



SCHEDULE PLP

PARTICIPATING LOAD PILOT

APPLICABILITY

The Participating Load Pilot ("Pilot") is a voluntary demand response pilot that offers customers the ability to 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 200 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 Pilot or Aggregators participating in the Pilot.

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. DA Customers or Aggregators who elect to sign up with the Utility for participation in the PLP will be paid at a maximum of 100% of the available capacity payment. The tables below set forth the rates that will be paid to Participants under this schedule for each Product type and will be fixed. See Termination of Schedule Special Condition 12, for additional details.

Load Reduction Incentive Payment, Pilot Options (\$/kW-month):

Product	Capacity Incentive (\$/kW - month)					
	Jul	Aug	Sep	Oct	Nov	Dec
2 hours, 11a - 7p Only	\$ 20.10	\$ 20.10	\$ 20.10	\$ 20.10	\$ 20.10	\$ 10.05
2 hours, 24 x 7	\$ 21.50	\$ 21.50	\$ 21.50	\$ 21.50	\$ 21.50	\$ 10.75

SPECIAL CONDITIONS

- Definitions: The Definitions of terms used in this schedule are found either herein or in Rule 1, Definitions.
- Qualifying Customer: Service under this schedule is available to all non-residential time-of-use metered customers with demand of 200kW or greater. Customers electing to participate in the Pilot 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 while participating in the Pilot. See Metering Requirement Special Condition 13, for additional details. Participating customers must have the required notification equipment in place to participate in the Pilot. See Event Notification/Communication Special Condition 8, for additional details.

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SPECIAL CONDITIONS (Continued)

2. Qualifying Customer: (Continued)

- a. Aggregators: In the event customers elect to participate in the Pilot via an Aggregator, such participation, and such Aggregator's participation in the Pilot, is subject to the terms and conditions of this schedule and Rule 31, Aggregators for the Participating Load Pilot (PLP). Customers participating in the Pilot 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 Participating Load Pilot" (Form 165-1002) notifying the Utility of such change or termination.
- b. Direct Access and Community Choice Aggregation Customers: DA and CCA customers enrolling in the Pilot may enroll through an Aggregator and must make the necessary arrangements with their Energy Service Provider ("ESP").

3. Pilot Operation: The Pilot's operational season is from July 1 through December 15. While the pilot term extends through December 31, 2009, no curtailment events will be called between December 16 and December 31, 2009. The Utility will perform only administrative activities during that time period. The capacity incentive payment for December has been modified accordingly. Each operational month of the Pilot begins at the beginning of a calendar month during the operational season and ends on the last day of such calendar month (except for the month of December, which shall end on December 15).

The Pilot provides for two different product types. For those participants who elect to participate in the base product, the Pilot's operational hours are from 11:00 a.m. to 7:00 p.m. during each of the Pilot's operational days. Operational Days are Monday through Friday during the Pilot's operational season, excluding Utility holidays, as defined in Rule 1.

Optionally, participants with the ability to reduce energy all hours of all days of the week may enroll for the 24/7 product with its higher incentives. For this product type, the operational hours are 24/7 through the Pilot's operational season.

Up to 5 curtailment events may be called in each operating month, with each event having a maximum duration of 2 hours. No more than 1 event shall be called each calendar day. To support the Pilot's objectives, each customer will be called for a minimum of 3 events per month. This number may not apply for Multiple Program Participation. See Special Condition 11.

Customer's load reduction must occur within 10 minutes of the Utility receiving the dispatch from the CAISO. The utility will notify the customer within 5 minutes; therefore, to allow time for dispatches received from the CAISO to be processed and provided to the Participant, the Participant should be prepared to reduce load within 5 minutes of receiving event notification in order to meet the performance requirements.

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SPECIAL CONDITIONS (Continued)

3. Pilot 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 after two hours or upon notification by the Utility that the Event has ended earlier.
- 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 Pilot 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 a given Product and customer type (Bundled or DA/CCA) will be used to determine the Baseline (see Customer-Specific Baseline Special Condition 5) and associated Pilot 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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SPECIAL CONDITIONS (Continued)

3. Pilot 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 Pilot 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. Pilot Triggers: The Utility may call up to five (5) events per month during the duration of the Pilot.

4. Pilot Availability: An Event may be called during the Pilot's operational season, operational days and operational hours as defined above. The ability of Customers to participate in the Pilot shall be limited based upon the approved funding, load reduction available for award and a potential Participant's ability to work with the Utility to install the necessary communications within the required timeframe. The Utility will attempt to provide such communications to potential Participants as quick as is practical.

- a. Limitation of Interruptible Periods: Events shall be limited as follows:
 - i. An Event shall not exceed the maximum duration of 2 (two) hours. The maximum cumulative duration of the Events during any operational month for each Product shall not exceed 10 hours per participating account.

5. Customer Specific Baseline: The baseline used to determine performance will be the actual load prior to the Event. Baselines shall be established as follows:

- a. Participating Customers: For customers enrolled in the Pilot directly with the Utility, the Baseline will be the actual load for the specific customer site during the 5-minute interval prior to the Event.
- b. Aggregators: For Aggregators, the Baseline for each Product will be the actual aggregated load for such Product during the 5-minute interval prior to the Event.

The baseline amount is the metered value in the 5-minute interval prior to the Event. In many cases, Participants will not have meters that record demand levels (kW) in 5-minute intervals (15-minute interval metering is more common). In such cases, the 15-minute average load level will be used for the 5-minute interval.

This baseline establishes the level from which the Participant is expected to curtail. The Target Load Reduction will be subtracted from the Baseline to establish the Target Load Level. The Actual Load Level (as determined by Settlement Quality Meter Data) will be compared to this Target Load Level for each 10-minute settlement interval during the Event in order to determine performance.

6. Incentive Payment and Non-Performance Penalties: An Incentive Payment will be calculated for each Product for each Participant for each operational month based upon the Participant's performance during that month.

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SCHEDULE PLP

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SPECIAL CONDITIONS (continued)

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

a. Load Reduction Incentive Payment: To calculate a Participant's performance for a Product for an Event, the average of the percent of load reduction achieved in each of the Settlement intervals will be used as the Event Load Reduction. For each interval, this Percent Load Reduction will equal the Actual Load Reduction for the interval divided by the Target Load Reduction for that same interval. For each interval this Percent Load Reduction will be capped at 100%.

i. The amount of the Load Reduction Incentive Payment for each operational month is calculated by summing the Adjusted Event Capacity Payment Amounts for each Product nominated in such operational month. Each Adjusted Event Capacity Payment is calculated as follows:

$$AP = ((NLR * I) / E) * PF$$

AP = Adjusted Event Capacity Payment Amount

NLR = Nominated Load Reduction (kW)

I = Load Reduction Incentive Payment Rate (\$/kW)

E = Number of Events for the Product in the Operational Month

PF = Event Performance Factor

ii. The Event Performance Factor is based on the Actual Load Reduction (as defined in the Actual Load Reduction Special Condition 7) for such Product for each Event and is equal to the values listed in the following table:

<u>Actual Load Reduction for such Product</u>	<u>Event Performance Factor (PF)</u>
More than 100 percent of Nominated Load Reduction for such Product	100 percent
25 -100 percent of Nominated Load Reduction for such Product	Prorated value between 25 and 100 percent based on actual metered performance.
Less than 25 percent of Nomination Load Reduction	Zero

b. Disbursement of Payments:

i. Customers: For each customer participating directly with the Utility, the PLP incentive will be calculated based on that customer's Actual Load Reduction. The billing and payment of Load Reduction Incentive Payments as well as all other amounts, charges, penalties and fees due and payable in respect of this Pilot, to or from customers participating in the Pilot 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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SPECIAL CONDITIONS (Continued)

- b. Disbursement of Payments (Continued)
 - ii. Aggregators: The billing and payment of Load Reduction Incentive Payments, as well as all other amounts, charges, penalties and fees due and payable under this schedule, Rule 31 or the Aggregator Contract (Form 165-1001), to or from Aggregators are set forth in Rule 31.
- 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.
- 8. Event Notification/Communication: Participants 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 pager or cell phone that is capable of receiving a text message sent via the Internet. No Participant may participate in the Pilot until all of these requirements have been met.
- 9. Event Cancellation: Once an Event has been initiated in accordance with the provisions herein, the actual Event may be cancelled.
- 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 Participating Load Pilot Customer Contract (Form 165-1000, "Customer Contract");
 - b. For Aggregators, an Aggregator Agreement for Participating Load Pilot (PLP) (Form 165-1001, "Aggregator Contract").
- 11. Multiple Pilot Participation: Customers participating on Schedule PLP are ineligible to participate in other demand response programs during the same time period.

Customers can participate in both the Critical Peak Pricing (CPP) rate and the PLP to the extent that they would not receive duplicate payments. To prevent such duplicate payments, a Customer participating in the Pilot, who is also on the CPP rate, will have their Load Reduction Incentive Payment reduced by the ratio of overlapping PLP event and CPP event hours to the total number of hours the participant is available for the PLP within the month. If a PLP event is called during a CPP event, the customer will not be dispatched for the PLP event and will be assumed to be unavailable during that time. This may reduce the minimum number of calls a customer receives each month.

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SCHEDULE PLP

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SPECIAL CONDITIONS (Continued)

12. Termination of Schedule: This schedule is in effect until December 31, 2009 or 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. An approved interval meter is capable of recording usage in 15-minute intervals and being read remotely by the Utility.

For customers accepted for participation in the Pilot, the Utility will provide and install reasonable and necessary telemetry and equipment at no cost to the customer.

14. Telemetry: Real-Time Telemetry is required to participate in the Pilot. The Utility will provide and install reasonable and necessary telemetry and/or supporting equipment at no cost to the Participant; however, the cost to provide such equipment may be used as a criterion in selecting which customers are accepted into the Pilot. In addition to Real-Time Telemetry, Participants may elect to install or use Auto DR equipment to conform to the Pilot's response time requirement. The Utility will support such Participant equipment for accepted Participants, but the cost of such equipment shall be the responsibility of the Participant.

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 and the CAISO 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 Pilot. 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. 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 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.

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SCHEDULE PLP

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SPECIAL CONDITIONS (Continued)

16. Emergency Generation Limitations (Continued):

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.

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

18. The PLP is a "pilot" schedule and as such is subject to adjustments during its implementation. Utility will inform Participants of any adjustments that impact their participation. Significant changes in the pilot may require CPUC approval; Participants will be informed of such changes and progress as to the approvals.

19. Term: Except as set forth below, each Participant must remain in the Pilot through December 31, 2009 ("Minimum Term") unless (a) the Pilot expires earlier, or (b) such Participant's Pilot 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 Pilot contract with the Utility and its participation in the Pilot 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 Pilot 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 165-1002) setting forth their election. Upon receipt of a Notice to Terminate an Aggregator the utility will contact the customer to determine customer's plans for continued participation in the program.

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