

Advice 3213-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Proposed Modifications to the Business Energy Coalition (BEC) Program, Schedule E-BEC

Pacific Gas and Electric Company (PG&E) requests approval to implement the following changes to the Business Energy Coalition (BEC) Pilot Program and electric rate Schedule E-BEC. The affected tariff sheets are included as Attachment 1.

Purpose

PG&E, in cooperation with The Energy Coalition (TEC), proposes changes to the BEC program to more closely align the program with PG&E's other tariffed demand response programs, as recommended by the Energy Division. These program changes reduce the capacity incentives and increase performance-based energy incentives to encourage participation in program events. The baseline methodology changes are recommended to more accurately measure participants' load reduction and reflect unique climate conditions in the San Francisco Bay Area for a significant BEC customer segment.

Background

In 2007, the BEC program had 124 customers who provided approximately 35 MW of potential peak load reduction. Sixty-five percent of participating customers, which represent over 50 percent of the potential peak load reduction, are located in four cities: San Francisco, South San Francisco, Daly City, and Half Moon Bay. These customers – who provide load reductions as an aggregated group – are primarily office buildings with temperature sensitive heating, ventilation and air conditioning (HVAC) and have non-temperature sensitive electric loads.

Program Modifications

Incentive Structure

PG&E proposes to reduce fixed capacity incentives and increase the performance-based incentives for delivered demand reductions. This incentive structure change is intended to encourage greater load reductions during program events. Each of the incentives

below will be decreased by \$5/kW per month when the customer is not ready and available to curtail. PG&E proposes three specific incentive payment structure revisions:

- *Capacity Payment:* Reduce the fixed capacity incentive to a maximum of \$25/kW, measured by the greatest delivered capacity on any event day of the season, up to their maximum enrolled Committed Load Reduction (CLR). The current fixed capacity incentive is \$50/kW.
- *Performance Payment:* Increase the performance-based incentive to \$50/kW (from \$25/kW) --50% of which will be based on individual performance and 50% based on group performance.

Individual performance incentive: For customers located in San Francisco, South San Francisco, Daly City, and Half Moon Bay, the \$25/kw individual incentive will be applied to the customer's temperature-specified CLR. If the customer fails to reduce by its CLR amount, its incentive will be reduced on a prorated basis for performance not greater than 100%, on an hourly basis. For all remaining customers the \$25/kW incentive will be applied to the customer's CLR, and if the customer fails to reduce by its CLR amount, its incentive will be reduced on a prorated basis for performance not greater than 100%, on an hourly basis.

Group performance incentive: For all customers, the \$25/kW maximum group incentive will be applied based on the BEC customers called individual customer's CLR, prorated for the event. group's performance not greater than 100%, on an hourly basis. As an aggregate, the BEC group must remain at or below the coincident peak demand of the group's aggregated target load reduction profile, which is determined by the sum of the CSEBs less the CLR for each called customers for the duration of the curtailment.

- *"Three Strikes" Policy:* Any BEC customer with 50% or lower performance over the course of three (3) consecutive DR events will forfeit any payments for the season.

Incentive Payment Proration

PG&E proposes to prorate the incentive payments, based on the date a customer is ready and able to curtail.

- *Capacity Incentive:* Customers will receive a maximum capacity incentive payment of \$25/kW of delivered capacity on any event day of the season if they are prepared for curtailment participation by June 1, 2008. The capacity incentive will be reduced by \$5/kW, for each month a customer is unprepared to participate in a program event

- *Individual Performance Incentive:* Customers will receive a maximum individual performance incentive payment of \$25/kW of delivered capacity if they are prepared for curtailment participation by June 1, 2008. The capacity incentive will be reduced by \$5/kW for each month that the customer is not ready and unavailable to curtail.
- *Group Performance Incentive:* Customers will receive a maximum group performance incentive of \$25/kW if they are prepared for curtailment participation by June 1, 2008. The capacity incentive will be reduced by \$5/kW for each month that the customer is not ready and unavailable to curtail.

Load Reduction Baselines

PG&E proposes baseline revisions to reflect the temperature variations experienced by BEC customers. Based on customer load characteristics and the review of temperature data, PG&E proposes to divide BEC customers into two groups: customers located within San Francisco, South San Francisco, Daly City and Half Moon Bay (Zone 1) and customers located outside these four cities (Zone 2).¹

Zone 1 Customer Baselines

PG&E proposes a two-tiered baseline for Zone 1 customers to accurately reflect actual load reduction capability based on temperature. The two-tier baseline creates “High” and “Mild” customer specific energy baselines (CSEB) for each customer:

- The “High” Customer Specific Energy Baseline (CSEB_{HIGH}) will be the hourly average demand of the three (3) highest temperature (above 78 degrees) similar days in previous 12 months prior to June 1, 2008. These three days will include Monday through Friday and exclude PG&E holidays, days when the customer was paid to reduce load on another curtailment program, and days when rotating outages were called.
- The “Mild” Customer Specific Energy Baseline (CSEB_{MILD}) is based on the average hourly load from the three (3) most recent similar days with temperature between 75 and 78 degrees Fahrenheit as of June 1, 2008. These three days will

¹Of the 2007 total 124 BEC customers, 75% are commercial office buildings with temperature sensitive loads. In addition, 80 BEC participants (approx 65%) are located in San Francisco, South San Francisco, Daly City and Half Moon Bay (BEC Zone 1), with the following characteristics:

- 154 MW of peak load and 18.5 MW of demand response reduction (based on a customer’s reduction capability from its peak demand).
- 83% are commercial office buildings with temperature-sensitive loads.

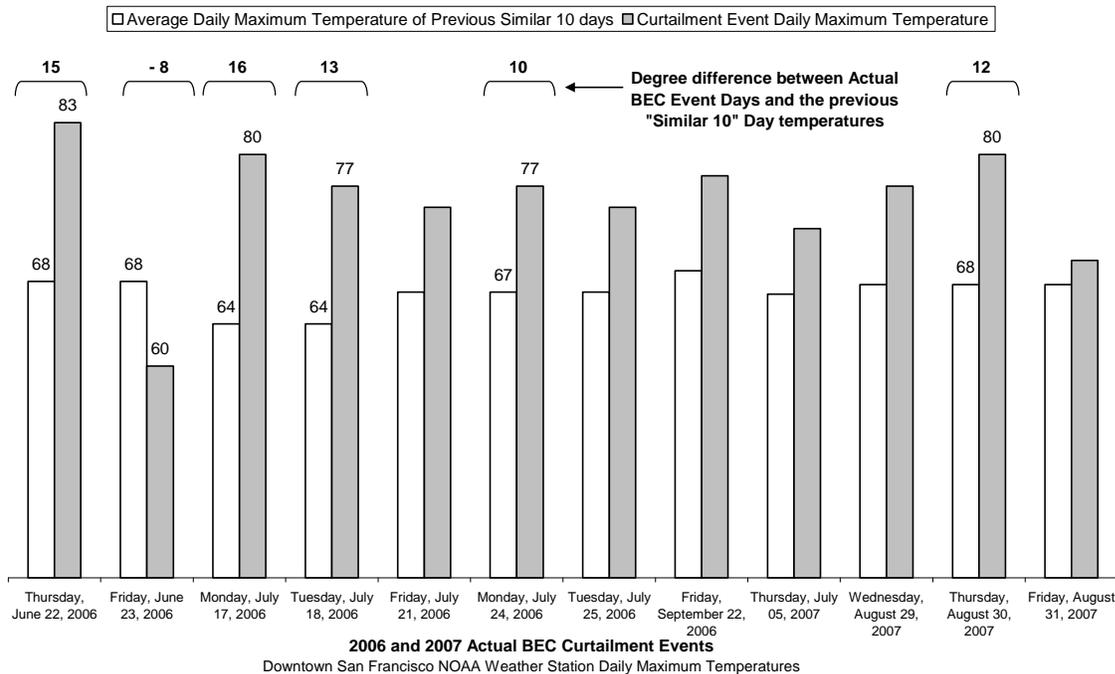
include Monday through Friday and exclude PG&E holidays, days when the customer was paid to reduce load on another curtailment program, and days when rotating outages were called.

The remainder of this section discusses the benefits of a temperature-specific Zone 1 customer baseline.

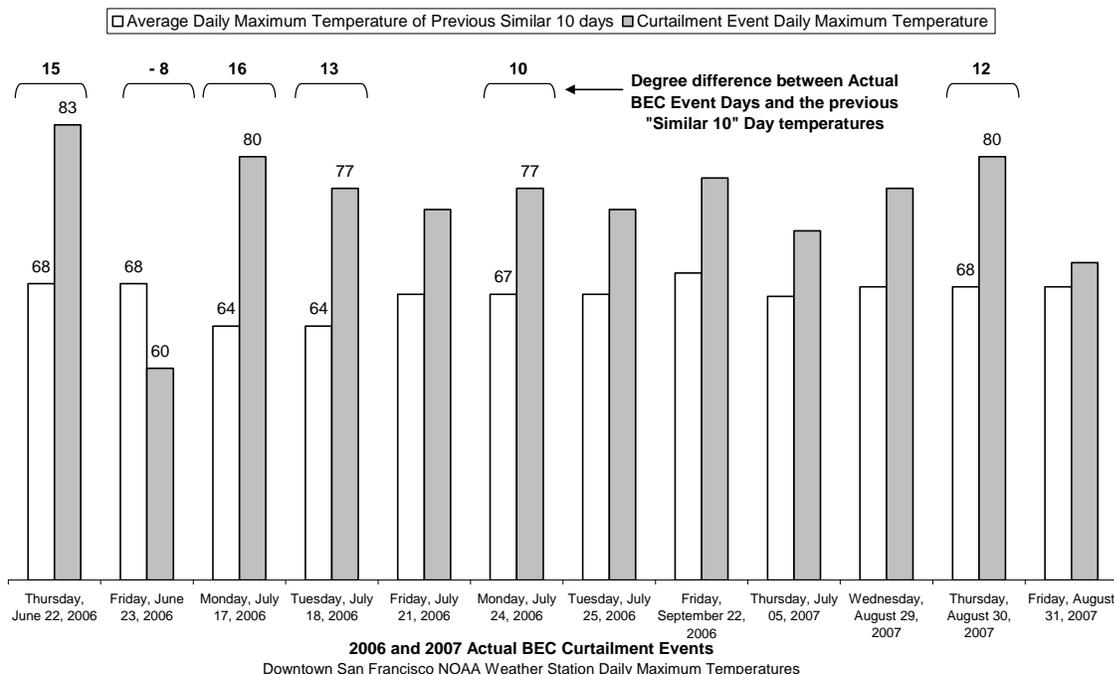
The Zone 1 baseline reflects temperature and non-temperature sensitive electric loads operating during events with highly divergent day-to-day temperatures. For example, on two consecutive days -- June 22 and June 23, 2006 -- the BEC program was called for curtailment. The high SF temperature on June 22 was 83°F and the high SF temperature on June 23, 2006 was 60°F – a 30% change in temperature in just 24 hours. On June 22, when temperatures were “high,” BEC customers had both temperature sensitive loads (HVAC) and non-temperature sensitive loads (lighting, pumps, fans, elevators, etc) available for load reductions. On June 23, when temperatures were “mild,” only non-temperature sensitive loads were available for load reductions. The two-tiered baseline accurately reflects the load reduction capability on these two days.

A “3-in-10” average hourly baseline tends to understate the available Zone 1 load reduction. The graph below compares the temperature on 2006 and 2007 BEC curtailment event days and the temperature using the 3-in-10 baseline.

2006 and 2007 curtailment day maximum temperatures in SF were largely different from the average maximum temperatures of the days used in 3 in 10 baselines



2006 and 2007 curtailment day maximum temperatures in SF were largely different from the average maximum temperatures of the days used in 3 in 10 baselines



For the BEC population inside San Francisco the 3-in-10 representative day methodology has a potential to both overestimate and underestimate load reduction due to temperature variability. If previous days were warmer followed by a cool load shed day, the methodology tends to overstate the shed. On the other hand, cold weather before warm weather will understate the load shed. On most BEC curtailment event days, the event day temperature significantly exceeds the temperature using the 3-in-10 baseline; consequently, BEC load reductions would be understated.

The BEC program has a high concentration of customers operating in Zone 1: 50% of the BEC customers are located in San Francisco, South San Francisco, Daly City, and Half Moon Bay. Furthermore, these Zone 1 buildings have temperature sensitive loads and temperature driven peak demands. Not surprisingly, a large proportion of the BEC program load reduction in Zone 1 is also temperature related.

High temperatures in the PG&E system that may trigger a CAISO curtailment event may not coincide with high temperatures in Zone 1. In 2007, the average PG&E system maximum temperature on curtailment days was 92°F, while the San Francisco average maximum daily temperature on curtailment days was 72°F. It is likely, therefore, that Zone 1 BEC customers on system curtailment

A two-tiered baseline for Zone 1 customer accurately reflects its unique temperature patterns. Zone 1 customers are located in Climate Zone T, which includes San Francisco and coastal cities between Marin County and Monterey. The CPUC established Climate Zone T to factor temperature variables into PG&E's baseline quantities for rendering residential customer bills (D. 85-12-080). This climate zone is characterized by the extremely low number of cooling degree days, extremely rare high temperatures, and heat waves that are short-lived and isolated.

A 2007 Lawrence Berkeley National Laboratory (LBNL) study found that the standard DR baseline (3- in-10 with no adjustment) used in California could be significantly improved by incorporating a morning adjustment factor for temperature sensitive buildings. LBNL suggests that customers that are highly temperature sensitive should be given the option of using a baseline model that explicitly incorporates temperature in assessing their performance during DR events.² However, a temperature-based adjustment versus a morning adjustment is recommended based on operating characteristics and temperature sensitive loads in commercial buildings, which make up the majority of Zone 1 BEC participants. Commercial office buildings often pre-cool in the hours leading up to the event period, in order to retain comfort levels longer during that event. Conversely, anticipatory behavior by building engineers, such as beginning curtailment protocols first thing in the morning, produces less of a demand reduction for that day.

LBNL's review of other studies (Quantum 2004 and 2006, Buege et al., 2006) suggests that DR program administrators should have flexibility and multiple options for suggesting the most appropriate BLP (baseline load profile) method for specific types of customers. LBNL adds that key load characteristics to be considered in BLP methods are temperature-sensitivity, which is a key behavioral driver for many commercial building operators.

In conclusion, a two-tiered temperature-based baseline for Zone 1 is consistent with alternative baseline recommendations for customers that have temperature-related loads and will also more accurately measure participants' load reductions during program events, whether called on high or mild temperature days.

Zone 2 Customer Baselines

Most remaining BEC customers are not located along the coastal San Francisco peninsula and experience less variable temperature changes during the program period.

² Estimating DR Load Impacts: Evaluation of baseline load models for commercial buildings in California Preliminary Results, Katie Coughlin, Lawrence Berkeley National Laboratory (July 9, 2007) and Establishing Demand Response Load Impacts: Evaluation of Baseline Load Models for Non-Residential Buildings in California, Lawrence Berkeley National Laboratory (January 2008)

Consequently, PG&E proposes to apply the standard "3-in-10" baseline for Zone 2 BEC customers. This CSEB is consistent with other PG&E demand response programs tariffs.

Protest Period

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than **March 13, 2008**, which is 20 days after the date of this filing. Protests should be mailed to:

CPUC Energy Division
Tariff Files, Room 4005
DMS Branch
505 Van Ness Avenue
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: jj@cpuc.ca.gov and mas@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 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 23, 2008**, which is 30 calendar days after the date of filing.

Notice

In accordance with General Order 96-B, Section IV, 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 to the General Order 96-B service list 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>.

A handwritten signature in black ink that reads "Brian K. Cherylmt". The signature is written in a cursive style.

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 (ID U39 M)**

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) #: 3213-E

Tier: 2

Subject of AL: Proposed Modifications to the Business Energy Coalition (BEC) Program, Rate Schedule E-BEC

Keywords (choose from CPUC listing): Demand Side Management

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

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

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

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

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: **No**

Confidential information will be made available to those who have executed a nondisclosure agreement: Yes No

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: _____

Resolution Required? Yes No

Requested effective date: March 23, 2008

No. of tariff sheets: 7

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: Electric Rate Schedule E-BEC

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets:

Protests, dispositions, 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

Tariff Files, Room 4005

DMS Branch

505 Van Ness Ave.,

San Francisco, CA 94102

jnj@cpuc.ca.gov and mas@cpuc.ca.gov

Pacific Gas and Electric Company

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

**ATTACHMENT 1
Advice 3213-E**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
27161-E	Schedule E-BEC--Business Energy Coalition Program	27050-E
27162-E	Schedule E-BEC (Cont.)	25949-E
27163-E	Schedule E-BEC (Cont.)	25950-E
27164-E	Schedule E-BEC (Cont.)	27035-E
27165-E	Schedule E-BEC (Cont.)	New
27166-E	Table of Contents -- Rate Schedules	26573-E
27167-E	Table of Contents -- Title Page	26710-E



SCHEDULE E-BEC—BUSINESS ENERGY COALITION
 (Continued)

APPLICABILITY: The Business Energy Coalition (BEC) program is a pilot demand response program ordered in Decision (D.) 05-01-056 and revised in D.06-11-049 and D.07-12-048. 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 within the time frame specified in their event notification. (T)
 (T)

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

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

ELIGIBILITY: PG&E bundled-service customers, Community Choice Aggregation Service (CCA Service), Direct Access (DA) customers, and wholesale customers, that are hard-to-reach, are eligible for Schedule E-BEC. Hard-to-reach customers are defined as customers that (a) have never participated in a PG&E demand response event and (b) have rejected enrollment in at least one PG&E demand response program other than the BEC program. 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.

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.

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. Customers must demonstrate to PG&E's satisfaction that they can meet the Program's minimum requirements. (T)
 (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.

**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.

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 Committed Load Reduction (CLR) amount.

Customers will be divided into two zones: Zone 1 (San Francisco, South San Francisco, Daly City, and Half Moon Bay) and Zone 2 (All customers not in Zone 1). (N)

For customers in Zone 1, the assessment will determine a high temperature (CLR_{HIGH}) and mild temperature (CLR_{MILD}) based load reduction. Zone 2 customers will have a single CLR. (N)

During a Program event, each BEC participant should reduce its load by its CLR. (T)

3. The Customer Specific Energy Baseline (CSEB) for Zone 1 customers will include a high temperature (CSEB_{HIGH}) and a mild temperature (CSEB_{MILD}). The high temperature baseline (CSEB_{HIGH}) will be the hourly average demand of the three (3) highest temperature (above 78 degrees) similar days in the previous 12 months prior to June 1, 2008. The mild temperature baseline (CSEB_{MILD}) will be the hourly average peak demand of the three (3) most recent similar temperature days between 75 and 78 degrees prior to June 1, 2008. The 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 another curtailment program or days when rotating outages were called. The forecasted temperature for San Francisco will determine whether a high (above 78 degrees) or mild (at or below 78 degrees) based event will be called. (N)

The CSEB for Zone 2 customers on any given day during the program is the hourly average based on the three (3) highest energy usage days of the past ten (10) similar days. The three (3) highest energy usage days are those days with the highest total kilowatt hour usages during the on-peak hours in the summer period and the partial-peak hours during the winter period. 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 another curtailment program or days when rotating outages were called. (N)

(Continued)



SCHEDULE E-BEC—BUSINESS ENERGY COALITION
 (Continued)

PROGRAM
 DETAILS:
 (Cont'd.)

- | | | |
|-----|---|-----------------|
| 4. | Event performance will be measured and evaluated in two ways: | (N) |
| a. | Individual Performance: During a BEC event, each customer must reduce their load by their designated CLR amount from their CSEB on an hourly basis. | |
| b. | Group Performance: During a BEC event, the customers called must remain at or below the coincident peak demands of the CSEBs, less the aggregate sum of the CLR of each customer for the duration of the event. | |
| 5. | Any customer failing to reduce a minimum of 50% of their CLR over the course of three consecutive curtailment events will forfeit all payments. | |
| 6. | BEC events may be called specifically for groups of customers based on location, (e.g. all BEC customers in San Francisco or all BEC customers in Silicon Valley) in order to respond to local system emergencies. | (N) |
| 7. | The total program load reduction may not exceed 50 megawatts (MW). | (L) |
| 8. | A Program event may be triggered for actual or forecasted statewide or local energy shortages or emergencies throughout the pilot program period. Specifically, a Program event may be issued when any of the following occur: | (T) |
| | <ul style="list-style-type: none"> • The California Independent System Operator (CAISO) declares or PG&E expects the CAISO to declare a Stage 1 or higher emergency. • The CAISO forecasts or PG&E expects the CAISO forecasted system load to meet or exceed 43,000 MW. • 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. | |
| 9. | 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 and twenty-five (125) hours throughout the pilot period. | |
| 10. | Program events will be issued by 12 noon for day-ahead events. Notices will be issued by 12 noon on the business day immediately prior to a PG&E holiday or weekend if a BEC event is planned for the first business day following the PG&E holiday or weekend. | (T)
(T) (L) |
| 11. | Events will be called Monday through Friday, between the hours of 12:00 noon and 8:00 p.m., excluding PG&E holidays. | (N)

(N) |
| 12. | 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 may be conducted every other month throughout the pilot program period. | (L)

(L) |
| | | (L) |

(Continued)



SCHEDULE E-BEC—BUSINESS ENERGY COALITION
 (Continued)

INCENTIVE
 PAYMENTS:

The incentive payments are as follows:

(T)

1. Capacity Incentive

(N)

Customers will receive up to a \$25/kW capacity incentive based on the greatest delivered capacity on any event day up to their maximum enrolled CLR. The capacity incentive will be decreased by \$5/kW per month that the customer is not available to curtail (see below).

2. Performance Incentive

a. Individual Performance Incentive - Customers will receive up to a maximum individual performance incentive of \$25/kW for reducing the load by their CLR during an event day. The individual performance incentive will be decreased by \$5/kW per month that the customer is not available to curtail (see below).

Zone 1: Each customer must reduce their load on an hourly basis from their CSEB_{HIGH} by their CLR_{HIGH} or CSEB_{MILD} by their CLR_{MILD}, depending on the temperature of the event day called. A customer's individual performance incentive will be reduced on a prorated basis for each hour that a customer does not meet or exceed the required committed load reduction.

Zone 2: Each customer must reduce their load on an hourly basis from their CSEB by their CLR during an event. A customer's individual performance incentive will be reduced on a prorated basis for each hour that a customer does not meet or exceed the required committed load reduction.

b. Group Performance Incentive - Customers will receive a maximum group performance incentive payment of \$25/kW based on the BEC customer's performance during events. The group performance incentive will be decreased by \$5/kW per month that the customer is not available to curtail (see below). As a group, the BEC customers called during an event must remain or stay below the coincident peak demand of the group's aggregated target load profile (the called customer's CSEBs, less the aggregate sum of the CLR of each customer) for the duration of the event. The group performance incentive will be reduced on a prorated basis for each hour that the group does not meet this requirement

.3. Monthly Availability Factor

The capacity and performance incentives above will be adjusted by the number of months the customer is available to curtail.

Number of Months	Capacity Incentive	Performance Incentive
5	\$25/kW	\$25/kW
4	\$20/kW	\$20/kW
3	\$15/kW	\$15/kW
2	\$10/kW	\$10/kW
1	\$5/kW	\$5/kW

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.

(N)

(D)

(L)

(Continued)



SCHEDULE E-BEC—BUSINESS ENERGY COALITION
 (Continued)

PROGRAM TERM AND CONDITIONS:	The pilot program will terminate on December 31, 2008. This electric rate schedule 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.	(T)	(L)
BILLING:	PG&E reserves the right to modify or terminate the Program, with Commission approval and thirty (30) days' written notice to participants. 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.		(L)
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. With limitations, participants in 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. 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.		
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. 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.		

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	26827-26828, 25616-E

**Rate Schedules
 Community Choice Aggregation**

E-CCA	Services to Community Choice Aggregators.....	25510-25517-E
E-CCAINFO	Information Release to Community Choice Aggregators	25518-25521-E
CCA CRS	Community Choice Aggregation Cost Responsibility Surcharge.....	25617, 26829-E

**Rate Schedules
 Curtailment Options**

E-BIP	Base Interruptible Program	26830, 26275-26277, 25678, 26278, 25679, 26279, 26831-E
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