

COMMERCIAL DEPARTMENT

Pacific Gas and Electric Company

POWER PURCHASE AGREEMENT
FOR
SMALL POWER GENERATION FACILITIES
(100 kilowatts or less)

THIS AGREEMENT, between Edward F. Burgess (Seller) and PACIFIC GAS AND ELECTRIC COMPANY, a California corporation (PGandE) bears the following recitals:

A. Seller intends to own and/or operate an electric power generating facility using cogeneration, fuels derived from biomass, waste or renewable energy sources, including wind, solar energy, and water to produce power. Seller desires to operate such generation in parallel with PGandE's system and sell a portion or all of the power produced to PGandE. PGandE has no direct financial involvement in the investment, construction, operation or maintenance of Seller's generation facility.

*E.F.B.
PMS*

B. Seller's generating facility is located in Zenia, California and will be ready to produce and deliver power for sale on or about OCT. 15 ~~March 1~~, 1982.

*E.F.B.
PMS*

C. Seller's generating facility is described as: Make Induction Generator - Westinghouse, Model _____, Serial No. _____, fuel or energy source water, and having a nameplate output rating of 25 kw, 240 volts, single phase, 60 hertz.

D. PGandE is willing to permit Seller to operate its generating facility in parallel with PGandE's system under certain conditions for the purpose of delivering power to PGandE.

E. PGandE is willing to purchase Seller's delivered energy and pay installation and performance incentives, based on the deliverability of the output of Seller's generating facility.

F. PGandE's energy prices are based on PGandE's average incremental fuel costs and are subject to revision every three months. In addition to the energy prices, incentive payments are to encourage the installation and operation of small power generation facilities, and the payments may be increased or decreased after sufficient numbers of installations have been studied to determine the aggregated capacity contribution of all such installations in various classifications.

NOW THEREFORE, Seller and PGandE agree to the following:

1. PGandE shall purchase and pay for Seller's produced power that is delivered to PGandE under the provisions of Appendix A - Schedule of Purchase Prices:
 - a. The energy payments shall be determined either (1) by the standard weighted-average price using a standard watt-hour meter furnished by PGandE at no expense to Seller, or (2) at the Seller's option, by time-of-delivery prices using additional time-of-delivery metering furnished by PGandE at the Seller's expense. Seller hereby elects to sell energy and receive payments under option number (1) - standard weighted-average price.
 - b. The installation and performance incentive payments shall be based on the output rating of the generating facility up to the normal nameplate rating.
2. PGandE's obligation for payments to Seller for energy deliveries to PGandE shall commence on the date stated by PGandE in its written approval for Seller to commence parallel operation as described in Paragraph 8.
3. PGandE shall sell any electric power delivered by PGandE to Seller under the provisions of PGandE's applicable tariff schedules on file with the California Public Utilities Commission.
4. Seller shall be fully responsible for the costs and performance of designing, installing, owning, operating and maintaining Seller's:
 - a. Generating facility in accordance with the requirements of all applicable laws and governmental agencies having jurisdiction;
 - b. Control and protective devices as required by PGandE for safe parallel operation of Seller's generation facility with PGandE's system; and
 - c. Interconnection facilities on Seller's premises as may be required to deliver power from Seller's generation facilities to the agreed point of interconnection with PGandE's system as shown in Appendix B - Location Sketch.
5. At no cost to Seller, PGandE shall furnish and install a standard watt-hour meter (and current transformers if required). PGandE's metering facilities shall be installed in meter socket and enclosure equipment provided and installed by Seller at or near the point of interconnection. The entire metering installation shall be subject to approval by PGandE. Energy purchases under this metering arrangement shall be on a weighted-average price basis for all deliveries.

6. In the event it is necessary for PGandE to install any special or additional interconnection facilities, including control or protective devices, time-of-delivery metering, and reinforcement of its system to receive or continue to receive the power delivered under this agreement, Seller shall reimburse PGandE its costs associated with the installation of such facilities under a separate special facilities agreement.
7. Seller shall submit equipment specifications and detailed plans to PGandE for the installation of its interconnection facilities, control and protective devices, and facilities to accommodate PGandE's meter(s) for review and advance written approval prior to their actual installation.
8. Seller agrees not to operate its generator in parallel with PGandE's system until the installation has been inspected by an authorized PGandE representative and final written approval is received from PGandE to commence parallel operation.
9. PGandE's approvals described in this agreement shall not be construed as any warranty of safety, durability or reliability of Seller's generation, service facilities, or its control or protective devices.
10. PGandE shall have the right (a) to enter Seller's premises at any reasonable times for inspection of Seller's protective devices and for reading or testing of meters, and (b) to disconnect without notice the interconnection facilities if, in PGandE's opinion, a hazardous condition exists and such immediate action is necessary to protect persons, or PGandE's facilities, or other customers' facilities from damage or interference caused by Seller's generator, or lack of properly operating protective devices.
11. This agreement may be assigned by Seller to another party with PGandE's written consent, which shall not be unreasonably refused.
12. Each party shall indemnify the other party, its officers, agents, and employees against all loss, damage, expense and liability to third persons for injury to or death of person(s) or injury to property, proximately caused by the indemnifying party's construction, ownership, operation, or maintenance of, or by failure of, any of such party's works or facilities used in connection with this Agreement. The indemnifying party shall, on the other party's request, defend any suit asserting a claim covered by this indemnity. The indemnifying party shall pay all costs that may be incurred by the other party in enforcing this indemnity.
13. Neither party shall be liable to the other for damages caused to the facilities of the other by reason of the operation, faulty operation, or nonoperation of the other's facilities.

14. The following appendices, which are attached to this agreement are incorporated herein by reference:

- Appendix A - Schedule of Purchase Prices
- Appendix B - Location Sketch

15. This agreement shall be in effect when signed by the Seller and PGandE for an initial term of 3 years and shall remain in effect thereafter month to month unless terminated by either party on 30 (thirty) days advance written notice to the other.

16. This agreement may be amended, at the written option of the Seller, to conform in whole, but not in part, to the final decision and order which is issued by the California Public Utilities Commission in connection with Order Instituting Rulemaking No. 2 and which affects PGandE's purchase of electric power from cogeneration and small power production facilities. To exercise this option, Seller must deliver to PGandE a written notice of election to amend within 90 days of the effective date of the final decision and order in OIR 2. Said amendment shall be effective as of the delivery date of said notice or as of such other date as may be agreed upon by the Seller and PGandE.

DATED this 9th day of APRIL, 1982

Edward F. Burgess
Seller

By Edward F. Burgess
Title Owner

Mailing Address:

Star Route 1, Box 37
Zenia, CA 95495

PACIFIC GAS AND ELECTRIC COMPANY

By J. M. Stearns
J. M. Stearns
Manager, Commercial Department

Form 79-267
May 19, 1981

APPENDIX A

SCHEDULE OF PURCHASE PRICES

1. ENERGY: The following energy (kwh) prices will be applied to delivered energy determined from meter readings taken during November and December, 1981 and January, 1982:

a. Standard Weighted Average Price, per kwh: 7.080 cents

b. Optional Time-of-Delivery Prices:

	Period B
	November and December, 1981 and January, 1982
On-Peak Period, per kwh	7.725 cents
Partial-Peak Period, per kwh	7.302 cents
Off-Peak Period, per kwh	6.519 cents

This price option is available only if the Seller pays to PGandE the added costs for installing and owning the special additional metering facilities required to determine actual times-of-delivery. The on-peak, partial-peak and off-peak periods are defined in Table I on page 8.

c. The above energy prices shall be subject to increase or decrease every three months based on PGandE's average quarterly costs of incremental fuel actually purchased by PGandE. Such energy prices shall be published by PGandE pursuant to California Public Utilities Commission Decision No. 91109 (OII 26) dated December 19, 1979.

2. INSTALLATION AND PERFORMANCE INCENTIVES: The following incentives may be applied up to a maximum of \$1.50 per kw per month:

a. Installation Incentive: \$0.75 per kw per month. This installation incentive will be paid for any month in which the Seller's facility delivers sufficient energy to equal at least the product of 5% of the total hours in the billing period times the kilowatt output rating of the generating facility indicated in this agreement.

b. Performance Incentive: An additional \$0.75 per kw per month will be paid for any month in which the Seller's facility delivers sufficient energy to equal at least the product of 35% of the total hours in the billing period times the kilowatt output rating of the generating facility indicated in this agreement.

3. METER READING: PGandE shall read the meter for energy deliveries on a monthly schedule (27 to 33 days) which coincides with PGandE's regular meter reading schedule in the same vicinity.

4. BILLING STATEMENT: PGandE shall prepare a monthly statement showing the installation and performance incentives and the kwh's of energy delivered to PGandE for the previous monthly period and the total amount due to Seller. PGandE shall submit the statement and payment to Seller within approximately 30 days from the meter reading date.

APPENDIX A (Cont'd.)

TABLE I

	Monday through <u>Friday*</u>	<u>Saturdays*</u>	<u>Sundays and Holidays</u>
<u>Period A</u> (May 1 to September 30)			
On-Peak	12:30 p.m. to 6:30 p.m.		
Partial-Peak	8:30 a.m. to 12:30 p.m. 6:30 p.m. to 10:30 p.m.	8:30 a.m. to 10:30 p.m.	
Off-Peak	10:30 p.m. to 8:30 a.m.	10:30 p.m. to 8:30 a.m.	12:00 M to 12:00 M
<u>Period B</u> (October 1 to April 30)			
On-Peak	4:30 p.m. to 8:30 p.m.		
Partial-Peak	8:30 p.m. to 10:30 p.m. 8:30 a.m. to 4:30 p.m.	8:30 a.m. to 10:30 p.m.	
Off-Peak	10:30 p.m. to 8:30 a.m.	10:30 p.m. to 8:30 a.m.	12:00 M to 12:00 M

* Except the following holidays: New Year's Day, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day and Christmas Day, as said days are specified in Public Law 90-363 (USCA Section 6103).

This table is subject to change to accord with the on-peak, partial-peak, and off-peak period as defined in PGandE's own rate schedules for the sale of electricity to its large industrial customers.

