



SCHEDULE CGDL-CRS

CUSTOMER GENERATION
DEPARTING LOAD COST RESPONSIBILITY SURCHARGE

SPECIAL CONDITIONS (Continued)

- 2. **Customer Generation**: Cogeneration, renewable technologies, or any other type of generation that (a) is dedicated wholly or in part to serve a specific customer's load; and (b) relies on non-utility or dedicated utility distribution wires rather than the Utility grid to serve the customer, the customer's affiliates and/or tenants, and/or not more than two other persons or corporations located on site or adjacent to the real property on which the generator is located. Pursuant to D.05-06-041, Customer Generation also includes county and municipal water district self-generation used to serve the district's own load, both on-site and off-site. County and municipal water district generation serving off-site loads other than the district's own loads is not considered Customer Generation, unless the service is provided over-the-fence in accordance with Public Utilities Code Section 218.
- 3. **Customer Generation Departing Load**: Effective February 1, 2001, Customer Generation Departing Load is departing load that is served by Customer Generation as defined in Special Condition 2 above and is that portion of the Utility customer's electrical load for which the customer (1) discontinues or reduces its purchase of bundled, Direct Access, or CCA service from the Utility; (2) purchases or consumes electricity supplied and delivered by Customer Generation to replace Utility, Direct Access or CCA purchases; and (3) remains physically located at the same location or elsewhere within the Utility's service territory as of April 3, 2003. A load reduction qualifies as departing load when such load is subsequently served by a source other than the Utility.

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Customer Generation Departing Load does not apply to changes in the distribution of load among accounts at a customer site with multiple accounts or load changes resulting from the reconfiguration of distribution facilities on the customer site, provided that the changes do not result in a discontinuance or reduction of service from the Utility at that location. In addition, Customer Generation Departing Load does not apply to departing load that physically disconnects from the Utility's grid.

Customer Generation Departing Load also does not include nor would any portion of the CGDL-CRS apply to:

- (a) Changes in usage occurring in the normal course of business resulting from changes in business cycles, termination of operations, departure from the Utility service territory, weather, reduced production, modifications to production equipment or operations, changes in production or manufacturing processes, fuel switching, enhancement or increased efficiency of equipment or performance of existing Customer Generation equipment, replacement of existing Customer Generation equipment with new power generation equipment of similar size, installation of demand-side management equipment or facilities, energy conservation efforts, or other similar factors.
- (b) New customer load or incremental load of an existing customer where the load is being met through a direct transaction with Customer Generation and the transaction does not otherwise require the use of transmission or distribution facilities owned by the Utility as demonstrated by the physical test adopted by D.98-12-067 and set forth in SDG&E's Rule 23.
- (c) Load temporarily taking service from a back-up generation unit during emergency conditions called by the Utility, the California Independent System Operator, or any successor system operator.
- (d) Load served by a dispatchable back-up generation used in connection with the dispatch of a load management program sponsored by the CPUC, California Energy Commission, California Independent System Operator, or any other successor operator.

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CUSTOMER GENERATION
DEPARTING LOAD COST RESPONSIBILITY SURCHARGE

SPECIAL CONDITIONS (Continued)

4. **Exemptions and Exceptions:** Customer Generation Departing Load shall be exempt or excepted from billing of the rates set forth above in the following situations:
- (a) Departing load customers that began to receive service from Customer Generation on or before February 1, 2001 except during any period and to the extent that the departing load customer thereafter receives bundled or direct access service, shall be exempt from paying the DWR Bond Charge and PCIA.
 - (b) The departing load served by Customer Generation that commenced commercial operation on or before January 1, 2003 or for which (a) application for authority to construct was submitted to the lead agency under the California Environmental Quality Act (CEQA), not later than August 29, 2001, and (b) commercial operation commences not later than January 1, 2004 shall be exempt from paying the PCIA.
 - (c) Departing load served by biogas digester Customer Generation eligible under PU Code Section 2827.9 shall be exempt from paying any CRS, including the DWR Bond Charge, PCIA, and CTC.
 - (d) Customer Generation Departing Load that is equal to or under 1 MW in size and is either i) eligible for financial incentives from the CPUC's self-generation program (SGIP), ii) eligible for financial incentives from the California Energy Commission, or iii) eligible for net metering shall be excepted from paying any CRS, including the DWR Bond Charge, PCIA, and CTC. Additionally, a generator with a system capacity equal to or under 5 MW that is eligible for the SGIP shall be provided with the CRS exception only on the departing load resulting from the first 1 MW.
 - (e) Customer Generation Departing Load that is over 1 MW in size but that otherwise meets all criteria in PU Code Section 353.2 as "ultra-clean and low-emissions," shall be excepted from paying the PCIA.
 - (f) Customer Generation Departing Load meeting best available control technology standards set by the Local Air Quality Management District and/or the California Air Resources Board, as applicable, other than the Customer Generation described in Special Conditions 4(a) through 4(e), shall be excepted from paying the Power Charge Indifference Adjustment. This exception shall expire for new Customer Generation Departing Load installed after the cumulative total Customer Generation Departing Load, excluding departing load described in Special Conditions 4(a) and 4(b), exceeds 600 MW by December 31, 2004, 1,100 MW by July 1, 2008, or 1,500 MW thereafter for the electric Investor Owned Utilities regulated by the CPUC, as determined on a first-come, first-served basis by the California Energy Commission.
 - (g) The UC/CSU Systems identified in Section V.B.4 of D.03-04-030 shall be granted specific allocations (set-asides) within the 3000 MW cap which consists of a cap of 10 MW by the end of 2004, an additional cap amount of 80 MW by the end of 2008, and an additional cap amount of 75 MW after the end of 2008. The specific exceptions expire for new installations once the caps have been reached, including the 3000 MW cap.

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CUSTOMER GENERATION
DEPARTING LOAD COST RESPONSIBILITY SURCHARGE

SPECIAL CONDITIONS (Continued)

4. Exemptions and Exceptions: (Continued)

- (h) The exceptions from the PCIA described in Special Conditions 4(e) and 4(f) shall expire for new Customer Generation Departing Load installed after the cumulative total of Customer Generation Departing Load, excluding departing load described in Special Conditions 4(a) and 4(b), exceeds 3000 MW for the electric Investor Owned Utilities regulated by the CPUC, as determined on a first-come, first-served basis by the California Energy Commission.
- (i) Customer Generation Departing Load of continuous direct access customers shall be exempt from the DWR Bond Charge and PCIA as set forth in Schedule DA-CRS. In addition, continuous direct access load that departs to Customer Generation does not count toward the caps set forth in Special Conditions 4(f) through 4(h).
- (j) No exception shall apply to back-up generation or to diesel fired generation, unless as provided for in Special Conditions 3(c) or 3(d).
- (k) Pursuant to any statute, including without limitation PU Code Sections 372 and 374, Customer Generation Departing Load shall be exempt from CTC.
- (l) In order to determine exemption or exception eligibility, a Customer Generator, other than those defined under Special Condition 4(d), may be required to submit an application to the Utility and to the California Energy Commission. Upon receipt of the completed application, the Utility will determine provisional categorization for exemption or exception status, if applicable. A final determination of exemption or exception categorization will be provided at such time as the Utility and the California Energy Commission confirm eligibility.

5. Bill Calculation: The Departing Load customer's CGDL-CRS obligations will be based on metered consumption. If reliable metered consumption information is not made available to the utility, the utility will estimate the consumption based on that customer's historical load at the time the customer discontinues or reduces retail service with the utility, using one of the two following options:

- (a) The customer's demand and energy usage over the 12-month period prior to the customer's submission of notice of its intention to take steps that will qualify the customer's load as Departing Load; or
- (b) The customer's average 12-month demand and energy usage, with such average to be as measured over the prior 36-months of usage; or

In the event the 12-month average usage differs from the 36-month average by an amount greater than 25 percent, the 36-month average will be used unless there is substantial evidence to demonstrate that the more recent usage is the result of a persisting change in the customer's electric usage, and that the 12-month average will be more indicative of the customer's future electric requirements.

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San Diego Gas & Electric Company
San Diego, California

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Canceling Cal. P.U.C. Sheet No.

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CUSTOMER GENERATION

DEPARTING LOAD COST RESPONSIBILITY SURCHARGE

SPECIAL CONDITIONS (Continued)

5. Bill Calculation: (Continued)

If the customer does not indicate its option in its advance notice to the utility of its intention to take steps that will qualify the customer's load as Departing Load, as set forth in Rule 23, the default method will be the customer's demand and energy usage over the 12-month period prior to the customer's submission of notice.

In circumstances where the Departing Load has been reduced following departure from the utility due to use of energy efficiency equipment or for other reasons, the customer and the utility may agree in writing to use metered or other data on a prospective basis to verify such load reduction for the Departing Load. If a metering agreement is reached, the utility will adjust the calculation of Departing Load payments.

If the customer has switched between applicable rate schedules or service voltages during the 36-month period prior to the date of departure, the Departing Load charges will be based on the customer's final applicable rate schedule and service voltage. Where a customer provides reliable third party metered consumption data, the rate schedules used for Departing Load purposes shall be consistent with that metered information.

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