

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



August 11, 2010

**Advice Letter 2129-E-A**

Rasha Prince, Director  
Regulatory Affairs  
San Diego Gas and Electric  
8330 Century Park Court, CP32C  
San Diego, CA 92123-1548

**Subject: Supplemental Filing – Revisions to SDG&E’s Capacity Bidding Program (CBP) and Optional Binding Mandatory Curtailment Plan (OBMC) in Compliance with D.09-08-027**

Dear Ms. Prince:

Advice Letter 2129-E-A is effective June 1, 2010.

Sincerely,

A handwritten signature in blue ink that reads "Julie A. Fitch".

Julie A. Fitch, Director  
Energy Division



Clay Faber - Director  
Regulatory Affairs  
8330 Century Park Court  
San Diego, CA 92123-1548

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August 2, 2010

**ADVICE LETTER 2129-E-A**  
(U902-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: Supplemental Filing -- Revisions to SDG&E's Capacity Bidding Program (CBP) and Optional Binding Mandatory Curtailment Plan (OBMC) in Compliance with D.09-08-027**

San Diego Gas & Electric Company (SDG&E) hereby submits for approval with the California Public Utilities Commission (Commission) revisions to its electric tariffs as shown in the enclosed attachment.

**PURPOSE**

In accordance with Ordering Paragraph (OP) 28 of California Public Utilities Commission (Commission) Decision (D.) 09-08-027, SDG&E revises Schedule CBP – Capacity Bidding Program and Schedule OBMC – Optional Binding Mandatory Curtailment applicable to SDG&E's Demand Response Programs. **This supplemental filing is being filed at the request of the Energy Division and replaces Advice Letter 2129-E in its entirety.**

**BACKGROUND**

On August 20, 2009, the Commission issued D.09-08-027 adopting, among other things, demand response activities and budgets for 2009 through 2011 for the investor-owned utilities<sup>1</sup> (IOUs). As part of this decision, the Commission recommends the need for IOUs to design a proper baseline calculation methodology to help measure the performance of its demand response programs. This in turn, will provide customers with a simple and understandable baseline that minimizes bias and the possibility of gaming by participants.

**DISCUSSION**

The Commission has adopted a 10-day baseline methodology for calculating settlement baselines, with an opt-in day-of adjustment. The day-of adjustment will be capped at plus or minus 20 percent and is based on the first three of the four hours prior to the event. The adopted revisions are noted in the attached Schedule CBP and Schedule OBMC.

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<sup>1</sup> IOUs consist of SDG&E, Pacific Gas and Electric Company (PG&E), and Southern California Edison Company (SCE).

In addition, the following clarifications are made to the schedules:

Schedule CBP – Capacity Bidding Program

1. The baseline will exclude weekends and holidays and days when the customer: was subject to a CBP event, was subject to a rotating outage, was subject to a CPP event, was subject to an OBMC event, was subject to any other demand response program event, was interrupted.
2. The participant/aggregator may select a baseline or baseline with a day-of adjustment for each service account when they nominate for the operating month.

Schedule OBMC – Optional Binding Mandatory Curtailment Program

1. An OBMC participant may exclude periods from the Customer Specific Baseline when the customer was subject to a CPP or other Demand Response events.

This filing will not increase any rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

**EFFECTIVE DATE**

SDG&E believes that this filing is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to GO 96-B. This filing is pursuant to D.09-08-027 and therefore SDG&E requests the tariff sheets filed herein be effective on June 1, 2010.

**PROTEST**

Anyone may protest this Advice Letter to the California Public Utilities Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and must be received no later than August 7, 2010, 5 days of the date this Advice Letter was filed with the Commission. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of both Honesto Gatchalian ([jni@cpuc.ca.gov](mailto:jni@cpuc.ca.gov)) and Maria Salinas ([mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov)) of the Energy Division. A copy of the protest should also be sent via both e-mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Megan Caulson  
Regulatory Tariff Manager  
8330 Century Park Court, Room 32C  
San Diego, CA 92123-1548  
Facsimile No. (858) 654-1788  
E-mail: [MCaulson@semprautilities.com](mailto:MCaulson@semprautilities.com)

**NOTICE**

A copy of this filing has been served on the utilities and interested parties shown on the attached list, and parties to A.08-06-002 by either providing them a copy electronically or by mailing them a copy hereof, properly stamped and addressed.

Address changes should be directed to SDG&E Tariffs by facsimile at (858) 654-1788 or by e-mail at [SDG&ETariffs@semprautilities.com](mailto:SDG&ETariffs@semprautilities.com).

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CLAY FABER  
Director – Regulatory Affairs

# 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. **SAN DIEGO GAS & ELECTRIC (U 902)**

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Aurora Carrillo

Phone #: (858) 654-1542

E-mail: acarrillo@semprautilities.com

### EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 2129-E-A

Subject of AL: Supplemental Filing: Revisions to SDG&E's Capacity Bidding Program (CBP) and Optional Binding Mandatory Curtailment Plan (OBMC) in Compliance with D.09-08-027

Keywords (choose from CPUC listing): Compliance, Demand Response

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other

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

D.09-08-027

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL 2129-E

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

Does AL request confidential treatment? If so, provide explanation:

Resolution Required?  Yes  No

Tier Designation:  1  2  3

Requested effective date: June 1, 2010

No. of tariff sheets: 11

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: Schedules OBM, CBP and Table of Contents

Service affected and changes proposed<sup>1</sup>: N/A

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**

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

**San Diego Gas & Electric**

**Attention: Megan Caulson**

**8330 Century Park Ct, Room 32C**

**San Diego, CA 92123**

**mcaulson@semprautilities.com**

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

General Order No. 96-B  
ADVICE LETTER FILING MAILING LIST

cc: (w/enclosures)

Public Utilities Commission

DRA

D. Appling  
S. Cauchois  
J. Greig  
R. Pocta  
W. Scott

Energy Division

P. Clanon  
S. Gallagher  
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APS Energy Services

J. Schenk

BP Energy Company

J. Zaiontz

Barkovich & Yap, Inc.

B. Barkovich

Bartle Wells Associates

R. Schmidt

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S. Blaising

California Energy Markets

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C. Sweet

California Farm Bureau Federation

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California Wind Energy

N. Rader

CCSE

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Children's Hospital & Health Center

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City of Chula Vista

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Douglass & Liddell

D. Douglass  
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G. Klatt

Duke Energy North America

M. Gillette

Dynegy, Inc.

J. Paul

Ellison Schneider & Harris LLP

E. Janssen

Energy Policy Initiatives Center (USD)

S. Anders

Energy Price Solutions

A. Scott

Energy Strategies, Inc.

K. Campbell  
M. Scanlan

Goodin, MacBride, Squeri, Ritchie & Day

B. Cragg  
J. Heather Patrick  
J. Squeri

Goodrich Aerostructures Group

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Hanna and Morton LLP

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Itsa-North America

L. Belew

J.B.S. Energy

J. Nahigian

Luce, Forward, Hamilton & Scripps LLP

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Manatt, Phelps & Phillips LLP

D. Huard  
R. Keen

Matthew V. Brady & Associates

M. Brady

Modesto Irrigation District

C. Mayer

Morrison & Foerster LLP

P. Hanschen

MRW & Associates

D. Richardson

OnGrid Solar

Andy Black

Pacific Gas & Electric Co.

J. Clark  
M. Huffman  
S. Lawrie  
E. Lucha

Pacific Utility Audit, Inc.

E. Kelly

R. W. Beck, Inc.

C. Elder

School Project for Utility Rate  
Reduction

M. Rochman  
Shute, Mihaly & Weinberger LLP

O. Armi

Solar Turbines

F. Chiang

Sutherland Asbill & Brennan LLP

K. McCrea

Southern California Edison Co.

M. Alexander  
K. Cini

K. Gansecki

H. Romero

TransCanada

R. Hunter

D. White

TURN

M. Florio  
M. Hawiger

UCAN

M. Shames

U.S. Dept. of the Navy

K. Davoodi

N. Furuta

L. DeLacruz

Utility Specialists, Southwest, Inc.

D. Koser

Western Manufactured Housing

Communities Association

S. Dey

White & Case LLP

L. Cottle

Interested Parties In:

A.08-06-002

ATTACHMENT  
ADVICE LETTER 2129-E-A

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
Revised 21948-E	SCHEDULE OBMC, OPTIONAL BINDING MANDATORY CURTAILMENT PLAN, Sheet 4	Revised 19145-E
Revised 21949-E	SCHEDULE OBMC, OPTIONAL BINDING MANDATORY CURTAILMENT PLAN, Sheet 5	Revised 19146-E
Revised 21950-E	SCHEDULE OBMC, OPTIONAL BINDING MANDATORY CURTAILMENT PLAN, Sheet 6	Revised 19732-E
Revised 21951-E	SCHEDULE OBMC, OPTIONAL BINDING MANDATORY CURTAILMENT PLAN, Sheet 7	Original 19148-E
Revised 21952-E	SCHEDULE CBP, CAPACITY BIDDING PROGRAM, Sheet 1	Original 19646-E
Revised 21953-E	SCHEDULE CBP, CAPACITY BIDDING PROGRAM, Sheet 3	Original 19648-E
Revised 21954-E	SCHEDULE CBP, CAPACITY BIDDING PROGRAM, Sheet 5	Revised 20316-E
Revised 21955-E	SCHEDULE CBP, CAPACITY BIDDING PROGRAM, Sheet 6	Original 19651-E*
Revised 21956-E	SCHEDULE CBP, CAPACITY BIDDING PROGRAM, Sheet 10	Revised 21182-E
Revised 21957-E	TABLE OF CONTENTS, Sheet 1	Revised 21946-E
Revised 21958-E	TABLE OF CONTENTS, Sheet 5	Revised 21947-E



**SCHEDULE OBMC**

OPTIONAL BINDING MANDATORY CURTAILMENT PLAN

SPECIAL CONDITIONS (Continued)

6. Customer Specific Baseline: (Continued)

b. (Continued)

- iv. Periods when the customer was subject to a CPP, CBP or other Demand Response event.
- v. Participants may also choose to have their baselines calculated using a Day-Of Adjustment. The Day-Of Adjustment is calculated using the first three of the four hours prior to the event divided by the average load for the same hours using the last 10 weekdays for OBMC participants. This Day-Of Adjustment shall not exceed plus or minus 20% of the Participant's calculated baseline. Participants must elect or opt-in to receive this adjustment at the initial contract execution time or at the annual contract renewal period.
- vi. Customer requests for the above exclusions must be received by SDG&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 (i) above must also specify a commensurate operation ramp-down period occurring within one year of the ramp-up period.
- vii. The Customer Specific Baseline following the ramp-down period must be reduced by a minimum of 25% from the baseline immediately prior to the ramp-down period.
- viii. Customers failing to achieve a 25% reduction in the 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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7. Incentive/Energy Payments:

- a. Exclusion from Rotating Outages. An OBMC Plan is applicable to only electrical emergencies requiring a RO as a part of SDG&E's load curtailment block progression plan and is not a guarantee against a customer being subject to a RO due to other emergencies. The customer may not receive advance notice from SDG&E of such a RO.

8. Actual Demand Reduction: Actual Demand Reduction is measured by comparing the MLL for a specific event to demand reduction on the circuit.

9. Event Notification/Communication:

- a. Form of Notification. Customers will be notified of an OBMC Event by notice on SDG&E's website, e-mail message, or text message sent via the Internet to customer's alphanumeric pager or cell phone. Customer shall be responsible for the cost and maintenance to receive such communications. The Utility does not guarantee the reliability of the Internet site, pager system or e-mail system used for such communications.
- b. Response Time. Required load reductions must be achieved as quickly as possible but no later than 15 minutes after the primary customer receives notification from SDG&E. OBMC 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 OBMC operation shall be subject to the non-compliance penalties specified in Special Condition 17.

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**SCHEDULE OBMC**

OPTIONAL BINDING MANDATORY CURTAILMENT PLAN

SPECIAL CONDITIONS (Continued)

- 10. Event Cancellation: Once an OBMC event has been initiated, the subsequent event will not be canceled, however, the event can be terminated based on the CAISO or the Utility situation.
- 11. Contract Requirement/Request for Service: Each customer is required to sign an OBMC Contract (Form 142-05205) and submit an OBMC Load Reduction Plan.
  - a. The OBMC Plan may be an alternative to a RO for certain eligible customers. Under an OBMC Plan, SDG&E may authorize a customer to reduce their demand to an agreed upon level in lieu of being included in SDG&E's RO block progression. An eligible customer should submit its OBMC Plan to SDG&E for review and acceptance. If the plan is approved by SDG&E, SDG&E will send such approval to the customer in writing. The written approval letter will specify the effective start date of the plan.
  - b. Components Of An Optional Binding Mandatory Curtailment Plan:
    - i. Name of lead customer including SDG&E account number, electric rate schedule, service address, mailing address, and contact information including pager and facsimile numbers.
    - ii. List of all non-lead customers including SDG&E account number, service address, mailing address, and contact information.
    - iii. The lead customer shall be the primary contact for the OBMC Plan. The lead customer shall furnish and maintain an alpha-numeric pager and facsimile machine that will be used for lead customer notification. The primary contact shall be responsible for contacting all non-lead customers.
    - iv. The Customer Specific Baseline must be established for the SDG&E circuit that provides service to the customer(s). The load measurements for the circuit shall be taken at SDG&E's distribution substation.
    - v. MLLs shall be established for the circuit which correspond to each of the 5, 10, and 15% load reduction level from the Customer Specific Baseline.
    - vi. 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.
    - vii. Identification of the measuring equipment and means to verify that during the entire duration of the OBMC operation that the load on the circuit or dedicated substation has been reduced to or below the applicable MLL that corresponds to the required percent load reduction. This measuring equipment is further specified in Special Condition 14a below.
  - c. Term Of Agreement: An OBMC Contract has an initial term of twelve (12) months, but may be extended from year to year, after operational review, with the written approval of SDG&E, according to Special Condition 2f. The annual term shall commence upon the effective start date specified in the SDG&E approval letter.
  - d. Termination of Agreement: The customer or SDG&E may terminate the OBMC Plan upon thirty (30) days written notice prior to the end of an annual term. If a customer terminates the OBMC Plan, the customer shall not be party to a subsequent OBMC Plan for a period of at least twelve (12) months. Upon termination, regardless of the cause, the circuit will be assigned a Rotating Outage Block (ROB) and the ROB may or may not be the same as when the OBMC Plan was initiated.

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**SCHEDULE OBMC**

Sheet 6

OPTIONAL BINDING MANDATORY CURTAILMENT PLAN

SPECIAL CONDITIONS (Continued)

- 12. Multiple Program Participation: A customer may participate simultaneously in OBMC and other Demand Response programs as defined in Advice Letter 2128-E – *Establishment of Rule 41*. However, under no circumstances will a customer taking service under the above listed rate schedules and this schedule receive more than one incentive payment for the same interrupted/curtailed load.
- 13. Termination of Schedule: This Schedule is in effect until modified or terminated in the rate design phase of SDG&E's next general rate case or similar proceeding.
- 14. Metering Requirements.
  - a. Measuring Equipment To Verify Compliance: Where the OBMC customer is on a dedicated circuit, compliance shall be determined from a telephone-accessible electric revenue interval meter. Direct Access and Community Choice Aggregation (CCA) customers are required to allow SDG&E telephone access to its electric revenue meter for the purposes of determining OBMC operation compliance. Where the existing meter is non-interval or is not compatible with SDG&E's current telephone-based meter reading systems, the customer is required to pay for the installation of an interval meter as Special Facilities pursuant to Electric Rule 2. 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 OBMC Plan shall not be approved by SDG&E until such metering has been installed and the data is able to be collected via telephone or until SDG&E is able to access the customer-owned meter. Where the OBMC customer is not on a dedicated circuit or if the OBMC Plan includes a group of customers, compliance for the circuit shall be determined from electronic recording equipment located in the SDG&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 OBMC Plan shall not be approved by SDG&E until such electronic recording equipment has been installed and is operational.
- 15. Utility Testing: Customers are required to participate in no more than two (2) tests per year of the communications and responsiveness of customers to a Optional Binding Mandatory Curtailment Program Request. During such a test the customer shall be responsible to curtail load consistent with the rest of the terms of this Rate Schedule. Test events shall be no longer than 4 hours.
- 16. Utility Reporting: Utility will provide the Commission with a monthly report on the economics of this Rate Schedule. The monthly report may contain information on individual customer performance. Customers on this tariff must agree to allow the Utility, the California Energy Commission (CEC) or its contracting agent to conduct a site visit for measurement and evaluation, and agree to complete any surveys needed to evaluate the OBMC program. Furthermore, customer shall provide all load data and background information, under appropriate confidentiality protections needed to complete this evaluation. The data will also be made available to academic researchers, under appropriate confidentiality protections, to facilitate the understanding of demand response.

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**SCHEDULE OBMC**

Sheet 7

OPTIONAL BINDING MANDATORY CURTAILMENT PLAN

SPECIAL CONDITIONS (Continued)

- 17. Failure to Reduce Energy: Failure to meet the load relief criteria established by an OBMC Plan shall result in a non-compliance penalty for the OBMC customer. The non-compliance penalty shall be equal to the average total load on the applicable circuit less the required MLL, times \$6.00/kWh, 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.

If participant fails to reduce circuit load to within 5% of the required amount of the entire duration of the RO on two occasions in any one year, SDG&E shall, without liability, terminate OBMC participation immediately and the customer shall be prohibited from participating in an OBMC program for 5 years. Such termination shall occur if SDG&E determines that the terms and conditions of the OBMC Plan have not been met.

- 18. Emergency Generation Limitations: Notwithstanding all other applicable SDG&E Rules and Tariffs, Customer may synchronize and operate its own generation in parallel with the electric system for up to 60 cycles to minimize service interruption during the transfer of electric service between the Utility electric system and the Customer's Emergency Generation. Such operation shall only occur during the period starting 15 minutes prior to and ending 15 minutes after a curtailment event defined in this Tariff. Customer must review their interconnection plans with SDG&E prior to operation of their generator in parallel with SDG&E's system. In no event shall the customer operate its own generation in parallel with the Utility electric system during Utility service interruptions.

Upon termination or expiration of the term of this Tariff or Contract, customer agrees to either (1) dismantle all equipment necessary for customer's own generation to synchronize and operate in parallel with the Utility electric system for the purpose of electric service transfer from the Utility electric system to the customer's own generation, or (2) purchase and install a generator output meter meeting SDG&E's standards and either comply with applicable tariffs or take service under a contract.

- 19. Dispute Resolution: Any dispute arising from the provision of service under this schedule or other aspects of the Optional Binding Mandatory Curtailment Program will be handled as provided for in the Utility's Rule 10, Disputes.



**SCHEDULE CBP**

Sheet 1

CAPACITY BIDDING PROGRAM

APPLICABILITY

The Capacity Bidding Program ("Program") is a voluntary demand response program that offers customers various product options by which participants can earn incentive payments in exchange for reducing energy consumption when requested by the Utility. This schedule is available to commercial and industrial Utility customers, greater than 20 kW, receiving Bundled Utility service, Direct Access ("DA") service or Community Choice Aggregation ("CCA") service, and being billed on a Utility commercial, industrial or agricultural rate schedule. Service on this rate schedule must be taken in combination with the customer's otherwise applicable rate schedule. This schedule is also available to "Aggregators", defined herein as a third party entity that combines the loads or one or more Utility customer service accounts for the purpose of participating under this schedule. "Participant" as used in this schedule shall mean Utility customers participating in the Program or Aggregators participating in the Program.

TERRITORY

Within the entire territory served by the Utility.

RATES

All charges and provisions of a participating customer's otherwise applicable rate schedule shall apply. All charges and provisions of a customer participating through an Aggregator shall apply. Customers who elect to sign up directly with the Utility for participation in the CBP will be paid at a maximum of 80% of the available capacity payment. Aggregators will receive 100% of the capacity payment for the amount of load reduction received in any given month. The tables below set forth the rates that will be paid to Participants under this schedule for each Product type and will be fixed for a period of two years—2010 and 2011:

1. Load Reduction Incentive Payment, Day-Ahead Program Option (\$/kW-month):

Product	May	Jun	Jul	Aug	Sep	Oct
1 to 4 hours	5.37	7.35	13.54	15.11	9.77	4.71
2 to 6 hours	5.51	7.54	14.07	15.63	10.06	4.81
4 to 8 hours	5.65	7.76	14.71	16.23	10.49	4.94

2. Load Reduction Incentive Payment, Day-Of Program Option (\$/kW-month):

Product	May	Jun	Jul	Aug	Sep	Oct
1 to 4 hours	6.44	8.82	16.25	18.13	11.72	5.65
2 to 6 hours	6.61	9.04	16.89	18.75	12.07	5.78
4 to 8 hours	6.79	9.31	17.66	19.48	12.59	5.93

3. Energy Usage Reduction Incentive Payment, All Program Options (cents/kWh):

The applicable rate to be applied in calculating the Energy Usage Reduction Incentive Payment is generally the daily Utility city gate natural gas price multiplied by the Program dispatch heat rate of 15,000 Btu/kWh for each kilowatt hour of energy reduction during Events. See Energy Usage Reduction Incentive Payment Special Condition 6.b., for a further description of the calculation of the Energy Usage Reduction Incentive Payment, the development of the payment amount, and any payment amount adjustments.

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**SCHEDULE CBP**

CAPACITY BIDDING PROGRAM

SPECIAL CONDITIONS (Continued)

1. Program Operation: Participants may nominate from among the following product types ("Products") under the Program:

<u>Day-Ahead Products</u>	<u>Minimum Duration per Event</u>	<u>Maximum Duration per Event</u>	<u>Maximum Cumulative Event Duration Per Operational Month</u>	<u>Maximum Events Per Day</u>
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

<u>Day-Of Products</u>	<u>Minimum Duration per Event</u>	<u>Maximum Duration per Event</u>	<u>Maximum Cumulative Event Duration Per Operational Month</u>	<u>Maximum Events Per Day</u>
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

Participants may nominate a different Product for each month of the Program's operational season (as set forth below), and any combination of Products for each such operational month in respect of the Nominated Load Reduction for such operational month. Each nominated Product must specify the portion of Nominated Load Reduction associated thereto without overlap between nominated Products for such operational month. Customer participation in within Day-Ahead and/or Day-Of product types is defined in Rule 41.

The Program's operational season is from May 1 through October 31.

Each operational month of the Program begins and ends at the beginning and ending of such calendar month.

The Program's operational days are Monday through Friday during the Program's operational season, excluding Utility holidays, as defined in Rule 1.

The Program's operational hours are from 11:00 a.m. to 7:00 p.m. during each of the Program's operational days.

(Continued)



**SCHEDULE CBP**

CAPACITY BIDDING PROGRAM

SPECIAL CONDITIONS (Continued)

3. Program Operation: (Continued)

e. Third-Party Coordinators: Utility may contract with one or more third parties ("Coordinators") to assist Utility in the administering, coordination and/or scheduling of the Program and may designate such Coordinators as the sole point of contact in respect of such services by notifying the applicable Participants of such designation.

f. Program Triggers: The Utility may call an Event whenever the Utility's electric system supply portfolio reaches a resource dispatch equivalence of 15,000 Btu/kWh heat rate, or as Utility system conditions warrant.

4. Program Availability: An Event may be called during the Program's operational season, operational days and operational hours as defined above. The Program shall be limited as to its availability to Participants based on any limitations that the Utility has in getting communications systems in place. The Utility will staff as quickly as practical to provide this service to as many Participants as quickly as practical so long as communications are in place before service commences.

a. Limitation of Interruptible Periods: Events shall be limited as follows:

i. Day Ahead: For Participants selecting Day-Ahead Products, Events shall be called by the Utility with notice to such Participants not later than 3:00 p.m. on the day prior to the Event day. Notices will be issued by 3:00 p.m. on the business day immediately prior to a holiday or weekend if a CBP Event is planned for the first business day following the holiday or weekend. The Events shall not exceed the maximum duration (in hours) corresponding with the Product nominated by the Participant as set forth in the table above. The maximum cumulative duration of an Event during any operational month shall not exceed 24 hours.

ii. Day Of: For Participants selecting Day-Of Products, Events shall be called by the Utility with notice to such Participants by 9:00 a.m. but not later than two (2) hours prior to the commencement of the Event. The Events shall not exceed the maximum duration (in hours) corresponding with the Product nominated by the Participant as set forth in the table above. The maximum cumulative duration of an Event during any operational month shall not exceed 24 hours.

5. Customer Specific Baseline: In order to participate in the Program, Participants must have a valid baseline ("Baseline") for each Product nominated each day of an operational month, which Baseline must be established not later than 5 calendar days prior to the first day of such operational month of the Program. Baselines shall be established as follows:

a. Participating Customers: For customers enrolled in the Program directly with the Utility, the Baseline for any given operational day is defined as the average consumption for the hours of 11 a.m. to 7:00 p.m. for the ten (10) highest days from within the immediately preceding ten (10) similar non-holiday week days prior to the Event. The baseline will exclude weekends, holidays, and days when a customer was paid to reduce load, when load reductions were requested, was subject to a CPP event or when rotating outages are called.

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**SCHEDULE CBP**

CAPACITY BIDDING PROGRAM

SPECIAL CONDITIONS (Continued)

5. Customer Specific Baseline: (Continued)

b. Aggregators: For Aggregators, the Baseline for each Product nominated for any given operational day is based on such Product's associated aggregated group of customers on such operational day. To calculate an aggregated baseline, baselines for individual meters included in the aggregation as described above are calculated and summarized to determine a produce level baseline for each Aggregator. The past ten (10) similar days will include Monday through Friday, excluding Utility holidays, and will additionally exclude days when a customer in such aggregated group was subject to a rotating outage, was subject to a CPP event, was subject to an OBMC event, was subject to any other demand response program event, was interrupted.

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c. Day-Of Adjustment: Participants may choose to have their baselines calculated using a Day-Of Adjustment. The Day-Of Adjustment is calculated using the first three of the four hours prior to the event divided by the average load for the same hours using the last 10 weekdays for CBP participants. This Day-Of Adjustment shall not exceed plus or minus 20% of the Participant's calculated baseline. Participants must elect or opt-in to receive this adjustment. The Participant/aggregator may select a baseline or a baseline with a day-of adjustment for each service account when they nominate for the operating month.

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6. Incentive/Energy Payment and Non-Performance Penalties:

a. Load Reduction Incentive Payment:

i. If the Utility does not call an Event during an operational month, the amount of the Load Reduction Incentive Payment for such operational month is calculated by summing, for each Product nominated in such operational month, the product of the Nominated Load Reduction for such nominated Product and the Load Reduction Incentive Payment rate as set forth in the table above for such nominated Product.

ii. If the Utility calls one or more Events during an operational month, the amount of the Load Reduction Incentive Payment for such operational month is calculated by summing the Adjusted Event Capacity Payment Amounts for each Product nominated in such operational month, which is calculated as follows: The "Unadjusted Hourly Event Capacity Payment Amount" for each Product nominated in such operational month is equal to the product of the Nominated Load Reduction for such nominated Product and the Load Reduction Incentive Payment rate as set forth in the table above for such nominated Product, divided by the number of Event hours called during such operational month, and the "Adjusted Event Capacity Payment Amount" for each such Product nominated in such operational month is calculated based on the Actual Load Reduction (as defined in the Actual Load Reduction Special Condition 7) for such Product in such operational month:

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**SCHEDULE CBP**

CAPACITY BIDDING PROGRAM

SPECIAL CONDITIONS (Continued)

- 9. Event Cancellation: Once an Event has been initiated in accordance with the provisions herein, the Event will not be cancelled; however, the Event may be terminated as provided in the Interruptible Period Termination Special Condition 3.b.
- 10. Contract Requirement: Participating customers and Aggregators must execute all applicable agreements prescribed by the Utility prior to participation under this schedule. Necessary agreements may include the following:
  - a. For Utility customers, a Capacity Bidding Program Customer Contract (Form 142-05300) ("Customer Contract");
  - b. For Aggregators, an Aggregator Agreement for Capacity Bidding Program (CBP) (Form 142-05301) ("Aggregator Contract").
- 11. Multiple Program Participation: Eligibility for Multiple Program Participation is defined in Rule 41. For example, customers receiving service under Schedule EECC-CPP-D are eligible to concurrently participate in the Day-Of option of the Capacity Bidding Program. If a Day-Of CBP event is called on the same day a Schedule EECC-CPP-D event is active or is scheduled to be active, CPP-D customers participating in CBP shall not be eligible to receive the Energy Usage Reduction Incentive Payment under this schedule. Additionally, to the extent usage reduction occurring on a Day-Of CBP event has been provided by customers receiving service under Schedule CPP-D, individual customers and Aggregators shall not be eligible for the Energy Usage Reduction Incentive Payment for such usage reduction. Customers or Aggregators with customers who have dual program combination shall be subject to the same Capacity Performance Incentives and Non-Performance Penalties, described above.
- 12. Termination of Schedule: This schedule is in effect until modified or terminated through the Utility's Demand Response Programs portfolio Application proceeding, or through the annual program evaluation and modification process most recently adopted by the Commission in D. 06-03-024.
- 13. Metering Requirement: Each participating customer must have an approved interval meter and approved meter communications equipment installed and read by SDG&E. The Utility must have access to the customer's meter data on a daily basis for a period of no less than ten (10) calendar days to establish a valid customer specific baseline.
 

An approved interval meter is capable of recording usage in 15-minute intervals and being read remotely by the Utility.

For customers with billed maximum demand of 20 kW or greater during one of the past 12 billing months, the Utility will, if required, provide and install the metering and communication equipment at no cost to the customer.
- 14. Utility Testing: At the Utility's discretion, up to two (2) Events may be called during each operational season for the purpose of testing of the Program ("Test Events"). All notification protocols, as well as all applicable payments and penalties, will apply during Test Events. The only difference between a Test Event and an actual Event is the absence of the prerequisite trigger condition of 15,000 Btu/kWh heat rate criteria. A Test Event may be scheduled on a day-ahead or a day-of basis on any applicable weekday, within the operational parameters contained herein.

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**Lee Schavrien**  
Senior Vice President  
Regulatory Affairs

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Sheet 1

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