalties. This lead customer is responsible for working and coordinating with non-lead customers on the circuit. For a group of customers, the lead customer represents the non-lead customers.

If requested by any one customer on a circuit, PG&E shall facilitate communication by establishing a POBMC Plan between all customers on the circuit.

POBMC customers with a single tax payer identification number may aggregate the load of two circuits for the purpose of participating in the POBMC program provided: (a) they are the lead customer for both circuits; (b) they have the ability to achieve required load reductions on the total load for the circuits; (c) they agree to achieve required load reductions on individual circuits subject to the aggregation as required by PG&E or the CAISO in response to geographic area constraints; and (d) the customer commits in the POBMC Agreement that it has not, and will not, receive any payment from any customer on any POBMC or Schedule E-OBMC circuit for any action related to the POBMC and OBMC programs. All provisions of this schedule applicable to individual POBMC plans shall apply to the aggregated POBMC plan.

Customers are required to update their POBMC Plans by March 15 of each year, and confirm with PG&E any changes to the previous year's version. A POBMC Plan may become invalid over time because of circuit rearrangements or load additions, which make the MLL unachievable. Customers, therefore, are not guaranteed participation in this option from year to year.

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ELIGIBILITY REQUIREMENTS: Bundled service, Community Choice Aggregation service, and direct access service customers are eligible to file a POBMC Plan provided the customer can demonstrate to PG&E's satisfaction the following items:

1. The customer must be able to reduce its electric load such that the entire load on the PG&E circuit or dedicated substation that provides service to the customer is reduced to or below MLLs for the entire duration of each and every RO operation.
2. For the purpose of evaluating the ability of a POBMC plan to achieve a reduction in circuit load of fifteen (15) percent, the prior year average monthly peak circuit or dedicated substation demand, adjusted for major changes in facilities that resulted in permanent circuit load changes, will be used. Customers desiring adjustment to the prior year demands must submit a declaration signed and stamped by a California registered professional engineer attesting to the facility changes, providing detail of the source of kilowatt load changes, and the total permanent change in maximum demand. PG&E will, at the customer's expense, have the facility changes verified by an independent California registered professional engineer, unless otherwise waived by PG&E.
3. Customers must also be able to achieve a minimum of a 15 percent circuit load reduction from the established baseline upon notice to curtail. Customers submitting a declaration under Section 2, above for a reduction in prior year average monthly peak circuit or dedicated substation demand must be able to achieve a minimum of a 10 percent circuit load reduction from the established baseline upon notice to curtail. Customers participating in the California Solar Initiative (CSI) submitting a declaration under Section 2 above for a reduction in prior year average monthly peak circuit or dedicated substation demand must be able to achieve a minimum of a 5% circuit load reduction from the established baseline upon notice to curtail.
4. Customers participating in a POBMC plan who are the only customers on their circuit may participate in a PG&E operated capacity interruptible program provided the program requires the reduction of load to a pre-established firm service level. Customers participating in a demand bidding program shall not be paid for load reduction during POBMC operations. (T)
5. The customer must sign an Agreement For Schedule E-POBMC (Form No. 79-993) whereby the customer agrees to all terms and conditions set forth in this schedule and in said Agreement.
6. The customer must provide real-time metering equipment at their expense such that the customer can monitor loads in real-time for the purpose of determining the POBMC baseline adjustment amount.

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PLAN
 COMPONENTS:

Every POBMC Plan shall have the following components:

1. Name of lead customer, including PG&E account number, electric rate schedule, service address, mailing address, and contact information, including alphanumeric pager and facsimile numbers and e-mail address.
2. List of all non-lead customers, including PG&E account number, service address, mailing address, and contact information.
3. The lead customer shall be the primary contact for the POBMC Plan. The customer shall furnish and maintain internet access, an e-mail address, alphanumeric pager and facsimile machine as required for customer notification. The primary contact shall be responsible for contacting all non-lead customers.
4. As an attachment the POBMC Plan shall include any and all agreements that are made between the lead customer and the non-lead customers.
5. A financial plan that clearly demonstrates that any and all non-compliance penalties associated with the POBMC plan will be secured by the lead customer and/or the non-lead customers.
6. A load reduction plan that shall indicate the specific quantifiable measures to be utilized by the customer(s) to reduce load to or below each MLL. The load reduction plan must include the load reduction measures to be utilized during different time periods of the year to achieve the required load reductions when seasonal load profile changes occur. The customer is responsible for preparing and maintaining the load reduction plan.
7. Identification of the measuring equipment and means to verify that during the entire duration of the POBMC operation that the load on the circuit or dedicated substation has been reduced to or below the applicable MLL that corresponds the required percent load reduction. This measuring equipment is further specified below.
8. Specification of the real-time metering arrangement to be utilized by the customer for the purpose of determining the POBMC baseline adjustment amount.

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MEASURING EQUIPMENT:

Where the POBMC customer is on a dedicated circuit or dedicated substation, compliance shall be determined from a telephone accessible electric revenue interval meter or real-time metering system that can be read remotely by PG&E's existing meter data collection system. Direct Access customers are required to allow PG&E telephone access to their electric revenue meter for the purposes of determining POBMC operation compliance. Where the existing meter is non-interval or is not compatible with PG&E's current telephone based or real-time meter reading systems, the customer is required to pay for the installation of an interval meter or other required equipment. For bundled service customers, Community Choice Aggregation service, or Direct Access customers who elect to have PG&E install the equipment, electric Rule 2 shall apply. Where a meter is not currently being read via telephone, the customer shall coordinate and pay for the installation, and pay all ongoing costs of such necessary telephone equipment and service. The POBMC Plan shall not be approved by PG&E until such metering has been installed and the data is able to be collected via telephone or until PG&E is able to access the customer-owned meter.

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Where the POBMC customer is not on a dedicated circuit or if the POBMC Plan includes a group of customers, compliance for the circuit shall be determined from electronic recording equipment located in the PG&E substation. Where the circuit does not have electronic recording equipment to monitor its loads, the customer shall pay for the installation of the equipment as Special Facilities pursuant to electric Rule 2. The POBMC Plan shall not be approved by PG&E until such electronic recording equipment has been installed and is operational.

In addition to the measuring equipment specified above for compliance verification, customers are required to provide real-time metering for their use in determining the POBMC baseline adjustment amount. Electric Rule 2 shall apply where the customer elects to have PG&E install such real-time metering equipment.

PENALTIES:

Failure to meet the load relief criteria established by an POBMC Plan shall result in a non-compliance penalty for the POBMC customers. The non-compliance penalty shall be equal to \$6.00 per kWh times the average total load on the applicable circuit, less the required MLL, as measured during each half-hour of the RO. Failure to pay these penalties may result in termination of electric service pursuant to electric Rule 11.

PG&E will, without liability, terminate any POBMC Plan immediately for failure to reduce circuit load levels to within five (5) percent of the MLL for the entire duration of the RO for a second time during a twelve (12) month period. Such termination shall occur if the customer(s) bound by a POBMC Plan have not met, or are unable to meet, the load relief criteria specified therein. Customers terminated for non-compliance shall not be permitted to participate in a POBMC Plan or Schedule E-OBMC for a period of five (5) years from the date of termination.

Failure to maintain creditworthiness during the duration of the POBMC Plan may result in immediate termination of the POBMC Plan.

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