Electric Sample Form 79-1122 Sheet 1 (N)
Agreement for Economic Development Incentive on Electric Service (N)

Please Refer to Attached
Sample Form

Distribution:
☐Customer (Original)
☐Area
☐Tariff Interpretation (Original)
☐Customer Billing

Reference:
Service Agreement ID.:____________________
Premises #: ______________________________
Control #: _______________________________

AGREEMENT FOR ECONOMIC DEVELOPMENT INCENTIVE ON ELECTRIC SERVICE

This agreement is made between ____ ____________________________ a(n)____________________________________ ("Applicant"), and PACIFIC GAS AND ELECTRIC COMPANY (PG&E), a California Corporation, and if applicable, shall be made part of PG&E's Electric Service Agreement, General Service - Time Metered.

RECITALS: The Economic Development rate was established and is made available at PG&E's discretion upon an initial applicability determination made by the Office of California Business Investment Services (CalBIS), or its successor entity, under the supervision of the California Business Transportation and Housing Agency (BTH), to qualified customers in PG&E's service territory. The Economic Development rate is a five-year incentive rate, as set forth in rate Schedule ED.

AGREEMENT: Applicant and PG&E agree to the following terms and conditions:

1. QUALIFICATION CRITERIA. Applicant is or will be a customer, eligible for and receiving service under Schedule A-10, E-19 or E-20, or its successor rate schedule.

The electric load subject to this agreement is a maximum billing demand of at least 200 kW of net new load to the State of California or of net retained load in the State of California (as determined by CalBIS, or its successor entity, in consultation with PG&E), which is regularly supplied by PG&E. The minimum 200 kW of net new or retained load must be maintained for at least three consecutive months during the initial 12 months of this agreement. Only new or retained load that will be regularly served by PG&E will be eligible for this incentive.

2. BILL INCENTIVE. Electric service to Applicant's premises shall be delivered under Applicant's otherwise applicable tariff (OAT), which is ________. A five-year rate incentive of up to twelve (12) percent reduction will be applied to the customer's OAT (excluding taxes). This reduction shall be calculated on the rate components of the customer's bill that correlate to service PG&E provides the customer. If needed, PG&E may reduce the incentive percentage to ensure that revenues exceed the Floor Price.

The incentive under this schedule will be limited by the Floor Price (as defined in Schedule ED). In calculating the Floor Price, the California Public Utilities Commission's most recently approved marginal costs and methodology in effect for PG&E at the time of each contract execution will be used throughout the term of the contract. The revenues from each participant will be reviewed annually and/or at end of the contract to ensure that they equal or exceed the Floor Price for each year of the agreement, up to the OAT revenue the customer would have paid if it had not received the incentive.

Applicant's rate under this schedule will be subject to an annual review, with potential additional lump-sum charges due to PG&E or credits due to Applicant. The charges shall ensure that the rate does not fall below the Floor Price each year. Credits, if available after the annual review, will be provided if the customer's incentive rate had been previously reduced from the maximum Incentive above.

3. INCENTIVE CALCULATION. Terms and conditions necessary for the incentive calculation are defined and agreed to as follows:

Billing determinants used for calculating the first year incentive will be PG&E's best estimates of expected usage and demand for expansion and attraction cases, or the previous 12 months of historical metered data, if available, for retention cases at the time of contract execution. For expansion and retention cases for only part of a customer's load, the incentive will be calculated only on that portion of demand and usage added or retained. During the annual and contract term review, PG&E will compare the revenues received to the Floor Price to ensure that the revenues received remain at least equal to the Floor Price throughout the duration of the contract.

PG&E reserves the right to reduce the contracted demands stated by the Applicant below, if it is determined that the Applicant's actual load at full operation of the facility after the Commencement Date of this Agreement, is more than 25% less than the contracted maximum demands stated below.

[Please mark the appropriate space below, indicating whether this is an agreement for the Applicant's entire load or only a portion of the Applicant's load.]

a. ______ New Customer Locating or Existing Customer Retaining Entire Load in PG&E's Service Territory

The customer's entire load will be eligible for the bill incentive. The maximum contracted demand is estimated to be _______ kW.

b. _____ Retention of Customer's Partial Load or Expansion of Existing Customer's Load

The contracted demand of the partially retained or expanded load is estimated to be __________ kW.

The Excluded Demands are determined by averaging the Applicant's four highest measured maximum demands during each of the two seasonal 6-month periods preceding the execution date of this agreement, if available. If Applicant separately meters the Reserved Demand, Applicant's Excluded Demand will be zero (0) kW for both seasons. PG&E and the Applicant agree that the Excluded Demand is:

Summer 6-month period ________kW

Winter 6-month period ________kW

The Incentive Ratio for each month is defined as the difference between the Applicant's maximum demand for that month and the Excluded Demand divided by that same month's maximum demand. If the Incentive Ratio is negative, there will be no incentive for that month, or in other words, the Incentive Ratio will be zero (0). The Incentive Ratio shall be a fraction no greater than one (1) or less than zero (0).

4. COMMENCEMENT DATE. The incentive shall commence on the Applicant's regularly scheduled meter read day in the month of ____________, 20____ which is within a 24-month period of the date of execution of this agreement as required by rate Schedule ED.

5. METERING. Applicant agrees to be responsible for all costs associated with providing separate electric metering if PG&E, at its sole discretion, deems such metering a necessary condition to implement this rate. If Applicant is deemed to require separately metered reserved demand, Applicant must have metering in place before the incentive rate will apply. Applicant's inability to have required metering in place shall not delay the commencement date provided for in Section 4 by which Applicant would have otherwise received the incentive.

6. TERM OF AGREEMENT. This agreement shall take effect immediately and remain in effect for a term of five years following the commencement date of the rate incentive.

7. TERMINATION OF AGREEMENT. Applicant may terminate this agreement upon 30 days written notice. PG&E may also terminate this agreement upon 30 days written notice in the event Applicant no longer meets the qualifications described elsewhere in this Agreement and in rate Schedule ED. Notwithstanding these rights of termination, the Applicant shall be subject to Liquidated Damages as provided for in Section 12 of this agreement

8. TRANSFERS OFF OF SCHEDULES A-10, E-19 AND E-20. If Applicant's maximum demand drops for a period of time so that the Applicant is no longer eligible for A-10, E-19 or E-20, or its successor rate schedule, or if the Applicant's maximum billing demand falls under 200 kW for twelve consecutive months, the Applicant will be ineligible for continuing service under rate Schedule ED.

9. E-19 AND E-20 RATE LIMITERS. Average and peak rate limiters may apply under Schedule E-19 or E-20. These rate limiter levels will not be reduced by rate Schedule ED.

10. ENERGY EFFICIENCY. Applicant hereby grants to PG&E the right to conduct a site inspection for the purpose of making Applicant aware of potential energy efficiency measures. PG&E will advise Applicant of the cost effectiveness of identified measures.

11. "BUT FOR" TEST. Applicant attests that "but for" the terms of this agreement, either on its own or in combination with a package of incentives made available to the Applicant from other sources, the Applicant would not have located, retained, or increased its operations within California. Applicant shall sign the attached affidavit to that effect.

12. LIQUIDATED DAMAGES. If this agreement is terminated due to Applicant's misrepresentation or fraud, Applicant shall be liable for liquidated damages that equal 200% of the cumulative difference between (i) the bills calculated under the Schedule ED rate to the date of termination and (ii) bills that would have been calculated under the OAT. For other cases of early termination (excepting business closure or reduction of load below 200 kW without relocation), Applicant shall be liable for liquidated damages that equal the cumulative difference between (i) the bills calculated under the Schedule ED rate to the date of termination and (ii) a "proxy" bill calculation based upon a declining discount starting at 20% of the customer's OAT

bill in year one with that annual discount reduced by 4% each year thereafter during the same period, i.e., a discount of 16% in year 2, 12% in year 3, 8% in year 4, and 4% in year 5, plus interest on that difference (at the 90-day commercial paper rate) to the date of payment. Should a customer's usage increase such that cumulative liquidated damages become negative upon contract termination, under no circumstances will PG&E be liable for paying liquidated damages to a customer.

13. ASSIGNMENT. Applicant may assign this agreement only if PG&E consents in writing and the party to whom the agreement is assigned agrees in writing to be bound by this agreement in all respects.

14. COMMISSION JURISDICTION. This contract shall at all times be subject to such changes or modifications by the Public Utilities Commission of the State of California as said Commission may, from time to time, direct in the exercise of its jurisdiction. In addition, this contract shall be subject to all of PG&E's tariffs on file with and authorized by the Commission. This contract also shall be subject to review in any proceeding the Commission may conduct regarding PG&E's Economic Development Rate program implementation.

Executed this __________day of _________________, 20____.

________________________________	PACIFIC GAS AND ELECTRIC COMPANY
Applicant	
BY:______________________________	BY:______________________________
Signature	Signature
________________________________	________________________________
(Type or print name)	(Type or print name)
TITLE:____________________________	TITLE:____________________________

AFFIDAVIT FOR ECONOMIC DEVELOPMENT INCENTIVE RATE

By signing this affidavit, an Applicant who locates, adds, or retains load in the service territory of Pacific Gas and Electric Company (PG&E) hereby certifies and declares under penalty of perjury under the laws of the State of California that the statements in the following paragraphs are true and correct:

1. But for the receipt of the discounted economic development rate and the terms of the Agreement, either on its own or in combination with an economic development incentive package, the Applicant's load would not have been located, added, or retained within California.

2. The load to which the Agreement applies represents kilowatt-hours (kWh) and kilowatts (kW) that either (i) does not already exist in the State of California, or (ii) the Applicant considered relocating or expanding to a location outside of the State of California.

3. Applicant has discussed with PG&E the cost-effective conservation and load management measures the Applicant may take to reduce their electric bills and the load they place on the Utility System.

4. On an annual basis, a) the cost of electricity for a retention Applicant at this facility represents at least five (5) percent of its actual operating costs less the cost of raw materials, or b) the cost of electricity for an attraction or expansion Applicant at this facility represents at least five (5) percent of its estimated operating cost less the cost of raw materials.

Executed this __________day of _____________, 20_____.

____
Applicant

BY: _____________________________
Signature

____
(Type or print name)

TITLE: __________________________