



ELECTRIC SCHEDULE E-CHP
COMBINED HEAT AND POWER PPA

Sheet 1

(N)
(N)

APPLICABILITY: This Schedule provides a power purchase agreement (PPA) for combined heat and power systems with a nameplate electrical capacity rating of less than or equal to twenty (20) megawatts (MW). This Schedule is optional for customers having a combined heat and power system that produces both electricity and thermal energy for heating or cooling from a single fuel input if the customer meets the criteria for Eligible Customer-Generators and the requirements contained in this Schedule. Pursuant to Public Utilities Code (PUC) Section 2840.2(b) and other applicable laws, an Eligible Customer-Generator means a customer that meets all of the following requirements:

(N)

- (1) Uses a combined heat and power system with a nameplate electrical capacity rating of less than or equal to twenty (20) MW, that first commences operation on or after January 1, 2008.
- (2) Is a Qualifying Facility pursuant to the Public Utility Regulatory Policies Act (PURPA) set forth at 16 USC §824 a-3, unless the customer is a public agency described in 16 USC §824(f).
- (3) Uses a time-of-use meter capable of registering the flow of electricity in two directions.

TERRITORY: The entire territory served.

RATES: The customer's otherwise applicable tariff schedules (OAS) shall apply to electric service to the customer.

PG&E shall purchase the net power output of the Eligible Customer-Generator in accordance with the terms set forth in the Standard Contract for Eligible CHP Facilities Power Purchase and Sale Agreement (Form No. 79-1120).

Participating Eligible Customer-Generators will receive an all-in price in \$/kWh, based on a proxy market price for a new combined cycle gas turbine (CCGT) with adjustments for time of delivery (TOD):

- (1) The TOD factors and periods shall be based on the TOD factors from the most recent MPR. The TOD factors in place at the time of contract execution shall apply for the entire contract duration.
- (2) The Fixed Component for all TOD periods shall be the amount applicable to the year of the term start date.

(N)

(Continued)

Advice 3970-E
Decision 10-12-055

Issued by
Brian K. Cherry
Vice President
Regulation and Rates

Date Filed	December 15, 2011
Effective	December 15, 2011
Resolution	E-4424



ELECTRIC SCHEDULE E-CHP
COMBINED HEAT AND POWER PPA

Sheet 2

(N)
(N)

RATES:
(Cont'd.)

Fixed Component (\$/kWh)

= Fixed Component of the most current MPR in \$/kWh based on 10-year contract.

(N)

Variable Component (\$/kWh)

= [(Monthly bidweek + Intrastate gas transportation rate)* Heat Rate]/1,000,000 + Variable Overhead and Maintenance (O&M)

Monthly bidweek (\$/MMBtu) = monthly bidweek gas price at PG&E Citygate (monthly bidweek gas prices shall be calculated as the average of three bidweek gas indices as reported in Gas Daily, Natural Gas Intelligence, and Natural Gas Weekly)

Intrastate gas transportation rate (\$/MMBtu) = the sum of (a) the Gas Transportation Service to Electric Generation rate as it applies to "All Other Customers", as published in PG&E's Gas Rate Schedule G-EG, and (b) the Customer-Procured Gas Franchise Fee Surcharge rate, as published in PG&E's Gas Rate Schedule G-SUR

Heat Rate = 6,924 Btu/kWh (based on average Heat Rate from 2011 MPR)

Variable O&M (\$/kWh) = based on variable O&M adder from the most current MPR

Final Price (\$/kWh)

= [(Fixed Component + Variable Component) * TOD factor]¹ * 1.1 Location Bonus (if applicable)¹

¹ The Location Bonus shall apply to Eligible Customer-Generators interconnected in areas with local Resource Adequacy (RA) requirements during the year of contract execution.

(N)

(Continued)



ELECTRIC SCHEDULE E-CHP
COMBINED HEAT AND POWER PPA

Sheet 4

(N)
(N)

SPECIAL
CONDITIONS:
(Cont'd.)

7. INTERCONNECTION: Participating Eligible Customer-Generators shall be responsible at their sole cost to obtain and maintain all distribution, transmission, and interconnection rights and agreements (including all Governmental Authority approvals) in accordance with the Standard Contract.
8. METERING: Participating Eligible Customer-Generators shall be responsible at their sole cost to install, maintain and test all California Independent System Operator (CAISO) approved meters in accordance with the Standard Contract. PG&E may at its sole cost furnish and install one check meter in accordance with the Standard Contract.
9. PAYMENT LIMITATION: Once 120% of the Expected Term year Net Energy Production is achieved, no further payments will be calculated for the remaining TOD Periods within any remaining months of the current Term Year.
10. ELECTRIC ENERGY, CAPACITY, AND GREEN ATTRIBUTES: Participating Eligible Customer-Generators shall, in accordance with the terms and limitations of the Standard Contract, provide and convey to PG&E electric energy produced by the eligible CHP facilities net of all station use and any and all site host load. Such conveyance shall include all related capacity benefits and Green Attributes.
11. CREDIT AND COLLATERAL REQUIREMENTS: Participating Eligible Customer-Generators must comply with the Credit and Collateral Requirements contained in the Standard Contract and Exhibit D thereof, including requirements for development security and performance assurance.
12. GREENHOUSE GAS COMPLIANCE COSTS: PG&E shall be responsible for direct greenhouse gas (GHG) compliance costs attributable to the Eligible Customer-Generator CHP system for GHG emissions associated with the power purchased by PG&E pursuant to the Standard Contract up to a cap based on the average heat rate in the most recent MPR. For GHG Allowances in Cap and Trade, Participating Eligible Customer-Generators will choose upon contract execution whether PG&E will provide Allowances or provide a payment for Allowances up to a pre-determined index. This provision shall not apply in any period during which the Participating Eligible Customer-Generator is receiving payments based on the PURPA PPA pursuant to Special Condition 6, "Resource Adequacy."

(N)

(N)

(Continued)

Advice 3970-E
Decision 10-12-055

Issued by
Brian K. Cherry
Vice President
Regulation and Rates

<i>Date Filed</i>	December 15, 2011
<i>Effective</i>	December 15, 2011
<i>Resolution</i>	E-4424



**ELECTRIC SCHEDULE E-CHP
COMBINED HEAT AND POWER PPA**

Sheet 5

(N)
(N)

SPECIAL
CONDITIONS:
(Cont'd.)

- 13. **TARIFFS:** All applicable rates, rules and tariffs shall remain in full effect for participating Eligible Customer-Generators. In the event of a conflict, the terms and conditions provided in this Schedule and the Standard Contract shall supersede those set forth in the standard CPUC-approved tariffs. In the event of a conflict between this Schedule and the more-detailed provisions of the Standard Contract, the provisions of the Standard Contract shall prevail.
- 14. **LIMITATION ON PARTICIPATION:** There is no cap on participation in this Schedule. However, in accordance with California Public Utilities Commission (CPUC) D.09-12-042, PG&E may file an application seeking CPUC authorization to establish a maximum kilowatt-hour limitation on the amount of excess electricity PG&E must purchase under this Schedule.

(N)
|
|
|
|
|
|
|
|
|
|
|
|
(N)