

Current Economic Development Rate

Issue Area	Current	Comment
Eligibility	Expansion, attraction and retention of at least 200 kW; “But for” customer affidavit required; approval of Office of CA Business Investment Services (CalBIS) required. DA/CCA eligible.	“But for” affidavit requires customers to attest that absent this discount on its own or in combination with other incentives the customer would not have located operations or added or retained load within CA. Need to confirm that CalBIS will continue to play the Independent Review role.
Discount	12% off the Otherwise Applicable Rate for 5 Years; subject to floor price which changes yearly and is subject to annual true-up. Start operations within 2 years of signing. For DA/CCA, discount applied to utility charges.	If actual revenue is less than the floor, the customer is billed the difference for the past year. If actual revenue is above the floor and the customer did not receive a 12% discount, the customer is credited up to the allowed discount.
Discount Floor	Includes distribution and generation marginal cost and charges for transmission, ND, PPP, CTC, DWR Bond, ECRA.	Current discounting is only partially successful because the floor price limits (and in some cases eliminates) the discount.
Discount Adjustment for Floor:	Marginal costs are set at the time each agreement is signed and are revised for changes to charges. Customers are billed each year if their actual revenue is lower than the floor. Customers are credited if they received a partial discount, but the floor allowed a greater discount (12% maximum).	Based on principle that the program needs to be simple and understandable by communities wishing to partner on program marketing, particularly those in High Unemployment Areas. If offered through 2017, demonstration of positive margin through as late as 2022 to 2024 would be required. May need to argue for a shorter availability/discount period as a trade-off.
Cap/Sunset	Contracts can be executed no later than 12/31/12; cumulative cap of 200 MW	Availability of a new or revised option before our current offer expires would require filing as soon as possible.