



ELECTRIC SCHEDULE E-CHPS
COMBINED HEAT AND POWER SIMPLIFIED PPA

Sheet 1

(N)
(N)

APPLICABILITY: This Schedule provides a power purchase agreement for combined heat and power systems with an as-available contract capacity rating of less than or equal to five (5) megawatts (MW) and a nameplate electrical capacity rating of less than or equal to twenty (20) MW. This Schedule is optional for customers having a combined heat and power system that produces both electricity and thermal energy for heating or cooling from a single fuel input if the customer meets the criteria for Eligible Customer-Generator and the requirements contained in this Schedule. Pursuant to Public Utilities Code (PUC) Section 2840.2(b) and other applicable laws, an Eligible Customer-Generator means a customer that meets all of the following requirements:

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- (1) Uses a combined heat and power system with a nameplate electrical capacity rating of less than or equal to twenty (20) MW, that first commences operation on or after January 1, 2008.
- (2) The combined heat and power system exports no more than 5 MW.
- (3) Is a Qualifying Facility pursuant to the Public Utility Regulatory Policies Act (PURPA) set forth at 16 USC §824 a-3, unless the customer is a public agency described in 16 USC §824(f).
- (4) Uses a time-of-use meter capable of registering the flow of electricity in two directions.

TERRITORY: The entire territory served.

RATES: The customer's otherwise applicable tariff schedules (OAS) shall apply to electric service to the customer.

PG&E shall purchase the net power output of the Eligible Customer-Generator in accordance with the terms set forth in the Standard Contract for Eligible CHP Facilities with Net Output Not Greater Than 5 MW Power Purchase and Sale Agreement (Form No. 79-1121).

Participating Eligible Customer-Generators will receive an all-in price in \$/kWh, based on a proxy market price for a new combined cycle gas turbine (CCGT) with adjustments for time of delivery (TOD):

- (1) The TOD factors and periods shall be the TOD factors from the most recent MPR. The TOD factors in place at the time of contract execution shall apply for the entire contract duration.
- (2) The Fixed Component for all TOD periods shall be the amount applicable to the year of the term start date.

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Decision 10-12-055

Issued by
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Vice President
Regulation and Rates

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Sheet 2

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RATES:
(Cont'd.)

Fixed Component (\$/kWh)

= Fixed Component of the most current MPR in \$/kWh based on 10-year contract.

(N)

Variable Component (\$/kWh)

= [(Monthly bidweek + Intrastate gas transportation rate)* Heat Rate]/1,000,000 + Variable Overhead and Maintenance (O&M)

Monthly bidweek (\$/MMBtu) = monthly bidweek gas price at PG&E Citygate (monthly bidweek gas prices shall be calculated as the average of three bidweek gas indices as reported in Gas Daily, Natural Gas Intelligence, and Natural Gas Weekly)

Intrastate gas transportation rate (\$/MMBtu) = the sum of (a) the Gas Transportation Service to Electric Generation rate as it applies to "All Other Customers", as published in PG&E's Gas Rate Schedule G-EG, and (b) the Customer-Procured Gas Franchise Fee Surcharge rate, as published in PG&E's Gas Rate Schedule G-SUR

Heat Rate = 6,924 Btu/kWh (based on average Heat Rate from 2011 MPR)

Variable O&M (\$/kWh) = based on variable O&M adder from the most current MPR

Final Price (\$/kWh)

= [(Fixed Component + Variable Component) * TOD factor] * 1.1 Location Bonus (if applicable)¹

¹ The Location Bonus shall apply to Eligible Customer-Generators interconnected in areas with local Resource Adequacy (RA) requirements during the year of contract execution.

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