

Rulemaking No.: 13-09-011

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Exhibit No: PGE-06

Date: _____

PG&E's Demand Response OIR 2013

Excerpts from PG&E Aggregator Managed Portfolio Program Contracts

Approved in D.13-01-024 and D.14-02-033



*Pacific Gas and
Electric Company*

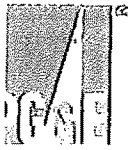
DEMAND RESPONSE PURCHASE AGREEMENT

Between

**PACIFIC GAS AND ELECTRIC COMPANY
(as "Buyer")**

and

**AGGREGATOR
(as "Seller")**



3.9.1 Seller shall notify the Customers in Seller's Portfolio that Buyer will provide and install an interval recording meter at no cost to a Customer if metering and communication equipment are required in order for Buyer to receive the Product; provided that Buyer shall determine the type of metering equipment to be installed and shall be the MDMA for all Customers in Seller's Portfolio.

3.9.2 Seller may request from Buyer any additional facilities that Seller deems reasonably necessary to perform its obligations under this Agreement which additional facilities are in addition or substitution to Buyer's standard facilities. Seller shall make such requests and shall be responsible for all expenses pursuant to the Agreement to Install Applicant Requested Common Special Facilities described in Appendix XI and such request shall be processed by Buyer accordingly.

3.10 Notification Equipment and Methods. Seller shall have and pay for: (1) access to the internet and an e-mail address to receive Notices and (2) an alphanumeric pager that is capable of receiving a test message sent via the Internet. Buyer shall provide to Seller Notice of DR Event using one or more of the methods described in this Section 3.10. Seller shall notify the Customers in a Seller's Portfolio of a DR Event.

3.11 Program Research And Analysis. Seller shall ensure that all Customers in a Seller's Portfolio allow personnel from the California Energy Commission and/or Buyer, and their agents, reasonable access to Customers' premises to conduct a site visit for measurement and evaluation, access to the Customer's interval meter data, and complete any surveys needed to enhance this Agreement.

3.12 Code of Conduct. Seller shall comply with Buyer's Code of Conduct for Contractors, Consultants, Suppliers, and Vendors ("Code of Conduct"). This Code of Conduct requires that Seller demonstrate a strong commitment to compliance and ethics as a foundation to a successful business. Seller's performance of its obligations under this Agreement must be performed in full compliance with the Code of Conduct. The Code of Conduct is available at Buyer's website, [www.PGE.com](http://www.pge.com), at the following link:

http://www.pge-corp.com/aboutus/ethics_compliance/con_con_ven/index.shtml

ARTICLE 4: COMPENSATION; MONTHLY PAYMENTS

4.1 Payment Calculation. Buyer shall pay Seller for providing the Product to Buyer and for making the Commitment Level available to Buyer. For each Product and corresponding Commitment Level, the "Monthly Payments" shall mean and be the sum of the Monthly Capacity Payment and the Monthly Performance Payment. The Monthly Capacity Payment for each Product is set forth in Section 4.2 and the Monthly Performance Payment is set forth in Section 4.3.

4.2 Capacity Payment.

[Seller to indicate annual capacity price for each Product.]

The annual capacity price is \$ ___/kW-year for Product Type Reference [Seller to indicate Product Type Reference from Table 3.1] ("Annual Capacity Price"). The "Monthly Capacity Price" means and is calculated as a percentage of the Annual Capacity Price ("Monthly Capacity Price Factor") as shown on Table 4.2 below. For example, the Monthly Capacity Price Factor for May is 5%; therefore, the Monthly Capacity Price for May is 5% of the Annual Capacity Price. Subsequently, the Monthly Capacity Payment is the product of the Monthly Capacity Price and the Commitment Level for months when a Notice of DR Event was not provided by Buyer. For months when Buyer provides a Notice of DR Event, the Monthly Capacity Payment is calculated as shown in Section 4.2.1 below.

Table 4.2

Monthly Capacity Price Factor						
May	June	July	Aug	Sept	Oct	Total
5%	6%	26%	36%	23%	4%	100%

4.2.1 Monthly Capacity Payment When a DR Event Occurs. If Buyer provides Seller with a Notice of a DR Event during a Delivery Month, Seller shall be paid an Hourly Capacity Price for the Performance. The "Hourly Capacity Price" means and is the Monthly Capacity Price divided by the number of hours of all DR Events in the Delivery Month. The "Monthly Capacity Payment" means and is the sum of the Hourly Capacity Payments for each hour of the DR Event for such month. The Hourly Capacity Payment means and is calculated based on the ratio of Seller's Performance to its Commitment Level per hour ("Hourly Capacity Ratio") pursuant to Table 4.2.1 below and as further illustrated in Appendix XII ("Example Calculation of Monthly Capacity Payment"). The Hourly Capacity Ratio cannot be greater than the Commitment Level or less than zero (0).

Table 4.2.1

Hourly Capacity Ratio	Hourly Capacity Payment Calculation
1.00	Hourly Capacity Price (= Monthly Capacity Price / # hours of DR Event for the month payment is being calculated)
≥ 0.90 and < 1.00	[Hourly Capacity Price] x [Hourly Capacity Ratio]
≥ 0.75 and < 0.90	[Hourly Capacity Price] x [0.50]
≥ 0.50 and < 0.75	Zero (0)
≥ 0 and < 0.50	[Hourly Capacity Price] x [(Hourly Capacity Ratio - 0.50)]. Reduction Payment shall be paid by Seller to Buyer.

AMENDMENT TO ARTICLE 4 IN
FIRST AMENDMENT OF DEMAND RESPONSE AGREEMENT

APPROVED BY THE COMMISSION IN D.14-02-33

FOR PG&E AGGREGATOR MANAGED PORTFOLIO PROGRAM CONTRACTS

6. Section 3.5. Section 3.5.2 shall be deleted in its entirety and replaced with the following:

"3.5.2 If Seller does not provide the Product to Buyer during the DR Event Test equal to the corresponding Commitment Level ("Test Failure"), then Seller shall not correct the deficiency and shall not request a retest of a DR Test Event; provided that Seller shall provide Buyer with an explanation of Seller's inability to provide Product in the event of a Test Failure. In the event of a Test Failure occurring in connection with the first DR Event of a Contract Year, the Monthly Capacity Payment shall be adjusted as illustrated through the following example: If the first DR Event Test is Noticed in June of a Contract Year and a Test Failure occurs, the Monthly Capacity Payment for May of the same Contract Year will be adjusted based on Seller's Performance in the June DR Event Test (if there was no DR Event or DR Event Test in May of the same Contract Year). In addition, the Monthly Capacity Payment from the date of the Test Failure will remain at the level of Performance from the June DR Event Test until the Buyer provides a subsequent Notice of a DR Event or DR Event Test."

7. Section 3.6. Section 3.6 shall be deleted and replaced in their entirety as follows:

"3.6 Baseline Calculation. No later than the fifth (5th) calendar day of the month following a Delivery Month in which Buyer provided a Notice of a DR Event, Buyer shall calculate the CSEB based on each Service Agreement in the Seller's Portfolio for the Delivery Month and provide to Seller the CSEB, in a format consistent with Appendix I.

3.6.1 For some or all of the Service Agreements in Seller's Portfolio for each Product, Seller can choose to apply an optional day-of adjustment on the CSEB ("Adjusted CSEB"), where the day-of adjustment is the average load of the first three of the four hours prior to the event divided by the average load of the corresponding hours from the past 10 similar weekdays. The Adjusted CSEB shall be symmetrical (upward or downward, as indicated by usage in the window time period) and cannot exceed plus or minus forty percent (40%) of each individual SA baseline.

3.6.2 No later than five (5) calendar days prior to the first day of the Delivery Month, Seller must specify at nomination time the Service Agreements from Seller's Portfolio that shall be included in the Adjusted CSEB. The nominated portfolio which includes the CSEB and Adjusted CSEB Service Agreements will be used to determine the Performance during the Delivery Month. A Service Agreement can only be included in either CSEB or Adjusted CSEB for a given Delivery Month."

C. Amendment to Article 4.

1. Section 4.2.2. The last sentence of Section 4.2.2 shall be deleted and replaced in its entirety as follows:

"The Hourly Capacity Ratio cannot be greater than 1.05 or less than zero (0). In the event of a Reduction Payment, Seller shall pay Buyer the Reduction Payment in Table 4.2.2 according to Section 6.2."

2. Table 4.2.2 and Sections 4.2.3. Table 4.2.2 and Section 4.2.3 shall be deleted and replaced in their entirety, and a new Section 4.2.3.1 added, as follows:

TABLE 4.2.2	
Hourly Capacity Ratio	Hourly Capacity Payment Calculation
≥ 1.05	[Hourly Capacity Price] x [1.05] (= Monthly Capacity Price / # hours of DR Event for the month payment is being calculated)
≥ 0.75 and < 1.05	Hourly Capacity Price x Hourly Capacity Ratio (the "Proportional Payment")
≥ 0.60 and < 0.75	[Hourly Capacity Price] x [0.50] (the "50% Payment")
≥ 0 and < 0.60	[Hourly Capacity Price] x [(Hourly Capacity Ratio - 0.60)] (the "Reduction Payment") (Reduction Payment shall be paid by Seller to Buyer).

4.2.3 Monthly Capacity Payment When A DR Event Occurs In a Subset of SLAP (s). When Buyer provides a Notice of DR Event in specified SLAP's, the Monthly Capacity Payment for the SLAP (s) that received a Notice of DR Event for the same day shall be calculated pursuant to Section 4.2.2, with the Hourly Capacity Ratio calculated on a cumulative basis for Seller's Performance in all SLAP(s) that received a Notice of DR Event. For SLAP when Buyer does not provide a Notice of DR Event, the Monthly Capacity Payment for such SLAP shall be calculated pursuant to Section 4.2.1. The Monthly Capacity Payment due to Seller is the sum of the Monthly Capacity Payment from all SLAPs. Appendix XII ("Example Calculation of Monthly Capacity Payment") contains an example of the Monthly Capacity Payment calculation during a Delivery Month where a Notice for DR Event was provided to two SLAPs only.

4.2.3.1 Monthly Capacity Payment When a DR Event Occurs on a System-wide Basis. When Buyer provides a Notice DR Event System-wide, the Monthly Capacity Payment for the System-wide DR Event shall be calculated pursuant to Section 4.2.2. The Hourly Capacity Ratio shall be calculated based on the Seller's Performance of the System-wide DR Event. Appendix XII ("Example Calculation of Monthly Capacity Payment") contains an example of the Monthly Capacity Payment calculation during a Delivery Month where a Notice for DR Event was provided System-wide."

D. Amendment to Article 5.

1. Section 5.2.3. Section 5.2.3 shall be added as follows:

"5.2.3 If, in a Delivery Season, the difference between Seller's aggregate Monthly Delivery Forecasts and Performance, in such Delivery Season is forty percent (40%) or more. An example of such calculation is set forth on Appendix XVI."