

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

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Order Instituting Rulemaking to Continue)	Rulemaking 11-05-005
Implementation and Administration of California)	(Filed May 5, 2011)
Renewables Portfolio Standard Program.)	
_____)	

**SAN DIEGO GAS & ELECTRIC COMPANY'S (U 902-E) PROPOSED DRAFT
TARIFF FOR THE SECTION 399.20 FEED-IN TARIFF PROGRAM**

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July 18, 2012

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Continue
Implementation and Administration of
California Renewables Portfolio Standard
Program.

R.11-05-005
(Filed May 5, 2011)

**SAN DIEGO GAS & ELECTRIC COMPANY'S (U 902-E) PROPOSED DRAFT
TARIFF FOR THE SECTION 399.20 FEED-IN TARIFF PROGRAM**

In accordance with the direction provided by Administrative Law Judge (“ALJ”) Regina DeAngelis in her e-mail ruling dated June 26, 2012, San Diego Gas & Electric Company (“SDG&E”) respectfully submits its draft tariff schedule “Renewable Market Adjusting Tariff” (“ReMAT”) relating to the Public Utilities Code § 399.20 Feed-In Tariff (“FIT”) program. Concurrent with this filing, SDG&E is jointly filing with the other California investor-owned utilities (“IOUs”), Pacific Gas & Electric Company (“PG&E”) and Southern California Edison Company (“SCE”), the IOUs’ third revised proposed form joint IOU Power Purchase Agreement.

In Decision (“D.”) 12-05-035, the Commission implemented several amendments to the § 399.20 FIT program, including, *inter alia*, adopting a new FIT pricing mechanism and several other new or revised FiT program components. SDG&E’s draft ReMAT tariff schedule reflects the requirements adopted in D.12-05-035. The draft ReMAT tariff schedule is attached hereto as Attachment A.

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Respectfully submitted this 18th day of July, 2012.

/s/ Aimee M. Smith

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ATTACHMENT A
Draft Tariff Schedule
“Renewable Market Adjusting Tariff”



SCHEDULE RE-MAT

Renewable Market Adjusting Tariff

APPLICABILITY

Pursuant to Public Utilities Code (PU Code) Section 399.20 and Commission Decision D.12-05-035, this Schedule is optionally available to owners and operators of an Eligible Renewable Generating Facility ("Respondents"), as described in Special Condition ("SC") 4b, with a total maximum effective nameplate generation capacity not to exceed 3.0 megawatts ("MWs") alternating current ("AC"). Available nameplate capacity under this Schedule, described in SC 6, will be allocated evenly between three Product Types: baseload, peaking as-available, and non-peaking as available. See Appendix A of the Re-MAT Power Purchase Agreement ("PPA") for an explanation of the Product Types.

Service under this Schedule is on a first come, first served basis and shall be closed to new Respondents once the combined AC nameplate generating capacity of Eligible Renewable Generating Facilities within SDG&E's service territory that have executed a PPA under this Schedule and/or SDG&E's former Schedules WATER or CRE reaches 48.8 MWs, which is SDG&E's share of the statewide 750 MWs, as described in SC 6 below.

TERRITORY

Within the entire territory served by SDG&E.

ELIGIBILITY

Respondents who apply for service under this Schedule must comply with the following viability criteria established in D.12-05-035:

1. Bid Fee: \$2/kW, non-refundable payment to accompany Respondent's Program Participation Request Form ("PPR").
2. Interconnection: The facility must have a completed California Independent System Operator (CAISO) System Impact Study, CAISO Phase 1 Study, or have passed Fast Track screens or supplemental review. Respondent shall provide all necessary documentation to SDG&E when submitting the PPR to demonstrate that this requirement has been met and that the relevant study supports the project's ability to interconnect with SDG&E's distribution system within twenty-four (24) months of the PPA Effective Date.
3. Site Control: Respondent must provide an attestation to SDG&E when submitting the project's PPR that Respondent has 100% project site control, including any necessary easements, through one of the following:
 - a. Direct ownership;
 - b. Lease; or
 - c. Option to lease or purchase that may be exercised upon contract execution.
4. Development Experience: Respondent must provide to SDG&E an attestation when submitting the project's PPR that at least one (1) member of team has done one of the following:
 - a. Completed at least one (1) project of similar technology and capacity; or
 - b. Begun construction of at least one (1) other similar project.

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Advice Ltr. No. Re-MAT

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- 5. Online Date: Twenty-four (24) months from execution of the PPA with a maximum of six (6) months extension for permitted delays as described in the PPA.
- 6. Seller Concentration Limit: 10.0 MW AC nameplate. The Respondent must provide SDG&E an attestation when submitting the project's PPR that includes the percentage ownership share of Respondent and any of Respondent's affiliates in any projects already in the project queue for any Product Type under this Schedule, and in any projects with an executed PPA under this Schedule. When the sum of the percentage ownership shares of a Respondent and its affiliates in projects with an executed PPA under this Schedule reaches the 10.0 MW AC nameplate limitation, that Respondent and its affiliates will no longer be eligible to receive service under this Schedule.

PRICE

SDG&E shall purchase the product delivered by an Eligible Renewable Generating Facility under Option A (Full Buy/Sell) or Option B (Sale of Excess Only) at a rate equal to the Re-MAT price in effect on the day the Respondent indicates acceptance for that bi-monthly period and submits a correct and completed signed PPA to SDG&E, adjusted by SDG&E's Time-of-Delivery (TOD) factors. See the PPA for an explanation of TOD factors.

The Re-MAT will start at a pre-TOD price of \$89.23/MWh for each of the Product Types for the first bi-monthly program period. This initial price will adjust independently for each Product Type on a bi-monthly basis after the first bi-monthly program period if certain conditions are met as described below, and will be posted on SDG&E's website on the first business day of each bi-monthly program period.

- 1. Starting Price for each Product Type: \$89.23/MWh
- 2. Conditions for a Price Adjustment: As a pre-condition for any price adjustment, the project queue for a product type must contain at least five (5) eligible projects, each sponsored by a different developer. If this pre-condition is not met, the Re-MAT price will remain the same. If ownership in a project has been divided between two or more parties, the party with the controlling interest will be considered the project developer for purposes of determining the number of projects sponsored by different developers.
- 3. Events Causing a Positive Price Adjustment:
 - a. At least five (5) eligible projects with different developers are in the project queue for the Product Type.
 - b. An increase will occur if:
 - ii. No projects enter into a contract; or
 - ii. Subscription is less than 50% of the initial starting capacity.
 - c. The amount of the increase is \$4/MWh for the first bi-monthly period in which a price adjustment occurs. An additional \$4/MWh is added to the increase for each subsequent bi-monthly period until the nameplate MW AC subscribed in a bi-monthly period reaches at least 50% of the initial starting capacity, at which point the price will remain the same as the prior bi-monthly period. Increases that occur after a bi-monthly period in which the price was unchanged will reset and begin again at \$4/MWh and proceed as described above.

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SCHEDULE RE-MAT

Renewable Market Adjusting Tariff

- d. Increases are not capped. If SDG&E detects signs of market manipulation or malfunction it will file a motion to suspend all parts of the program in which market manipulation or malfunction is detected. Any motion to suspend all or parts of the program will be effective immediately upon filing and will not be modified or changed unless directed by the CPUC
4. Events Causing a Negative Price Adjustment:
- a. At least five (5) eligible projects with different developers are in the project queue for the Product Type.
 - b. A decrease will occur if subscription is equal to or greater than 100% of the initial starting capacity.
 - c. The amount of the decrease is \$4/MWh for the first bi-monthly period in which a price adjustment occurs. An additional \$4/MWh is added to the decrease every bi-monthly period until the nameplate MW AC subscribed in a bi-monthly period is between 50% and 100% of the initial starting capacity, at which point the price will remain the same as the prior bi-monthly period. Decreases that occur after a bi-monthly period in which the price was unchanged will reset and begin again at \$4/MWh and proceed as described above.
 - d. Decreases are not capped.

QUEUE PROCESS

SDG&E is required to establish a project queue for each of the Product Types under this Schedule. Upon approval of the Re-MAT PPA and SDG&E's Schedule Re-MAT, SDG&E will post the PPR to its FiT Program website and will begin accepting completed PPRs. The initial queue will be established over the period of sixty (60) business days after final non-appealable CPUC approval of this Schedule on a first-come-first-served basis, after which SDG&E will initiate the program. PPRs can be submitted at any time after the final non-appealable CPUC approved Re-MAT PPA and SDG&E's Schedule Re-MAT.

The completed PPR must be accompanied by the required bid fee and all supporting documentation as described under this Schedule for the project to be considered for FiT Program eligibility. SDG&E will review the PPR, PPA, the bid fee, and all supporting documentation and respond to the applicant within twenty (20) business days of receipt. If the PPR is complete and SDG&E is able to determine that the project is eligible for the program, SDG&E will issue the project a queue number for its respective Product Type based on the date and time of PPR submittal. If the PPR is incomplete, the applicant will be asked to resubmit a completed PPR, to which SDG&E will respond within twenty (20) business days of receipt of the resubmitted PPR. If the resubmitted PPR form is complete and SDG&E is able to determine that the project is eligible for the program, SDG&E will issue the project a queue number for its respective Product Type based on the date and time that the PPR was resubmitted. Once a queue number is issued to a Respondent, the information provided in the PPR cannot be modified by the Respondent unless approved by SDG&E, and shall be used for completion of the PPA.

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Advice Ltr. No. <u>Re-MAT</u>	Lee Schavrien	Effective _____
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SCHEDULE RE-MAT

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Once the program is launched under this Schedule, SDG&E will post the current Re-MAT price on its website on the first business day of each bi-monthly period. Respondents will have fifteen (15) business days from the Re-MAT price posting to contact SDG&E to accept the Re-MAT price for that bi-monthly period and to submit a correctly completed and signed PPA to SDG&E. If the Respondent does not provide written notice of Re-MAT acceptance accompanied by a PPA signed by the Respondent within the first fifteen (15) business days of the bi-monthly period, this will be deemed to mean that the Respondent is not willing to execute a PPA at the current Re-MAT price, the project will remain in the queue and be eligible for the next bi-monthly period Re-MAT price. SDG&E will organize requests in order of queue position for each Product Type, and offer a countersigned PPA to each project in order of queue position within fifteen (15) business days until the sum of PPAs offered meets the available nameplate capacity offered for that bi-monthly period. SDG&E will post the information required by D.12-05-35, Attachment A, within ten (10) business days of the execution of a PPA under this Schedule.

SPECIAL CONDITIONS

1. Agreement: A fully executed PPA is required prior to receiving service under this Schedule.
2. Participation in other SDG&E Programs: Respondents participating under the provisions of this Schedule may not participate in SDG&E's Net Energy Metering ("NEM") program. Respondents that previously received incentives under Self Generation Incentive Program (SGIP), California Solar Initiative (CSI), or other similar programs will be ineligible for service under this schedule if the incentives were received within ten (10) years or less of the PPR submittal date. The Respondent must provide an attestation to SDG&E stating that any SGIP, CSI, or similar incentive received by the project was received more than ten (10) years prior to PPR submittal, and that any participation in SDG&E's NEM has been terminated prior to PPR submittal.
3. Prohibition against Daisy Chaining: The applicant must provide an attestation to SDG&E that the project is the only one being developed by the seller on any single or contiguous piece of property. SDG&E may, at its sole discretion, determine that the project is ineligible if it appears to be part of a larger installation.
4. Definitions: The following definitions are applicable to service provided under this Schedule.
 - a. Respondent – Any owner or operator of an eligible renewable generating facility.
 - b. Eligible Renewable Generating Facility – A generating facility which meets all of the following criteria:
 - ii. Has a total maximum effective nameplate generation capacity that does not exceed 3.0 MWs AC;
 - ii. Is strategically located: optimizes delivery to load centers, is interconnected to SDG&E's distribution system, and is sited near load (the project's most recent Interconnection Study must show that the project does not require more than \$300,000 in transmission system upgrades);
 - iii. Is an eligible renewable energy resource, as defined in Public Utilities Code Section 399.20; and
 - iv. The project must register as a Qualifying Facility (QF) with the Federal Regulatory Energy Commission (FERC).

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Renewable Market Adjusting Tariff

- c. Program Participation Request – Electronic form to be completed by Respondent seeking a queue number for a project’s relevant Product Type. The PPR will be posted to SDG&E’s FiT Program website.
 - i. Supporting Documentation: the PPR form must be accompanied by a copy of the project’s most recent Interconnection Study, a completed copy of the PPA including Appendix E, and the attestations required under this Schedule.
 - ii. Any new or amended Interconnection Study or agreement must be submitted to SDG&E within 5 business days of receipt.
 - d. Initial Starting Capacity – The amount of nameplate MWs available in the first bi-monthly program period for a Product Type. See IPT for an explanation.
 - e. Effective Date of this Schedule – Sixty (60) business days from final non-appealable CPUC approval of this Schedule.
 - f. Eligibility Status Determination and Changes:
 - i. SDG&E has sole discretion in determining the eligibility of all Respondents and projects. A Respondent may contest an ineligibility determination through the complaint process established by the CPUC’s Rules of Practice and Procedure.
 - ii. Respondents may be denied service if found to be in non-compliance with this Schedule, or Public Utilities Code 399.20:
 - * If a Respondent or project previously deemed eligible no longer meets the criteria set forth in this Schedule, the Respondent must immediately notify SDG&E. The Respondent’s project will forfeit its queue number and may reapply again if it becomes eligible.
 - * If SDG&E determines that a project previously deemed eligible no longer meets the criteria set forth in this Schedule, SDG&E will notify the Respondent in writing and remove the Respondent’s project from the queue within five (5) calendar days of the written notice. The Respondent may reapply if it again becomes eligible.
 - * If a change in eligibility status occurs after the execution of the PPA, the rights and remedies under the PPA shall apply.
5. Metering Requirements: See the PPA for a description of metering requirements.

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SCHEDULE RE-MAT

Renewable Market Adjusting Tariff

6. Initial Procurement Targets: Except as provided below, Respondents may participate in accordance with this Schedule until the sum of all contracted capacity reaches SDG&E's proportionate share of the statewide nameplate capacity limit of 750 MWs. SDG&E has been allocated 48.8 MWs of the statewide nameplate capacity limit. This amount is based on SDG&E's share of the 2010 Summer Peak Demand (3,953 MWs 2010 SDG&E Coincident Peak-Hour Demand / 60,797 MWs 2010 Statewide Summer Peak Demand = 6%) multiplied by the statewide nameplate capacity limit of 750 MWs. D.12-05-035 directs SDG&E to deduct all project capacity currently delivering under SDG&E's Schedule WATER and Schedule CRE from SDG&E's allocated capacity and to divide the remaining capacity equally between the three Product Types to be allocated over 12 bi-monthly periods. SDG&E's calculation will follow the parameters set forth below:

- a. Total Nameplate MWs AC per Product Type: (48.8 MWs – Sum of Nameplate Schedule WATER and Schedule CRE MWs upon the Effective Date of this Schedule) / 3 Product Types
- b. Total Nameplate MWs Available per Product Type per Bi-monthly Period: SDG&E will offer nameplate capacity in 3.0 MW increments per Product Type for each bi-monthly program period to the extent possible until the total nameplate MW for a Product Type becomes fully subscribed.
- c. Allocation of Terminated Nameplate MWs: SDG&E will reallocate the nameplate capacity from any terminated projects under this Schedule among the three Product Types at its discretion.

The available capacity for each bi-monthly period will be posted on SDG&E's FiT Program website on the first business day of each bi-monthly program period. The sum of all contracted nameplate capacity will be calculated using the AC MWs provided in the executed PPA. Should additional Respondents express interest in this Schedule after SDG&E's share of the contract capacity limit is reached, SDG&E will maintain a list of interested Respondents, ranked in order of the date and time on which they requested service under this Schedule. Should the capacity installed fall below 48.8 MWs AC nameplate, SDG&E will allow those Respondents from the previously described list of interested Respondents who remain interested in the tariff the opportunity to participate under this Schedule on a first come, first served basis until the nameplate capacity installed plus the contracted nameplate capacity taken from the previously described list of interested Respondents equals 48.8 MWs AC. This process will continue until such time as the installed nameplate capacity of projects in operation does not exceed 48.8 MWs AC.

- 7. Interconnection to Support this Schedule: Projects can choose between SDG&E's Rule 21 or SDG&E's Wholesale Distribution Access Tariff ("WDAT") and must follow these procedures until the Commission makes a final determination in Rulemaking (R.) 11-09-011 revising SDG&E's Rule 21, after which the project must interconnect through SDG&E's revised Rule 21.
- 8. Annual Inspection and Maintenance Report: A Respondent that has executed a PPA under this Schedule with SDG&E must submit a completed inspection and maintenance report consistent with the terms in the PPA.
- 9. Schedule WATER and Schedule CRE: SDG&E's Schedule WATER and Schedule CRE will no longer be available upon the Effective Date of this Schedule.

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AFFIDAVIT

I am an employee of the respondent corporation herein, and am authorized to make this verification on its behalf. The matters stated in the foregoing **SAN DIEGO GAS & ELECTRIC COMPANY (U 902 E) PROPOSED DRAFT TARIFF FOR THE SECTION 399.20 FEED-IN TARIFF PROGRAM** are true of my own knowledge, except as to matters which are therein stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed this 18th day of July, 2012, at San Diego, California

/s/ Hillary Hebert

Hillary Hebert
Partnerships and Programs Manager
Origination and Portfolio Design Department