



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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CAPACITY BIDDING PROGRAM

SPECIAL CONDITIONS

1. Definitions: The Definitions of terms used in this schedule are found either herein or in Rule 1, Definitions.

2. Qualifying Customer: Service under this schedule is available to all non-residential time-of-use metered customers with demand in excess of 20 kW who elect to participate. Customers electing to participate in the Program must meet and comply with all of the requirements for such participation as set forth in this Schedule. Participating customers must have the required metering and operable communications equipment installed prior to and while participating in the Program. See Metering Requirement Special Condition 13, for additional details. Participating customers must have the required notification equipment in place prior to participation in the Program. See Event Notification/Communication Special Condition 8, for additional details.
 - a. Aggregators: In the event customers elect to participate in the Program via an Aggregator, such participation, and such Aggregator's participation in the Program, are subject to the terms and conditions of this schedule and Rule 30, Aggregators for the Capacity Bidding Program (CBP). Customers participating in the Program may designate only one Aggregator at a time for each participating meter and may change such designation only after the expiration of the Minimum Term in respect of such participating meter (unless terminated earlier, as set forth in Term, Special Condition 19). Prior to any changes in the designation or any termination of an Aggregator, a customer shall deliver to the Utility a "Notice to Add, Change or Terminate an Aggregator for Capacity Bidding Program" (Form 142-05302) notifying the Utility of such change or termination.

 - b. Direct Access and Community Choice Aggregation Customers: The Utility will no longer provide energy payments to Participants or Aggregators for load reductions from DA or CCA customers during CBP events (\$0/kWh), due to the Scheduling Coordinator (SC)-to-SC trade and payment changes to the CBP program. Participants and Aggregators will still receive capacity payments from the Utility for DA or CCA customers' load as applicable under this Schedule. This provision does not prevent DA or CCA customers from entering into arrangements with their respective ESPs or CCAs to receive part or all of the energy benefits derived from the DA or CCA customers' load reductions during CBP events. The Utility will notify existing CBP Participants and Aggregators of this recent SC-to-SC program change.

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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.

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SCHEDULE CBP

CAPACITY BIDDING PROGRAM

SPECIAL CONDITIONS (Continued)

3. Program Operation: (Continued)

a. Interruptible Period: Each interruptible period ("Event") shall be the period of time during which the Utility has informed the Participant to curtail energy consumption by use of a communications process utilizing equipment described in the Event Notification/Communication Special Condition 8.

b. Interruptible Period Termination: An Event will terminate upon notification by the Utility that the Event has ended, provided that an Event shall not continue longer than the duration prescribed therefore for the Product nominated by the Participant as described in the table above.

c. Load Reduction Nominations:

i. Generally: Participants must submit monthly nominations for the reduction of load ("Load Reduction Nominations") to the Utility not later than 5 calendar days prior to each Program operational month. If the 5th calendar day prior to the operating month falls on a weekend or holiday, the nomination must be submitted by the preceding Friday. All Load Reduction Nominations must allocate the amount of load reduction nominated among each Product nominated for such operational month (such nominated amount, the "Nominated Load Reduction"), without overlap of such Nominated Load Reduction among any such selected Product during such operational month. All Load Reduction Nominations are fixed for their associated operational month, but may change from operational month to operational month. Participants may not submit Load Reduction Nominations unless all requirements specified in this schedule have been met.

ii. Additional Aggregation Requirements: Load Reduction Nominations submitted by Aggregators must differentiate the amount of Nominated Load Reduction for each nominated Product therein between Bundled customers and DA/CCA customers. A participating customer may be included in only one Aggregator's aggregated customers for a given operational month. No later than five (5) calendar days prior to the first day of the operational month, each Aggregator must specify which participating customers are to be included in each Product set forth in such Aggregator's Load Reduction Nomination for that operational month. The aggregated group of participating customers for each nominated Product will be used to determine the Baseline (see Customer-Specific Baseline Special Condition 5) and associated Program performance during that operational month.

d. Cancellation of Nominations: Any changes or cancellations of Load Reduction Nominations for an operating month must be submitted by the Participant to the Utility not later than five (5) calendar days prior to such operating month. If such fifth (5th) calendar day prior to such operating month falls on a weekend or holiday, such change or cancellation must be submitted by the preceding Friday. If a Participant fails to nominate a load reduction for a Product for a particular operational month, then the default Nominated Load Reduction therefore shall be zero (0).

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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)

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

<u>Actual Load Reduction for such Product</u>	<u>Adjusted Event Capacity Payment Amount for such Product</u>
More than 100 percent of Nominated Load Reduction for such Product	Payment equal to 100 percent of Unadjusted Event Capacity Payment Amount for such Product
90 – 100 percent of Nominated Load Reduction for such Product	Payment calculated by prorating between 90 and 100 percent of Unadjusted Event Capacity Payment Amount for such Product
75 – 89.99 percent of Nominated Load Reduction for such Product	Payment equal to 50 percent of Unadjusted Event Capacity Payment Amount for such Product.
50 – 74.99 percent of Nominated Load Reduction for such Product	0
Less than 50 percent of Nominated Load Reduction for such Product	Penalty (i.e. negative amount) equal to 50 percent of Unadjusted Event Capacity Payment Amount for such Product

If the Load Reduction Incentive Payment amount as calculated above yields an amount less than zero (i.e. a penalty amount), then such penalty amount shall be payable by Participant to the Utility in accordance with the Disbursement of Payments Special Condition 6.c. below.

a. Energy Usage Reduction Incentive Payment:

- i. If the Utility does not call an Event in respect of a Product during an operational month, no monthly Energy Usage Reduction Incentive Payment in respect of such Product is payable for such operational month.
- ii. If the Utility calls one or more Events during an operational month in respect of a Product, bundled customers enrolled directly with SDG&E or through Aggregators are eligible to receive the amount of monthly Energy Usage Reduction Incentive Payment for such Product that is equal to the Actual Load Reduction for such Product times a 15,000 Btu/kWh heat rate times the Utility's delivered natural gas price ("Delivered Natural Gas Price") for each operational day of each such Event (which Delivered Natural Gas Price is determined by the posted California Border Natural Gas Index Price plus the cost of applicable transportation to the Utility's service territory, and adjusted as follows:

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SCHEDULE CBP

CAPACITY BIDDING PROGRAM

SPECIAL CONDITIONS (Continued)

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

b. Energy Usage Reduction Incentive Payment: (Continued)

ii. (Continued)

(a) Shortfall Energy Amount: In the event of a Shortfall Energy Amount (as defined in the Actual Load Reduction Special Condition 8) in respect of such Product for such operational month, the monthly Energy Usage Reduction Incentive Payment amount for such Product will be reduced by an amount equal to the product of such Shortfall Energy Amount and the greater of (i) the Energy Usage Reduction Incentive Payment Price or (ii) the CAISO hourly SP15 ex-post energy price for each Event hour. If such calculation of Energy Usage Reduction Incentive Payment amount for such Product yields an amount less than zero (i.e. a penalty amount), then such penalty amount shall be payable by Participant to the Utility in accordance with the Disbursement of Payments Special Condition 6c.

(i) the Utility's Delivered Natural Gas Price is not in the right units. EURP price and ISO ex-post are both in \$/MWh.

(b) Excess Energy: In the event that the Actual Load Reduction for such Product during an Event in such operational month exceeds the Nominated Load Reduction for such Product in such operational month (such excess amount, "Excess Energy Amount"), then the Energy Usage Reduction Incentive Payment amount for such Product will be increased by an amount equal to the product of such Excess Energy Amount and the Utility's Delivered Natural Gas Price during the Event; provided, however, that, for purposes of calculating the Energy Usage Reduction Incentive Payment amount, the Excess Energy Amount for a Product cannot exceed 50 percent of the Nominated Load Reduction for such Product.

Direct Access and Community Choice Aggregation are not eligible for the Energy Usage Reduction Incentive payments nor subject to Energy Usage Reduction penalties.

c. Disbursement of Payments:

i. Customers: For customers participating directly with the Utility, the CBP incentive will be calculated based on the customer's Actual Load Reduction. In no case will a customer receive a credit payment for a given hour if it does not meet the minimum energy reduction threshold, as nominated in the monthly Load Reduction Nomination. The billing and payment of Load Reduction Incentive Payments and Energy Usage Reduction Incentive Payments, as well as all other amounts, charges, penalties and fees due and payable in respect of this Program, to or from customers participating in the Program will be paid by the Utility within 30 days after the end of the event operating month, but no more than 60 days after the end of the event operating month will be made in the course of customer's normal billing for services with the Utility consistent with Utility's tariffs.

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SCHEDULE CBP

CAPACITY BIDDING PROGRAM

SPECIAL CONDITIONS (Continued)

Disbursement of Payments (continued)

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

ii. Aggregators: The billing and payment of Load Reduction Incentive Payments and Energy Usage Reduction Incentive Payments, as well as all other amounts, charges, penalties and fees due and payable under this schedule, Rule 30 or the Aggregator Contract, to or from Aggregators are set forth in Rule 30.

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d. Failure to Pay: In the event a participating customer fails to pay any amounts to the Utility as and when due, the rules governing such failure to pay, and the Utility's and such customer's rights and obligations therewith, as set forth in the Utility's tariff will apply. The Aggregator Contract will set forth the rights and obligations of the Utility and the Aggregator party thereto in respect of any failure to pay amounts as and when due to the Utility.

e. Customer Liability for Aggregator Failure to Pay. If, due to a Shortfall Energy Amount which results in a penalty to be paid by an Aggregator to Utility in respect of Load Reduction Incentive Payments and/or Energy Usage Reduction Incentive Payments, such Aggregator fails (or is deemed to have failed) to fully pay to Utility such penalty amounts, and any security provided by such Aggregator is insufficient to cover such outstanding penalty amounts, then each customer represented by such Aggregator under the applicable Aggregator Contract will be liable for its pro rata share of such outstanding penalty amounts, which pro rata share will be based upon such customer's contribution to such Shortfall Energy Amount.

7. Actual Load Reduction: A Participant's "Actual Load Reduction" during an Event for each Product nominated by such Participant is equal to:

a. In the case that such Participant is a customer participating directly with the Utility, the extent that the actual energy usage of such customer during such Event for such Product is less than such customer's Baseline for such Product.

b. In the case that such Participant is an Aggregator, the extent that the actual energy usage of the aggregated group of customers during such Event for such Product is less than such aggregated group of customer's Baseline for such Product.

In the event the Actual Load Reduction for such Product during an Event in such operational month is less than the Nominated Load Reduction for such Product in such operational month, such deficient amount is the "Shortfall Energy Amount" for such Product in such operational month.

8. Event Notification/Communication: Participating entities (customers, aggregators, ESPs) must, at their own expense, have access to the Internet and an e-mail address to receive Event notifications via the Internet. In addition, Participants must have, at their own expense, an alphanumeric device that is capable of receiving a text message sent via the Internet. Participants will be notified via the Utility's designated Internet website. As a courtesy, notification may also be given via pager, e-mail, or cellular telephone; however, the official notification shall be posted to the Utility's designated Internet website in accordance with the time parameters set forth herein. No Participating entity may participate in the program until all of these requirements have been met.

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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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SCHEDULE CBP

CAPACITY BIDDING PROGRAM

SPECIAL CONDITIONS (Continued)

15. Utility Reporting: The Utility will provide the Commission with a periodic report on the performance results of this schedule. The report may contain information on individual Participant performance, which will be provided to the Commission under applicable confidentiality protections. Participants must agree to allow the Utility, the California Energy Commission ("CEC") and their respective agents, employees, contractors, representatives and designees to conduct a site visit for measurement and evaluation, and agree to complete any surveys needed to evaluate the Program. Furthermore, Participants shall provide all load data and background information, under appropriate confidentiality protections needed to complete this evaluation. The data may also be made available to academic researchers, under appropriate confidentiality protections, to facilitate the understanding of demand response.

16. Failure to Reduce Energy: A failure to comply with an Event will result in the applicable penalty provisions (including the payment therefore by the Participant incurring such penalty) being applied as described herein.

17. Emergency Generation Limitations: Participating customers may achieve energy reductions by operating backup or onsite standby generation. The customer will be solely responsible for meeting all environmental, legal and other regulatory requirements for the operation of such generation. Notwithstanding all other applicable Utility Rules and Tariffs, such customer may synchronize and operate its own standby generation in parallel with the electric system up to 60 cycles to minimize service interruption during the transfer of electric service between the Utility electric system and the customer's back-up or standby generation. Such operation shall only occur during the period starting 15 minutes prior to and ending 15 minutes after an Event defined in this Schedule. Such customer must receive approval of their interconnection plans from Utility prior to operation of their generator in parallel with Utility's system. In no event shall such customer operate its own standby generation in parallel with the Utility electric system during Utility service interruptions.

Upon termination or expiration of the term of this schedule or associated Customer Contract, such customer agrees to either (i) dismantle all equipment necessary for customer's own standby 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 such customer's own standby generation, or (ii) purchase and install a generator output meter meeting Utility's standards and either comply with applicable tariffs or take service under a contract.

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

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Advice Ltr. No. 1799-E-A

Decision No. _____

Issued by
Lee Schavrien
Vice President
Regulatory Affairs

Date Filed Oct 30, 2006

Effective Oct 30, 2006

Resolution No. _____

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SCHEDULE CBP

CAPACITY BIDDING PROGRAM

SPECIAL CONDITIONS (Continued)

19. Term: Except as set forth below, each Participant must remain in the Program for a minimum of 12 calendar months ("Minimum Term") unless (a) the Program expires earlier, or (b) such Participant's Program contract with the Utility (that is, the Customer Contracts in the case of customers and Aggregator Contracts in the case of Aggregators) expires or terminates earlier. After the expiration of the Minimum Term, Participants may terminate its Program contract with the Utility and its participation in the Program by submitting to the Utility written notification of such termination, which termination shall be effective on the date that is the later of (i) the beginning of the calendar month that is immediately after the expiration of the Minimum Term, and (ii) the beginning of the calendar month that is closest to but at least thirty (30) calendar days after the Utility receives such notification.

In the event of termination of an Aggregator Contract between an Aggregator and Utility, the customers whom such Aggregator represented under such Aggregator Contract will have fourteen (14) days from the date of receipt of notice of such termination by Utility in which to continue their participation in the Program in respect to the represented service meters through another Aggregator or directly with Utility without the designation of an Aggregator. Customers electing the foregoing must submit a "Notice to Add, Change or Terminate an Aggregator" (Form 142-05302) setting forth their election. If such customer does not submit such form by such 14-day period, such customer will be deemed to have elected to continue its participation in the Program with respect to such service meters directly with the Utility without being represented by an Aggregator.

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