ELECTRIC SCHEDULE E-DCG
DEPARTING CUSTOMER GENERATION CG

APPLICABILITY: This schedule is applicable to customers that have Customer Generation Departing Load as defined below, including customers who displace all or a portion of their load with Customer Generation and including new load served by Customer Generation as set forth in Special Condition 6 below.

TERRITORY: The entire territory served.

RATES: Customers under this schedule are responsible for the following charges unless expressly excepted or exempted from such charges under Special Condition 2 below:

1. WILDFIRE FUND CHARGE: The Wildfire Fund Charge was imposed by California Public Utilities Commission Decisions 19-10-056, 20-07-014, 20-09-005, and 20-09-023 and is property of Department of Water Resources (DWR) for all purposes under California law. The Charge became effective October 1, 2020, and applies to all retail sales, excluding CARE and Medical Baseline sales. The Wildfire Fund Charge (where applicable) is included in customers' total billed amounts. The Wildfire Fund Charge replaces the DWR Bond Charge imposed by California Public Utilities Commission Decisions 02-10-063 and 02-12-082. The Wildfire Fund Charge applies to Customer Generation Departing Load unless sales under the customer's Otherwise Applicable Rate Schedule were CARE or medical baseline or unless exempted or excepted under Special Condition 2 below. The Wildfire Fund Charge is separately shown in the customer's Otherwise Applicable Rate Schedule.

2. POWER CHARGE INDIFFERENCE ADJUSTMENT: The adjustment (either a charge or credit) is intended to ensure that customers that purchase electricity from non-utility suppliers pay their share of cost for generation procured by DWR prior to 2003. Only the pre-2009 Power Charge Indifference Adjustment applies to Customer Generation Departing Load unless exempted or excepted under Special Condition 2 below.

3. COMPETITION TRANSITION CHARGE (CTC): The ongoing CTC recovers the cost of power purchase agreements, signed prior to December 20, 1995, as defined in Section 367(a) of the California Public Utilities Code, in excess of a California Public Utilities Commission (Commission) approved proxy of the market price of electricity. The Ongoing CTC applies to the Customer Generation Departing Load unless exempt under Special Condition 2 below. Effective May 1, 2008, the Ongoing CTC is separately shown in the customer's OAS. (L)

4. NUCLEAR DECOMMISSIONING (ND) CHARGE: The ND charge collects the funds required to restore the site when PG&E's nuclear power plants are removed from service. The ND charge applies to all Customer Generation Departing Load unless exempt under Special Condition 2 below. The ND charge is separately shown in the customer's otherwise Applicable Rate Schedule. (L)

(Continued)

RATES: (L)
(Cont'd.) (L)

5. REGULATORY ASSET (RA) CHARGE: The RA charge recovers the costs associated with the Regulatory Asset adopted by the Commission in D.03-12-035. The Regulatory Asset is separately shown in the customer's Otherwise Applicable Rate Schedule. On March 1, 2005, the Energy Cost Recovery Amount (ECRA) superceded and replaced the RA Charge such that after March 1, 2005, applicable customers no longer incur additional RA Charges but instead incur Energy Cost Recovery Amount (ECRA) charges.

6. PUBLIC PURPOSE PROGRAM (PPP) CHARGE: The PPP charge collects the costs of state mandated low income, energy efficiency and renewable generation programs. The PPP charge applies to all Customer Generation Departing Load unless exempt under Special Condition 2 below. The PPP charge is separately shown in the customer's Otherwise Applicable Rate Schedule.

7. ENERGY COST RECOVERY AMOUNT (ECRA): The ECRA charge recovers the costs associated with the Energy Recovery Amount adopted by the Commission in Decision 04-11-015. The Energy Cost Recovery Amount is shown in the customer's Otherwise Applicable Rate Schedule. On March 1, 2005, the ECRA superceded and replaced the RA Charge.

8. WILDFIRE HARDENING CHARGE (WHC) and WILDFIRE HARDENING FIXED RECOVERY CHARGE BALANCING ACCOUNT (WHFRCBA) RATES: The WHC recovers costs related to Wildfire Hardening Recovery Bonds authorized by the Commission in a Financing Order (FO) to recover costs and expenses related to catastrophic wildfires. In addition, costs and benefits resulting from the issuance of Wildfire Hardening Recovery Bonds are recorded in the WHFRCBA and recovered in the WHFRCBA rates. There may be multiple FOs authorizing the issuance of Wildfire Hardening Recovery Bonds, and each series of Bonds will have its own Wildfire Hardening Fixed Recovery Charges and WHFRCBA rates. By statute, and as set forth in the FO(s), these charges apply to all existing and future non-exempt consumers of electricity transmitted or distributed by means of electric transmission or distribution facilities (FO Consumer) in the geographical area that PG&E provides with electric distribution service (Service Territory) who become Customer Generation Departing Load FO Consumers after the date of issuance of the applicable FO, whether those facilities are owned by the consumer, PG&E, or any other party. Customers enrolled in the California Alternate Rates for Energy (CARE) or Family Electric Rate Assistance (FERA) programs are exempt from these charges. Customer Generation Departing Load Consumers are subject to these charges if, after the date of issuance of the applicable FO(s) for each series of Wildfire Hardening Recovery Bonds, they become a FO Consumer in the Service Territory, unless sales under the Consumer's Otherwise Applicable Rate Schedule were CARE or FERA. The Wildfire Hardening Fixed Recovery Charges and WHFRCBA rates for each series of Wildfire Hardening Recovery Bonds, and the date of issuance of the applicable FO, are separately shown in Preliminary Statements JF (WILDFIRE HARDENING FIXED RECOVERY CHARGE) and JG (WILDFIRE HARDENING FIXED RECOVERY CHARGE BALANCING ACCOUNT). (N)

(N)

(Continued)

ELECTRIC SCHEDULE E-DCG Sheet 3
DEPARTING CUSTOMER GENERATION CG

RATES: (Cont'd.)

9. RECOVERY BOND CHARGE, FIXED RECOVERY CHARGE BALANCING ACCOUNT (FRCBA) RATES, and RECOVERY BOND CREDIT: The Recovery Bond Charge recovers costs related to Recovery Bonds authorized by the Commission in a Financing Order (FO) to recover costs and expenses related to certain catastrophic wildfires. In addition, costs and benefits resulting from the issuance of the Recovery Bonds are recorded in the FRCBA and recovered in the FRCBA rates. There may be multiple issuances of Recovery Bonds, and each series of Recovery Bonds will have its own Recovery Bond Charge and FRCBA Rates. By statute, and as set forth in the FO, these charges apply to all existing and future non-exempt consumers of electricity transmitted or distributed by means of electric transmission or distribution facilities (FO Consumer) in the geographical area that PG&E provides with electric distribution service (Service Territory) who become Customer Generation Departing Load FO Consumers after the date of issuance of the FO, whether those facilities are owned by the consumer, PG&E, or any other party. The date of issuance of the FO was May 11, 2021. Customers enrolled in the California Alternate Rates for Energy (CARE) or Family Electric Rate Assistance (FERA) programs are exempt from these charges. Customer Generation Departing Load Consumers are subject to these charges if they become a Customer Generation Departing Load FO Consumer in the Service Territory after the date of issuance of the FO, unless sales under the Consumer's Otherwise Applicable Rate Schedule were CARE or FERA. The Recovery Bond Charge and FRCBA Rates for each series of Recovery Bonds are separately shown in Preliminary Statements IX (FIXED RECOVERY CHARGE) and IY (FIXED RECOVERY CHARGE BALANCING ACCOUNT). (N)

PG&E will provide a Recovery Bond Credit in connection with the Recovery Bond Charge, which will be an amount equal to the Recovery Bond Charge in each billing period to the extent sufficient funds are available. The Recovery Bond Credit is described in Preliminary Statement JA (CUSTOMER CREDIT FOR FIXED RECOVERY CHARGE). (N)

(Continued)

ELECTRIC SCHEDULE E-DCG Sheet 4
DEPARTING CUSTOMER GENERATION CG

SPECIAL CONDITIONS:

1. DEFINITIONS: The following terms when used in this tariff have the meanings set forth below: (L)

   a. Customer Generation: Customer Generation means cogeneration, renewable technologies, or any other type of generation that: (1) is dedicated wholly or in part to serve all or a portion of a specific customer's load; and (2) relies on non-PG&E or dedicated PG&E distribution wires rather than PG&E's utility grid to serve the customer, the customer's affiliates and/or tenants, and/or not more than two other persons or corporations, provided that those two persons or corporations are located on site or adjacent to the real property on which the generator is located. For the purpose of applying this tariff, county and municipal water district self-generation which is used to serve the district's own loads, whether on-site or off-site, is also considered to be Customer Generation, pursuant to Commission Decision by Decision 05-06-041. County and municipal water district generation serving off-site loads other than the district's own loads is not considered to be Customer Generation under this tariff, unless the service is provided over-the-fence in accordance with Public Utility Code Section 218.

   b. Customer Generation Departing Load: Customer Generation Departing Load is that portion of a PG&E electric customer's load for which the customer, on or after December 20, 1995: (1) discontinues or reduces its purchases of bundled or direct access or Community Choice Aggregation electricity service from PG&E; (2) purchases or consumes electricity supplied and delivered by Customer Generation to replace the PG&E or direct access purchases; and (3) remains physically located at the same location or elsewhere within PG&E's service area as it existed on April 3, 2003. Reductions in load are classified as Customer Generation Departing Load only to the extent that such load is subsequently served with electricity from a source other than PG&E. New customer load not specifically excluded below shall be deemed Customer Generation Departing Load for purposes of this schedule.

      Customer Generation Departing Load specifically excludes:

      (1) 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.

      (2) 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 PG&E.

      (3) Load temporarily taking service from a back-up generation unit during emergency conditions called by PG&E, the California Independent System Operator, or any successor system operator. This exclusion also applies to dispatchable backup generation used in connection with the dispatch of a load management program sponsored by the Commission, California Energy Commission or California Independent System Operator, or any successor system operator. (L)

(Continued)

ELECTRIC SCHEDULE E-DCG Sheet 5
DEPARTING CUSTOMER GENERATION CG

SPECIAL CONDITIONS: (Cont'd.)

1. DEFINITIONS: (Cont'd.) (L)

   b. Customer Generation Departing Load: (Cont'd.)

      (4) Load that physically disconnects from the utility grid.

      (5) Changes in the distribution of load among accounts at a customer site with multiple accounts, load 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 PG&E at that location.

   c. Otherwise Applicable Rate Schedule: The Otherwise Applicable Rate Schedule shall be the last schedule under which the customer took service before load was displaced by Customer Generation. Where the departing load was not previously served by a utility, the Otherwise Applicable Schedule will be the rate schedule the customer would have taken service under, had the load been served by PG&E.

2. EXEMPTIONS AND EXCEPTIONS: Customer Generation Departing Load is exempted or excepted from some or all of the rates described above to the extent set forth below. Unless exempted or excepted in Special Conditions 2.a. through 2.h., all usage displaced from the grid by the Customer Generation is subject to the Wildfire Fund Charge, Power Charge Indifference Adjustment, CTC, ND Charge, PPP Charge, and either RA Charge or ECRA Charge. A customer-generator eligible for net metering based on PU Code Section 2827, Section 2827.9 or Section 2827.10 is responsible for all charges in the Rates Section based on their net consumption, except as provided in future Commission decisions. A customer-generator taking service under PU Code Section 2827.1 is responsible for all charges in the Rates Section based on their net consumption, plus PPP Charge, Wildfire Fund Charge, CTC and ND Charge as described in Electric Schedule NEM2, NEM2V, NEM2VMSH, or NEM2VSOM.

   a. Load That Departed As Of February 1, 2001. Customer Generation Departing Load that began to receive service from Customer Generation on or before February 1, 2001, except during any period and to the extent that the Customer Generation Departing Load thereafter receives bundled or direct access service, is exempt from the Wildfire Fund Charge, Power Charge Indifference Adjustment, RA Charge, and ECRA Charge.

   b. Legacy Load. Customer Generation Departing Load, not otherwise exempted under Special Condition 2.a. above, or Special Condition 2.c., 2.d., 2.e., or 2.h. below, that commenced commercial operation on or before January 1, 2003, or for which (a) an application for authority to construct was submitted to the lead agency under the California Environmental Quality Act, not later than August 29, 2001, and (b) commercial operation commenced not later than January 1, 2004, is exempted from the Power Charge Indifference Adjustment, RA Charges, and ECRA Charge.

   c. Biogas Digesters. Customer Generation Departing Load served by an eligible biogas digester customer-generator, as defined in Public Utilities Code Section 2827.9, is exempt from the Wildfire Fund Charge, Power Charge Indifference Adjustment, RA Charge, ECRA Charge, ND Charge, PPP Charge, and CTC, to the extent that such load falls within the Customer Generation Cap described in Special Condition 2.g. below.*

* Public Utilities Code Section 2827.9 was repealed effective January 1, 2012. This exemption is not available to new Biogas Digesters. (L)

(Continued)

ELECTRIC SCHEDULE E-DCG Sheet 6
DEPARTING CUSTOMER GENERATION CG

SPECIAL CONDITIONS: (Cont'd.)

EXEMPTIONS AND EXCEPTIONS: (Cont'd.) (L)

d. Clean Customer Generation Systems Up to 5 MW. Customer Generation Departing Load up to 5 megawatts (MW) in size that is eligible for (i) the California Solar Initiative (CSI) program; or (ii) financial incentives from the Commission's self-generation program; or (iii) financial incentives from the California Energy Commission, is excepted from the Wildfire Fund Charge, Power Charge Indifference Adjustment, RA Charge, ECRA Charge, and the CTC, for the first 1 MW of generation and to the extent that such excepted load falls within the Customer Generation Cap described in Special Condition 2.g. below.

(i) For customers providing hourly interval metered data, total departing load for each customer will be calculated as the sum, over all the hours of the month, of the hourly generator energy output. The exempt portion will be calculated as the sum, over all the hours of the month, of the smaller of either (1) the hourly generator energy output in kW; or (2) 1,000 kW.

(ii) For customers providing monthly metered data, total departing load will be calculated as equal to the monthly generator energy output. The exempt portion will be calculated by dividing the Commission-adopted exemption of 1 MW by the connected load of the generator (yielding an "exemption ratio"). This "exemption ratio" will then be multiplied by the monthly generator energy output to obtain the exempt portion of departing load.

(iii) For customers providing neither interval nor monthly metered data, or for customers proposing an alternative to subdivision 2.d(ii) above, PG&E will work with the customer to obtain some other form of information that would reasonably estimate the amount of departing load that should be exempt from the CRS. Absent any agreement on an appropriate estimation methodology, total departing load will be estimated based on historical load as set forth in Preliminary Statement Part BB, Section 5.e. The exempt portion will be calculated by dividing the Commission-adopted exemption of 1 MW by the connected load of the generator (yielding an "exemption ratio"). This "exemption ratio" will then be multiplied by the estimated monthly energy output of the generator to obtain the exempt portion of departing load.

e. Ultra-Clean and Low-Emission Customer Generation Systems over 1 MW. Customer Generation Departing Load that is over 1 MW in size but that otherwise meets all criteria in Public Utilities Code Section 353.2 as "ultra-clean and low-emissions" is exempt from the Power Charge Indifference Adjustment, RA Charge, and ECRA Charge to the extent that such load falls within the Customer Generation Cap as described in Special Condition 2.g. below.*

f. Other Customer Generation Systems. Customer Generation Departing Load that employs best available control technology standards set by local air quality management districts and/or the California Air Resources Board, as applicable, and is not (a) back-up generation, (b) diesel-fired generation, or (c) discussed in Special Conditions 2.a. through 2.e. above, is exempted from the Power Charge Indifference Adjustment, RA Charge, and ECRA Charge to the extent that such load falls within the Customer Generation Cap described in Special Condition 2.g. below. (L)

* Public Utilities Code Section 353.2 required that the customer generator be operational on or before December 31, 2008.

(Continued)

ELECTRIC SCHEDULE E-DCG
DEPARTING CUSTOMER GENERATION CG

Sheet 7

SPECIAL CONDITIONS: (Cont'd.)

EXEMPTIONS AND EXCEPTIONS: (Cont'd.) (L)

g. Customer Generation Cap. The exemptions or exceptions described in Special Conditions 2.c., 2.d., 2.e., and 2.f. above expired on February 12, 2015, when the cumulative total of Customer Generation Departing Load eligible under Special Conditions 2.c., 2.d., 2.e., and 2.f. (and the corresponding tariff sections for other electric utilities under the Commission's jurisdiction) exceeded 3,000 MW, as determined on a first-come, first-served basis by the California Energy Commission (CEC). The exemptions or exceptions described in Special Condition 2.f. above were limited to 1,500 MW (of the total 3,000 MW) with no more than 600 MW by the end of 2004, an additional 500 MW by July 1, 2008, and a final 400 MW thereafter.

The University of California and California State University (UC/CSU) are granted a set-aside within the overall Customer Generation Cap as follows: 10 MW by the end of 2004, an additional 80 MW by the end of 2008, and an additional 75 MW thereafter. Notwithstanding the expiration of the Customer Generation Cap on February 12, 2015, the exemptions or exceptions described in Special Conditions 2.c., 2.d., 2.e., and 2.f. shall stay in effect for UC/CSU until UC/CSU have interconnected 45 MW of their set-aside, or through December 31, 2020, whichever occurs first. (L)

h. CTC Exemptions for Cogeneration. The following Customer Generation Departing Load is exempt from CTCs:

(1) Load served by an on-site or over-the-fence non-mobile self-cogeneration or cogeneration facility, per Public Utilities Code Section 372(a)(4).

(2) Load served by existing, new, or portable emergency generation equipment that is used during periods when service from PG&E is unavailable, per Public Utilities Code Section 372(a)(3), provided such equipment is not operated in parallel with PG&E's power grid other than on a momentary basis.

i. Clarification Regarding Continuous Direct Access Customers. If, a customer took direct access service before February 1, 2001, and continued on direct access service through September 20, 2001, and is therefore exempt from the Wildfire Fund Charge, Power Charge Indifference Adjustment, RA Charge, and ECRA Charge for its electric load, then that customer shall continue to be exempt regardless of whether or not such customer installs Customer Generation.

(L)
(L)

(Continued)

SPECIAL CONDITIONS: (Cont'd.)

3. PROCEDURES FOR CUSTOMER GENERATION DEPARTING LOAD: (L)
Customers are obligated to notify PG&E of their intent to become Customer Generation Departing Load in accordance with the following procedure:

a. Customer Notice to PG&E: Customers shall notify PG&E, in writing or by reasonable means through a designated PG&E representative authorized to receive such notification, of their intention to take steps that will qualify their load or some portion thereof as Customer Generation Departing Load at least 30 days in advance of discontinuation or reduction of electric service from PG&E. The customer shall specify in its notice the following:

(1) The date of the departure or reduction of load (Date of Departure);

(2) A description of the load that will depart or be reduced;

(3) The PG&E account number assigned to this load;

(4) The type of Customer Generation technology; and

(5) An identification of any exemptions that the customer believes are applicable to the load.

Failure to provide notice will constitute a violation of this tariff and breach of the customer's obligations to PG&E. (L)

1. Liability of New Customers at Existing Premises:

New customers taking service at premises where Customer Generation serves or served Customer Generation Departing Load are obligated to notify a PG&E representative authorized to accept such notification of their assumption of responsibility for the payment of non-bypassable charges for the Customer Generation Departing Load at the premises. New customers taking service at such premises are obligated to pay non-bypassable charges including the Customer Generation CRS with any exceptions authorized by the CEC for that Customer Generation Departing Load, commencing no later than the date on which the customer is responsible for energy service payments related to electric usage on the site.

(Continued)

SPECIAL CONDITIONS: (Cont'd.)

3. PROCEDURES FOR CUSTOMER GENERATION DEPARTING LOAD: (Cont'd.)

   c. PG&E Providing Departing Load Statement: By no later than 20 days after PG&E receives the Notice of Departure from a customer, PG&E shall mail or otherwise provide the customer with a Customer Generation Departing Load Nonbypassable Charge Statement containing any applicable confirmation of the customer's CG CRS exception or exemption claim. If the Customer (T) Generation Departing Load Nonbypassable Charge Statement does not confirm the customer's claimed exception or exemption, it will set forth the (T) reason for rejecting the claimed exemption or; (T)

      If PG&E fails to provide a customer with a Customer Generation Departing Load Nonbypassable Charge Statement within 20 days of PG&E's receipt of the notice from the customer containing all of the information required, then the customer's obligation to pay the Customer Generation Departing Load Nonbypassable Charge Statement shall not commence until the later of the Date of Departure or 30 days from the customer's receipt of PG&E's Customer Generation Departing Load Nonbypassable Charge Statement.

   d. Customer Obligation To Make Customer Generation Departing Load Payments: PG&E will issue monthly bills in accordance with the provisions of this Schedule.

4. SERVICE VOLTAGE OR SCHEDULE CHANGES: The Customer Generation Departing Load Nonbypassable Charge Statement will be based on the customer's final applicable rate schedule and service voltage. Where a customer's applicable rate schedule changes after the Date of Departure, the customer shall be responsible for requesting a change in the applicable rate schedule. Upon acceptance by PG&E of customer's requested rate schedule change, PG&E shall base customer's future monthly nonbypassable charges on the customer's new rate schedule election.

5. MEASUREMENT OF CUSTOMER GENERATION DEPARTING LOAD. Load shall be measured or estimated by PG&E in accordance with PG&E's Electric Preliminary Statement Part BB.

(Continued)

ELECTRIC SCHEDULE E-DCG
DEPARTING CUSTOMER GENERATION CG

SPECIAL CONDITIONS: (Cont'd.)

6. NEW LOAD SERVED BY CUSTOMER GENERATION: In accordance with Public Utilities Code Section 369, a new electric consumer, which locates in PG&E's service area as it existed on December 20, 1995 (and any incremental load of an existing PG&E customer) shall be responsible for paying Nonbypassable Charges as applicable, except where such consumer's new or incremental load is being met through a direct transaction that does not make any use of transmission or distribution (T&D) facilities owned by PG&E; or (ii) where Station load is served over distribution facilities to customers taking service under Schedule S Special Condition 15 Station Load Self-Supply and allocated as either On-Site or Remote Self-Supply load, in which case the generating facility shall be subject to the charges contained Schedule S, as applicable. (T)

   a. General: Any party claiming that nonbypassable charges do not apply under this provision shall demonstrate through a physical test that such direct transaction can start and fully operate on an ongoing basis, without any of the parties involved in the direct transaction (i.e., the new or incremental customer load is able to be "islanded" to demonstrate that the direct transaction does not require the use of PG&E's T&D systems). Once this standard is met, connection to the system is allowed without invalidating the exemption. Where PG&E determines that the physical test requirement has not been satisfied, it will so notify the owner/operator of the new or incremental load in writing. Any disagreement with respect to that utility determination will be subject to the Dispute Resolution provisions applying to disagreements with Customer Generation Departing Load Nonbypassable Charge Statements.

   b. Standby Relationships:

      1) For customers interconnected with PG&E's T&D facilities for standby service, PG&E shall deem that new or incremental load can be served through a direct transaction while isolated from the power grid when a physical test of the generator providing electric power to the load demonstrates the following:

         a) The generator is a synchronous generator with black start capabilities, i.e., the synchronous generator starts without being connected to PG&E's T&D facilities; and,

         b) The ongoing physical flow of power for the direct transaction can be provided with no connection to PG&E's T&D facilities.

(Continued)

SPECIAL CONDITIONS: (Cont'd.)

NEW LOAD SERVED BY CUSTOMER GENERATION: (Cont'd.)

b. Standby Relationship: (Cont'd.)

2) A physical test for customers interconnected with PG&E's T&D facilities for standby service will be performed within three (3) weeks of an exemption being claimed by an owner/operator. The owner/operator shall permit PG&E to inspect the installation and operation of the generator. Failure of the physical test or failure to permit the initial test on the date scheduled by PG&E, or on a mutually agreeable alternative date, will result in the loss of the exemption from the date that the exemption was claimed and received, billing for the exempted Customer Generation Departing Load for the period in which the exemption was received, and continued billing for the Customer Generation Departing Load until a physical test is successfully completed. If a physical test is failed, the customer claiming that nonbypassable costs do not apply may request another opportunity to demonstrate that it can pass the physical test, which PG&E shall schedule within three (3) weeks of the request or at a mutually agreeable date. A customer that fails a physical test twice within a two (2) month period is not entitled to request another physical test for twelve (12) months from the date of the latter of the failed test. To provide for ongoing compliance with D.98-12-067, PG&E may conduct subsequent physical tests no more frequently than once every eighteen (18) months. The results of a subsequent physical test shall not affect a customer's exemption status determined pursuant to the results of any prior physical test conducted not less than eighteen (18) months before the subsequent test.

3) The physical test shall be conducted as follows:

a) The generator will be turned off and shown that it is capable of being restarted and brought back to the power level consistent with the associated load while completely isolated from PG&E's T&D facilities;

b) Several representative resistive and inductive loads of the direct transaction will be cycled off and on to demonstrate the isolated generator is stable through normal cycling of resistive and inductive loads; and

c) The isolated generator will operate at least one (1) hour while under full and partial loads.

7. This schedule will expire on the date on which all Commission-authorized nonbypassable charges for Customer Generation Departing Load customers have expired.