

SCHEDULE A-120
COMMERCIAL ENERGY SERVICES
OPTIONAL FOR QUALIFYING CUSTOMERS

NO NEW SERVICE

PURPOSE:

Service under this schedule is intended to reduce the energy requirements of New Commercial Buildings and existing commercial buildings undergoing Major Renovation by promoting the installation of Energy Conservation Measures.

Conservation Payments are not available to Owners after December 31, 2007. The restriction on new service does not affect Energy Service Charges currently outstanding and obligations pursuant to an executed Energy Services Contract remain in effect until the Conservation Payment with interest is re-paid in full.

APPLICABLE:

This program is applicable to service to New Commercial Buildings larger than 12,000 square feet and existing commercial buildings undergoing Major Renovation under General Service Schedules A-25, A-32, A-36, and AT-48 in the State of California. Warehouses and other New Commercial Buildings and existing commercial buildings undergoing Major Renovation determined by Company to be suitable for a prescriptive approach are excluded from this program and are included under Schedule A-122.

Charges under this schedule will be in addition to the electric service charge under the Customer's applicable electric service schedule. **THE OBLIGATIONS UNDER THIS SCHEDULE WILL APPLY TO ALL CUSTOMERS USING ELECTRICITY AT THE REAL PROPERTY SPECIFIED BY AN ENERGY SERVICES CONTRACT.**

DESCRIPTION:

Service under this program is available to improve the energy efficiency of New Commercial Buildings larger than 12,000 square feet and existing commercial buildings undergoing Major Renovation to be connected to Company's system on or after the effective date of this tariff. The Company will provide the Conservation Payments for incremental construction which result in the installation of Energy Conservation Measures. Upon connection of electric service to commercial buildings having such measures installed under this program, Company will bill the Customer an Energy Service Charge as specified by this schedule.

DEFINITIONS:

Annual kWh Savings: The annual kWh savings resulting from installation of the Energy Conservation Measures, as estimated by Company using engineering analysis.

Baseline Level: Electric energy use estimated to occur from compliance with current commercial building code requirements for New Commercial Buildings or from implementation of the Owner's building plans initially presented to Company, whichever is less.

(Continued)

Issued by

Advice Letter No.	<u>359-E</u>	<u>Andrea L. Kelly</u>	Date Filed	<u>February 19, 2008</u>
		Name		
Decision No.	<u> </u>	<u>VP, Regulation</u>	Effective	<u>February 19, 2008</u>
		Title		
TF6 A-120-1.E			Resolution No.	<u> </u>

SCHEDULE A-120
COMMERCIAL ENERGY SERVICES
OPTIONAL FOR QUALIFYING CUSTOMERS
(Continued)

DEFINITIONS: (continued)

Conservation Payments: Any payments of money made by Company to Owner for installation of Energy Conservation Measures pursuant to an Energy Services Contract. If the Company has assisted in implementing the Energy Conservation Measures, Conservation Payments also shall include Company's direct costs of such implementation, including the cost of materials, installation, and ongoing support as specified in the Energy Services Contract. Conservation Payments shall be either:

- (a) Level 1 Conservation Payments -- Conservation Payments which do not exceed the Measure Funding Limit.
- (b) Level 2 Conservation Payments -- Conservation Payments which exceed the Measure Funding Limit. The Level 2 Conservation Payments may not exceed, for any Energy Services Contract, the amount of the Level 1 Conservation Payments nor shall the maximum Level 2 Conservation Payments for any individual Conservation Measure be more than three times the applicable Measure Funding Limit.

Customer: Any party who has applied for, been accepted and receives service at the real property identified in the Energy Services Contract.

Energy Conservation Measures: Permanently installed measures specified in an Energy Services Contract, which can reduce the Customer's electric energy use. Measures include structurally related building improvements, and do not include industrial process improvements indicated in Schedule A-141.

Energy Services Contract: A contract between Owner and Company providing for Company to furnish or provide Conservation Payments with respect to Energy Conservation Measures pursuant to this tariff Schedule.

Graduated Payment Factor: A factor used to calculate the Graduated Energy Service Charge option, which shall be--

- (a) For the first twelve monthly Energy Service Charge payments= $(MIR-CPI)/(1-((1+CPI)/(1+MIR))^{\text{term}})$, where MIR = Melded Interest Rate, and CPI = The rate of increase in the Consumer Price Index for All Urban Consumers, U.S. City Average, as published by the United States Department of Labor, Bureau of Labor Statistics, for the most recent twelve month period for which the applicable statistics are publicly available at the time a letter of intent is signed with the Owner, and
- (b) In each successive twelve month period= $(\text{Graduated Payment Factor for the previous twelve month period}) \times (1+CPI)$.

Major Renovation: Replacement of the major components of the building's envelope which must include replacement measures for over 50 percent of all external window or insulatable wall area.

Melded Interest Rate: An interest rate which is the sum of the interest rates specified in (a) and (b) below--

(Continued)

Issued by

Advice Letter No.	<u>359-E</u>	<u>Andrea L. Kelly</u>	Date Filed	<u>February 19, 2008</u>
		Name		
Decision No.	<u> </u>	<u>VP, Regulation</u>	Effective	<u>February 19, 2008</u>
		Title		
TF6 A-120-2.E			Resolution No.	<u> </u>

SCHEDULE A-120
COMMERCIAL ENERGY SERVICES
OPTIONAL FOR QUALIFYING CUSTOMERS

DEFINITIONS: (continued)

- (a) For Level 1 Conservation Payments, (1) the prime rate as published by the Morgan Guaranty Trust Company of New York, New York, on the first day of the current calendar quarter in which the Energy Services Contract is executed, (2) multiplied by the percentage of all Conservation Payments for which the interest rate is computed pursuant to this part (a).
- (b) For Level 2 Conservation Payments, (1) three percentage points above the prime rate as published by the Morgan Guaranty Trust Company of New York, New York, on the first day of the current calendar quarter in which the Energy Services Contract is executed, (2) multiplied by the percentage of all Conservation payments for which the interest rate is computed pursuant to this part (b).

--provided that such Melded Interest Rate shall not exceed the highest interest rate permitted under applicable law.

Monthly kW Savings: Monthly kW savings resulting from installation of the Energy Conservation Measures, as estimated by Company using engineering analysis.

Monthly kWh Savings: One-twelfth of the annual kWh savings resulting from installation of the Energy Conservation Measures, as estimated by Company using engineering analysis.

New Commercial Building: A structure or addition to a structure that is completed after the date of this tariff.

Owner: The person who has both legal and beneficial title to the real property specified in an Energy Services Contract, at the time such contract is executed, or who at such time is the mortgagor under a duly recorded mortgage or the grantor under a duly recorded deed of trust or a purchaser under a duly recorded contract with respect to such real property.

The terms **Customer** and **Owner** include the singular and the plural as the context requires.

ENERGY SERVICE CHARGE:

Customer shall pay an Energy Service Charge for Energy Conservation Measures for which Company has made Conservation payments pursuant to this tariff. The Energy Service Charge shall commence on the date specified by the applicable Energy Services Contract and shall continue for the term as specified in the Energy Service Contract, but not to exceed the shorter of the average life of

(Continued)

Issued by

Advice Letter No. 253-E Robert V. Sirvaitis Date Filed 6/4/93

Name

Decision No. Director, Pricing Effective 9/17/93

Title

SCHEDULE A-120
COMMERCIAL ENERGY SERVICES
OPTIONAL FOR QUALIFYING CUSTOMERS

ENERGY SERVICE CHARGE: (continued)

the Energy Conservation Measures, weighted by kWh Savings, or twenty (20) years. The Energy Service Charge shall apply to all service provided to the real property identified in such contract, without regard to changes in ownership or changes of use of such real property, unless the Energy Service Charge is terminated as provided herein.

As specified in the Energy Services Contract, the monthly Energy Service Charge, at the option of Owner shall be either:

- (1) that monthly payment required to repay the Conservation Payments, with interest at the Melded Interest Rate, in equal monthly payments over the term specified in the Energy Services Contract, or
- (2) a monthly payment amount equal to the Conservation Payments multiplied by one-twelfth of the Graduated Payment Factor applicable during such month (the Graduated Energy Service Charge option).

SEPARATELY METERED TENANTS:

The allocation of the Energy Service Charge among any Customers who are separately metered tenants benefiting from the installation of the Energy Conservation Measures shall be as specified in the Energy Services Contract.

TERMINATION OF SERVICE:

Customer or the Owner may terminate service under this Schedule at any time by paying the unpaid balance of the Conservation Payments.

MEASURE FUNDING LIMIT:

Company will provide Conservation Payments equal to its estimate of the incremental initial cost of each qualified Energy Conservation Measure above the cost to comply with current commercial building code requirements or from the implementation of the Owner's building plans, whichever is greater.

The Measure Funding Limit for each Energy Conservation Measure provided by Company, except those designed to reduce peak demand, shall be determined by multiplying the measure's estimated Annual kWh Savings, beyond the Baseline Level, by the following amounts:

- \$.3026 per kWh for measures with an expected life of 10 years.
- \$.4711 per kWh for measures with an expected life of 15 years.
- \$.6183 per kWh for measures with an expected life of 20 years.
- \$.8545 per kWh for measures with an expected life of 30 years.

(Continued)

Issued by

Advice Letter No. _____	<u>Robert V, Sirvaitis</u>	Date Filed	<u>6/4/93</u>
	Name		
Decision No. _____	<u>Director, Pricing</u>	Effective	<u>9/17/93</u>
	Title		

SCHEDULE A-120
COMMERCIAL ENERGY SERVICES
OPTIONAL FOR QUALIFYING CUSTOMERS

PROVISIONS OF SERVICE: (continued)

- (3) If Owner elects not to enter into an Energy Services Contract but does install, within a period of time specified in the Letter of Intent not to exceed one year after the date of the proposal referenced in Provision of Service #2 above, all Energy Conservation Measures recommended by Company which are estimated to result in Monthly kWh Savings or Monthly kW Savings of at least 10 percent beyond the Baseline Level, and if such measures are installed consistent with Manufacturers' requirements and industry standards as determined by Company, then Company will waive all costs incurred by Company in connection with Preparation of the proposal.
- (4) Company shall provide engineering calculations or computer modeling of the proposed Commercial Building, subject to the terms of the letter of intent.
- (5) Company and Owner shall agree in the Energy Services Contract to the specific Energy Conservation measures for which Company will provide Conservation Payments and a schedule of monthly payments, with specified annual adjustments, if applicable.
- (6) Company may inspect any Energy Conservation measure which is funded by this program to ensure that workmanship, materials and insulation levels are consistent with industry standards and the requirements specified in the Energy Services Contract.
- (7) Company verification of the Energy savings of installed Energy Conservation Measures will be performed, where feasible, at Company's or Owner's request for a period specified in the Energy Services Contract. If the Company's verification indicates that average Monthly kWh Savings are less than 85 percent of the amount specified in the Energy Services Contract, the Energy Service Charge amount shall be reduced by one percent for each percent of savings below the 85 percent threshold.
- (8) If the Energy Services Contract estimated the cost of a measure as equal to or less than the Measure Funding Limit, the Company will not, as a result of a post-installation inspection, reclassify a measure estimated to cost less than the Measure Funding Limit, as costing more than such limit.

(Continued)

Issued by

Advice Letter No.	<u>253-E</u>	<u>Robert V. Sirvaitis</u>	Date Filed	<u>6/4/93</u>
		Name		
Decision No.	_____	<u>VP, Regulation</u>	Effective	<u>9/17/93</u>
		Title		

