



CHP - COMBINED HEAT & POWER
TARIFF FOR ELIGIBLE CHP SYSTEMS

Sheet 1

APPLICABILITY

Pursuant to Public Utilities Code (PU Code) Section 2841 and Commission Decision (D.) 09-12-042, and as modified by D.10-04-055, D.10-12-055 and D.11-04-033, SDG&E will purchase excess net output of electric energy from customers who own and operate Eligible Combined Heat and Power (CHP) systems as defined in the Special Conditions herein. A standard contract will be available to Eligible CHP systems up to 20 megawatts (MW), Form 116-2001, a simplified contract Form 116-0501, will be available to Eligible CHP systems that export no more than 5 MW and a simplified contract Form 116-0502, will be available to Eligible CHP systems that export no more than 500 kW.

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TERRITORY

Within the entire territory served.

RATES

The customer's otherwise applicable tariff shall apply except as follows.

SDG&E shall purchase the total net output of electric energy exported to SDG&E's electric grid by an Eligible CHP at an all in price established in D. 09-12-042 and as modified by D.10-04-055, D.10-12-055 and D.11-04-033. The Time of Delivery (TOD) factors in place at the time of contract execution shall apply for the entire contract duration. A 10 percent Location Bonus will be provided to Eligible CHP systems situated in high-value locations as defined in D.09-12-042 and described in Special Condition 5. There shall also be a pass-through from the customer to SDG&E of any incremental Green House Gas (GHG) compliance costs subject to GHG Emission Cap, associated with the excess net output of electric energy purchased by SDG&E. All green attributes and related emission reduction benefits available at any time that are associated with the net output of electric energy purchased will transfer to SDG&E.

SPECIAL CONDITIONS

- 1 Contracts: One of the following is required prior to receiving service pursuant to this Schedule
 - a. An executed "Standard Contract for Eligible CHP Facilities" (Form 116-2001) or
 - b. An executed "Standard Contract for Eligible CHP Facilities with Net Output not Greater than 5 MW" (Form 116-0501); referred to collectively as Contracts
 - c. An executed "Standard Contract for Eligible CHP Facilities with net Output not Greater than 500 KW" (Form 116-0502)

2. Participation in other SDG&E Programs: Participating Eligible Customer-Generators may participate in any other SDG&E program or NEM tariff if the customer meets the eligibility requirements of the program or tariff and provided that the program or tariff does not otherwise compensate the customer for energy which is exported and purchased under this schedule. The customer shall be responsible for all costs incurred by SDG&E such as metering, interconnection, and system changes, necessary for the customer to participate in multiple programs.

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Sheet 2

- 3. Definitions: When initially capitalized, whether in the singular or in the plural, the terms used in this Schedule shall have the same meanings assigned to them either herein, in Standard Contract for Eligible CHP Facilities (Form 116-2001), Standard Contract for Eligible CHP Facilities with Net Output not Greater than 5 MW (Form 116-0501), or Standard Contract for Eligible CHP Facilities with Net Output not Greater than 500 kW (Form 116-0502).
- 4. Eligibility: In order to be eligible for either the simplified contract or the standard contract adopted by the Commission, a CHP facility must obtain certification from the California Energy Commission (CEC) as an Eligible CHP facility and maintain that certification throughout the contract period. A CHP facility may execute a Standard Contract for Eligible CHP Facilities, a Standard Contract for Eligible CHP Facilities with Net Output not Greater than 5 MW or a Standard Contract for Eligible CHP Facilities with Net Output not Greater than 500 kW, pending fulfillment of applicable CPUC and California Independent System Operator resource adequacy requirement while, simultaneously, receiving payment pursuant to the Qualifying Facility 20 MW Settlement 20 MW Contract
- 5. Location Bonus: For an Eligible CHP Facility located in a high-value location; pursuant to D.09-12-042 and as modified by D.10-04-055, D.10-12-055 and D.11-04-033, each Monthly Contract Payment for the entire contract term shall receive a Location Bonus.
- 6. Payment: All payments and pricing shall be in accordance with the pricing formulas as provided in the executed Contracts, subject to section 4 above.
- 7. Green House Gas (GHG): SDG&E shall pay for compliance costs related to net output of electric energy exported to the grid. Pursuant to D.09-12-042 and as modified by D.10-04-055, D.10-12-055 and D.11-04-033, SDG&E is only obligated to pay for compliance costs for emission up to the GHG Emissions Cap, that is based on the avoided GHG compliance costs of the proxy combined cycle gas turbine relied on to establish the avoided costs for energy.
- 8. Metering Requirements: Customers served on this Schedule shall be separately metered to reflect the net generation output amounts of the Eligible CHP Facility. Customers shall be responsible for all costs associated with separately metering the customer's Eligible CHP Facility output and associated station load. All metering required for service on this Schedule shall be installed and maintained in accordance with SDG&E's requirements.

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Advice Ltr. No. 2317-E-A

Decision No. _____

Issued by
Lee Schavrien
Senior Vice President
Regulatory Affairs

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Resolution No. _____