APPLICABILITY

The Capacity Bidding Program is a voluntary demand response program that offers customers various product options by which they can earn incentive payments in exchange for reducing energy consumption when requested by the Utility. This program schedule is available to bundled customers and customers being billed on a Utility commercial, industrial or agricultural rate schedule. It is also available to Direct Access (“DA”) and Community Choice Aggregation ("CCA") customers. If the DA or CCA provider offers a demand response program deemed similar by the California Public Utilities Commission (CPUC) per Decision (D.)17-10-017 Order Paragraph 2, then this schedule will be closed to those customers within 30 days. Such DA or CCA customers will be disenrolled from this schedule within 1 year.

Service on this rate schedule must be taken in combination with the customer’s otherwise applicable rate schedule. This rate schedule is available through a third-party Aggregator, to customers, or to other Qualifying Customers acting as a self-Aggregator. “Participant” as used in this schedule shall mean Utility customers participating in the Program or Aggregators participating in the Program.

Pursuant to CPUC Resolution E-4728, the schedule will not be available to new Aggregators wishing to participate under the day ahead Capacity Bidding Program products, unless the aggregator bids into Utility’s DRAM and either a) wins a DRAM contract, or b) the total DRAM contracts required by SDG&E under the DRAM rules meet the minimum 2 MW procurement, or, c) the winning DRAM bids are expected to exhaust the available registration capacity under Electric Rule 32, Direct Participation Demand Response, implementation.

Effective January 1, 2018, the following backup generation resources are prohibited (hereafter referred to as “Prohibited Resource”) from providing load reduction during Demand Response events: distributed generation technologies using diesel, natural gas, gasoline, propane, or liquefied petroleum gas, in topping cycle Combined Heat and Power (CHP) or non-CHP configuration. Pressure reduction turbines and waste-heat-to-power bottoming cycle CHP, as well as storage and storage coupled with renewable generation will be allowed to be used during Demand Response events but must meet the relevant greenhouse gas emissions factor thresholds adopted for the Self Generation Incentive Program. If a Prohibited Resource is used during Demand Response events for operational, health or safety reasons, the Customer must agree to a Default Adjustment Value (DAV) described in Special Condition 17.

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 load reduction incentive payment. Aggregators will receive 100% of the load reduction incentive payment per the table below, which will be fixed for a three year program cycle as of the effective date of this schedule.

1. Capacity Incentive, Day-Ahead Program Option ($/kW-month):

<table>
<thead>
<tr>
<th>Product</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 to 4 hours</td>
<td>2.86</td>
<td>7.61</td>
<td>16.51</td>
<td>20.41</td>
<td>13.52</td>
<td>4.10</td>
</tr>
<tr>
<td>2 to 4 hours</td>
<td>3.43</td>
<td>9.13</td>
<td>19.81</td>
<td>24.49</td>
<td>16.22</td>
<td>4.91</td>
</tr>
</tbody>
</table>

(Continued)
RATES (Continued)

2. **Capacity Incentive, Day-Of Program Option ($/kW-month):**

<table>
<thead>
<tr>
<th>Product</th>
<th>Hours</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 to 4 hours</td>
<td>11am to 7pm</td>
<td>3.26</td>
<td>8.66</td>
<td>18.81</td>
<td>23.24</td>
<td>15.40</td>
<td>4.66</td>
</tr>
<tr>
<td>2 to 4 hours</td>
<td>1pm to 9pm</td>
<td>3.87</td>
<td>10.30</td>
<td>22.35</td>
<td>27.63</td>
<td>18.30</td>
<td>5.54</td>
</tr>
</tbody>
</table>

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

The applicable rates to be applied in calculating the Energy Usage Reduction Incentive Payment are:

| Day-Ahead 11 a.m. to 7 p.m. | $80/MWh |
| Day-Ahead 1 p.m. to 9 p.m.  | $80/MWh |
| Day-Of 11 a.m. to 7 p.m.    | $95/MWh |
| Day-Of 1 p.m. to 9 p.m.     | $110/MWh |

See Energy Usage Reduction Incentive Payment Special Condition 6, 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.

**SPECIAL CONDITIONS**

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

2. **Qualifying Customer:** 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.
SPECIAL CONDITIONS (Continued)

2. Qualifying Customer: (Continued)

   b. Direct Access and Community Choice Aggregation Customers: The Utility will not provide energy payments to Customers or Aggregators for load reductions from DA or CCA customers during CBP events ($0/kWh). Customers 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.

3. Program Operation: Participants may nominate from among the following product types (“Products”) under the Program:

<table>
<thead>
<tr>
<th>Day-Ahead Products</th>
<th>Hours</th>
<th>Minimum Duration per Event</th>
<th>Maximum Duration per Event</th>
<th>Maximum Cumulative Event Duration Per Operational Month</th>
<th>Maximum Events Per Day</th>
<th>Maximum Events Per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2 to 4 hours</td>
<td>11am to 7pm</td>
<td>2 hours</td>
<td>4 hours</td>
<td>24</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>2 to 4 hours</td>
<td>1pm to 9pm</td>
<td>2 hours</td>
<td>4 hours</td>
<td>24</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Day-Of Products</th>
<th>Hours</th>
<th>Minimum Duration per Event</th>
<th>Maximum Duration per Event</th>
<th>Maximum Cumulative Event Duration Per Operational Month</th>
<th>Maximum Events Per Day</th>
<th>Maximum Events Per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2 to 4 hours</td>
<td>11am to 7pm</td>
<td>2 hours</td>
<td>4 hours</td>
<td>24</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>2 to 4 hours</td>
<td>1pm to 9pm</td>
<td>2 hours</td>
<td>4 hours</td>
<td>24</td>
<td>1</td>
</tr>
</tbody>
</table>

Customers and Aggregators may nominate a different Product for each month of the Program’s operational season (as set forth below). Aggregators may nominate 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 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 9:00 p.m. during each of the Program’s operational days. Products offered are 11:00 a.m. to 7:00 p.m. and 1:00 p.m. to 9:00 p.m.

   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.

(Continued)
SPECIAL CONDITIONS (Continued)

3. Program Operation: (Continued)

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 no later than fifteen (15) calendar days prior to each Program operational month. 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 group/portfolio for a given operational month. No later than fifteen (15) 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.

iii. Nominations Over 10 MW: Participants may submit a nomination greater than 10 MW within a single Program and Product Option so long as additional information is provided to SDG&E that will enable SDG&E to create resources less than 10 MW to bid into the CAISO market. The additional information will not be used in the incentive payment calculations defined in special condition 6. Incentive payment calculations for nominations greater than 10 MW will be performed in the same manner as nominations less than 10 MW.

The additional information required for nominations greater than 10 MW consists of:

(a) A list of sub-resources.
(b) A list of service accounts in each sub-resource.
(c) The estimated load reduction for each sub-resource.

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 fifteen (15) calendar days prior to such operating month. 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).
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 Day-Ahead Product:**

      i. The Utility may call an Event whenever the day ahead market price is equal to or greater than $80/MWh or as utility system conditions warrant. Day-ahead market price is defined as California Independent System Operator (CAISO) DLAP or applicable pnode SDGE-APND day-ahead market locational marginal price (DAM LMP).

      ii. Whenever the California Independent System Operator has issued an alert or warning notice, the California Independent System Operator shall be entitled to request that the utility, at its discretion, call a program event pursuant to this Schedule.

      iii. The utility may call two test events per year at its discretion.

   g. **Program Triggers Day-Of Product:**

      i. The Utility may call an Event whenever the forecasted real time price is equal to or greater than $95/MWh Day-Of 11 a.m. to 7 p.m.; $110/MWh Day-Of 1 p.m. to 9 p.m. or as Utility system conditions warrant. Real time price is defined as the CAISO DLAP or applicable pnode SDGE-APND average hourly real time market locational marginal price (LMP).

      ii. Whenever the California Independent System Operator has issued an alert or warning notice, the California Independent System Operator shall be entitled to request that the utility, at its discretion, call a program event pursuant to this Schedule.

      iii. The utility may call two test events per year at its discretion.

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.
SPECIAL CONDITIONS (Continued)

4. Program Availability (Continued)

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. For example, Utility may notify Participants on Sunday by 3:00 p.m. for a non-holiday Monday event. 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. The maximum number of events per month is six. The maximum number of consecutive days that events can be called is three.

ii. Day-Of: For Participants selecting Day-Of Products, Events shall be called by the Utility with notice to such Participants 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. The maximum number of events per month is six. The maximum number of consecutive days that events can be called is three.

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 no later than fifteen (15) calendar days prior to the first day of such operational month of the Program. Baselines shall be established as follows:

a. Customers: The baseline is equal to the average electricity consumption (in MWh) of the participant during the applicable Program Event hour over the ten (10) immediately preceding similar days prior to the Program Event day. Similar days exclude weekends, holidays, and days when load reductions were requested or when outages were called.

b. Aggregators: For Aggregators, the hourly load profile for the aggregated group of participating accounts on such day shall be determined by summing the hour by hour interval metering data for each participating account. The Baseline Hourly Energy Usage is equal to the average electricity consumption (in MWh) of the aggregated group of Participating Accounts during the applicable Program Event hour over the ten (10) immediately preceding similar days prior to the Program Event day. Similar days exclude weekends, holidays, and days when load reductions were requested or when outages were called.
SCHEDULE CBP
CAPACITY BIDDING PROGRAM

SPECIAL CONDITIONS (Continued)

5. Customer Specific Baseline: (Continued)
   c. Day-Of Adjustment: Participants and Aggregators 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 40% 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.

6. Incentive/Energy Payment and Non-Performance Penalties:
   a. Capacity Payment:
      i. If the Utility does not call an Event during an operational month, the amount of the capacity 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 capacity incentive 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 capacity 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 capacity incentive 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:

(Continued)
SPECIAL CONDITIONS (Continued)

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

<table>
<thead>
<tr>
<th>Actual Load Reduction for such Product</th>
<th>Adjusted Event Capacity Payment Amount for such Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than 100 percent of Nominated Load Reduction for such Product</td>
<td>Payment equal to 100 percent of Unadjusted Event Capacity Payment Amount for such Product</td>
</tr>
<tr>
<td>75 – 100 percent of Nominated Load Reduction for such Product</td>
<td>Payment calculated by prorating between 75 and 100 percent of Unadjusted Event Capacity Payment Amount for such Product</td>
</tr>
<tr>
<td>50 – 74.99 percent of Nominated Load Reduction for such Product</td>
<td>Zero (0)</td>
</tr>
<tr>
<td>Less than 50 percent of Nominated Load Reduction for such Product</td>
<td>Penalty equal to (.50 minus Actual Reduction divided by Nominated Load reduction) multiplied by the Unadjusted Event Capacity Payment Amount.</td>
</tr>
</tbody>
</table>

   If the capacity 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.

   b. 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 the Energy Usage Reduction Incentive set forth in part 3 of the rates section are adjusted as follows:
SPECIAL CONDITIONS (Continued)

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

   b. Energy Usage Reduction Incentive Payment:

      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 or (ii) day-of price. as defined in special condition 3f. 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.

         (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 energy usage reduction incentive set forth in part 3 of the rates section 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.
SCHEDULE CBP
CAPACITY BIDDING PROGRAM

SPECIAL CONDITIONS (Continued)

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

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 capacity 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.

ii. Aggregators: The billing and payment of capacity 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.

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 capacity 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.
SPECIAL CONDITIONS (Continued)

7. **Actual Load Reduction: (Continued)**

   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.

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.

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 a SDG&E Smart Meter installed. In certain circumstances an approved interval meter and approved meter communications equipment will be 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.

(Continued)
SPECIAL CONDITIONS (Continued)

13. Metering Requirement: (Continued)

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; see SC 3, f. and g. criteria. A Test Event may be scheduled on a day-ahead/day-of basis on any applicable weekday, within the operational parameters contained herein. If an actual event is not initiated by late summer a test event will be called during the peak months of August or September.

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. Use of Prohibited Resources: Any Customer that has a Prohibited Resource, as defined in the Applicability section of this Schedule, shall ensure that such Prohibited Resource is not used to reduce load during a Demand Response event.

a. Customers are required to submit attestations in order to participate in this program. New or existing customers who do not agree to the prohibition and do not submit an attestation cannot participate in CBP, BIP or AFP. Attestations are subject to verification and may require data requests and premise access to verify. SDG&E will collect via aggregators attestations and store attestations. Customers attest to one of the following conditions:

i. Customer does not have a Prohibited Resource on-site.

ii. Customer does have a Prohibited Resource on-site and will not use the resource to reduce load during any demand response event.
SPECIAL CONDITIONS (Continued)

17. Use of Prohibited Resources: (Continued)
   a. (Continued)
      iii. Customer does have a Prohibited Resource on-site and may have to run the resource(s) during Demand Response events for safety, health, or operational reasons. These Customers must provide the Default Adjustment Value (DAV) which is the nameplate capacity value of the Customer’s Prohibited Resource for the same service account, then the DAV will be the sum of the nameplate capacity value from all Prohibited Resources electing to be used to reduce load during a Demand Response event on the same site. Customer’s capacity and energy payment will be reduced by the DAV.

   b. Sign Form 142-05303 to complete the Customer Attestation of Prohibited Resources.

   For existing customers in program year 2018, third-party aggregators’ attestation forms for existing customers will be accepted by SDG&E. In 2018 new customers, shall use SDG&E’s Add/Delete forms. In 2019 and beyond third-party aggregators shall use SDG&E’s Add/Delete forms for updates and new customers.

   c. A Customer may update its attestation at any time (including when they switch from a prohibited, fossil fuel-based resource to a renewable fuel-based resource and vice-versa). It is contingent upon customers providing documentation that confirms the operational change and renewable certification from the California Air Resources Board for the Customer’s service account with any of the following changes, if the change is verified and approved by verification administrator or SDG&E:
      i. Add or remove an onsite Prohibited Resource.
      ii. Change the status of the use of Prohibited Resource(s) to reduce load during any Demand Response event.
      iii. Change the Default Adjustment Value (DAV) due to a documented change in the operational status of a Prohibited Resource associated with the Customer’s service account.

   d. Proportional cost burdens for the Verification Administrator and the implementation of the verification plan may be shared by the customers on this Schedule.
SPECIAL CONDITIONS (Continued)

18. **Prohibited Resource Compliance:** Customer compliance will be subject to verification.

   a. Violations and Non-Compliance:

<table>
<thead>
<tr>
<th>Description</th>
<th>Type I Violation</th>
<th>Type II Violation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minor clerical or administrative errors that may be resolved with an updated attestation and <em>do not involve the use of a prohibited resource to reduce load during a DR event.</em></td>
<td>1. Using prohibited resource(s) to reduce load during a DR event despite attesting to not doing so, and/or</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Submitting an invalid nameplate capacity for a prohibited resource(s) under Attestation Scenario 3.</td>
<td>1. Customer attests to not using a prohibited resource on site. However, customer used the resource to reduce load during a DR event.</td>
</tr>
<tr>
<td></td>
<td>1. Existing customer attests to not having a prohibited resource on site, but in fact has a resource on site. However, customer did not use the resource to reduce load during a DR event.</td>
<td>2. Customer reports a lower-than-actual nameplate capacity.</td>
</tr>
<tr>
<td></td>
<td>2. Customer reports a higher-than-actual nameplate capacity.</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Scenario(s)</th>
<th></th>
<th>Resulting Actions</th>
<th>Refusal to Accept Prohibition as Term of Participating in Utility or Third-Party Aggregator DR Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Existing customer attests to not having a prohibited resource on site, but in fact has a resource on site. However, customer did not use the resource to reduce load during a DR event.</td>
<td>Existing customer has 60 days from date of notice to cure non-compliance. If an attestation is not submitted within 60 days (uncured non-compliance), the customer will be removed from the Utility’s tariff schedule and /or the aggregator’s portfolio until an attestation is provided.</td>
<td>A single instance of non-compliance will result in customer removal from the schedule and ineligibility to enroll in any DR program for 12 calendar months for the removal date. Two or more instances will result in the same removal and ineligibility terms for three years.</td>
<td></td>
</tr>
<tr>
<td>2. Customer reports a higher-than-actual nameplate capacity.</td>
<td></td>
<td>Result: Customer does not agree with prohibition requirement as term of program participation.</td>
<td>Customer is not eligible to participate in the affected DR program until such time customer agrees with prohibition and submits an attestation.</td>
</tr>
</tbody>
</table>

Refusal to Accept Prohibition as Term of Participating in Utility or Third-Party Aggregator DR Program

- Description: Customer does not agree with prohibition requirement as term of program participation.
- Result: Customer is not eligible to participate in the affected DR program until such time customer agrees with prohibition and submits an attestation.
SCHEDULE CBP
CAPACITY BIDDING PROGRAM

SPECIAL CONDITIONS (Continued)

19. Third Party Audit: All participants on this Schedule must provide facility access for site visit and comply with all third-party audit data requests associated with the attestation of Prohibited Resources within 20 working days after notice.

20. Emergency Generation Limitations: Participating customers are prohibited from achieving energy reductions by operating backup or onsite standby generation.

21. 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.

22. 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, or (c) pursuant to CPUC Resolution E-4754, where a customer participating directly with the utility in calendar year 2017, may opt out of the program to participate in the Demand Response Auction Mechanism (“DRAM”). 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.

Opt-outs under CPUC Resolution E-4754 exception shall be effective on the beginning of the calendar month that is immediately after the date when Utility receives written customer notification for the opt out.

Utility reserves the right to verify that Customer is enrolled in the DRAM Pilot. Customer’s noncompliance with the provisions of the DRAM Pilot may result in Customer being reenrolled under Schedule CBP until the customer satisfies obligations under Special Condition 19 of this schedule. If Customer terminates service under the 2017 DRAM Pilot, customer may choose to return to service under Schedule CBP at any time. These special DRAM provisions will sunset on December 31, 2017.

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.

(Continued)