



An *EDISON INTERNATIONAL*® Company

CREST Program Frequently Asked Questions

Under California's Assembly Bill (AB) 1969 and Senate Bill (SB) 380, as implemented by the California Public Utilities Commission (CPUC), Southern California Edison Company (SCE) will purchase power from SCE retail customers who own and operate an eligible renewable generator with a total effective generation capacity of not more than 1.5 megawatts (MW). The CPUC envisions "a simple and streamlined mechanism for certain generators to sell electricity to the utility without complex negotiations and delays".

Once a qualifying customer and SCE execute a power purchase agreement (PPA) and the customer interconnects to SCE's grid, SCE will pay for either the total or the excess energy the customer generates (customer's choice). Two agreements are available: CREST Full Buy/Sell, and CREST Excess.

For a customer who chooses the full buy/sell agreement, SCE buys all of the generation (net of station use) from the renewable generator, and sells the customer all the electricity used at the site under its existing tariff. For a customer who chooses the excess agreement, the customer uses the generated electricity first to meet its on-site electrical load, and SCE purchases any power that is exported to the grid ("excess").

Service under this Schedule is on a first-come-first-served basis and will be closed to new customers once the total rated generating capacity of Eligible Renewable Generating Facilities within SCE's service territory reaches 247.690 MW, which is SCE's allocated share of the 500 MW statewide cap. Once SCE reaches its allocated share of the statewide cap, it will keep a wait list of projects to backfill projects that are withdrawn or terminated.

SCE CREST Tariff Details

1. Why is SCE offering this opportunity to customers?

In 2006, the California Legislature passed AB 1969, ordering the development of tariffs for renewable generation installed by public water and wastewater agencies. The CPUC extended these tariffs to all customers who install renewable generation up to 1.5 MW. In 2008, the California Legislature passed SB 380, which consolidated the two tariffs (SCE's WATER and CREST programs) into a single CREST program that works for all SCE customers.

2. What technologies are eligible for the program (i.e., what is eligible renewable generation)?

Eligible customers must apply to the California Energy Commission (CEC) for certification, and receive and maintain that certification throughout the term of the PPA in order to receive payments from SCE. The current list of renewable fuel resources that can be certified can be found in the Renewables Portfolio Standard Eligibility Guidebook located on the CEC website at the following address:

<http://www.energy.ca.gov/renewables/documents/index.html#rps>

- Biodiesel
- Biomass
- Conduit hydroelectric
- Digester gas
- Geothermal
- Hydroelectric incremental production from efficiency improvements
- Landfill gas
- Municipal solid waste
- Ocean wave, ocean thermal, and tidal current
- Photovoltaic
- Small hydroelectric (30 megawatts or less)
- Solar thermal electric
- Wind

3. What is the size limitation for renewable generation facilities participating in this program?

The renewable generating facility power rating (net of station load) must be not more than 1.5 MW AC.

4. What are the major differences between the two CREST contracts?

Customers can choose the full buy/sell version or the excess version. Under the full buy/sell agreement, SCE buys all of the generation from the renewable generator (net of station use), and sells the customer all the electricity used at the site under its existing tariff. Under the excess agreement, the customer uses the generated electricity first to meet its own on-site electrical load, and SCE purchases any power that is exported to the grid.

5. What is the term of these contracts?

The customer may select a term of 10, 15 or 20 years.

6. What is the energy price for these contracts?

AB 1969 prescribed that SCE pay the Market Price Referent (MPR), a per-kWh price that is determined periodically by the CPUC. The date that a contract is signed by both the customer and SCE will determine which MPR table is applicable. The energy price will be fixed (no escalation) at the value in that table that corresponds with the actual on-line year and the term of the agreement selected by the customer. An excerpt from the 2009 MPR table, showing on-line years 2010-2014, is below. This price will be multiplied by the SCE Energy Allocation Factor that corresponds to the Time of Use Period listed below.

Southern California Edison

2010 CREST Program

Adopted 2009 Market Price Referents (Nominal – dollars/kWh)

On-Line Year	10 Term Years	15 Term Years	20 Term Years
2010	0.08448	0.09066	0.09674
2011	0.08843	0.09465	0.10098
2012	0.09208	0.09852	0.10507
2013	0.09543	0.10223	0.10898
2014	0.09872	0.10593	0.11286

2009 Time-of-Delivery (TOD) Periods and Factors

Season	Period	Definition	Factor
Summer June - September	On-Peak	WDxH ¹ , noon-6 pm	3.13
	Mid-Peak	WDxH, 8-noon, 6 - 11 pm	1.35
	Off-Peak	All other times	0.75
Winter October - May	Mid-Peak	WDxH, 8 am-9 pm	1.00
	Off-Peak	WDxH, 6-8 am, 9 pm -midnight; WE/H ² 6 am - midnight	0.83
	Super-Off- Peak	Midnight-6 am	0.61

1/ WDxH is defined as weekdays except holidays

2/ WE/H is defined as weekends and holidays

7. Who owns the Renewable Energy Credits or other renewable attributes related to qualification under California's Renewable Portfolio Standard (RECs)?

If the excess agreement is selected, the customer owns any RECs for the power generated and used at the site and SCE owns any RECs for the power purchased under the agreement. If the full buy/sell agreement is selected, SCE buys all the power generated and the corresponding RECs.

8. Are there any limits on the timing for this offer?

Service under the CREST tariff is on a first-come-first-served basis. The tariff will be closed to SCE customers once the combined rated generating capacity of eligible renewable generating facilities within SCE's service territory reaches 247.690 MW.

9. Will there be a regulatory approval process for these contracts?

No, the tariff and agreements have been reviewed and approved by the CPUC. In so doing, the CPUC stated: "Purchases made by the utility (SCE) pursuant to, and consistent with, the terms and conditions of the tariffs need not be submitted to the Commission by advice letter. Rather, such purchases are per se reasonable."¹ A CREST power purchase agreement will be effective and legally binding when the customer and SCE have both signed it.

10. Can I get a rebate from SCE for building a renewable generator and also sell power from that generator to SCE?

No. Eligible Renewable Generating Facilities that have received or will receive subsidies from the California Solar Initiative (CSI) Program, Self-Generation Incentive Program (SGIP), net energy metering or other similar California programs are prohibited from receiving service under the CREST tariff.

¹ CPUC Decision 07-07-027, July 26, 2007, p. 7.

11. Can I be on a net metering tariff and still sign a power purchase agreement?

Not for the same generator. Customers cannot split exports from a single generator between net metering and the power purchase agreement. However, customers with multiple generators could have one generator on Schedule NEM and another generator on Schedule CREST, provided the appropriate metering is in place to enable the CREST generation to be accurately determined.

12. What is the difference between the net metering tariff and this power purchase agreement?

Under the net metering tariff, when you produce more electricity than you need in a month, you earn bill credits for the electricity that you export. These bill credits are used to offset your usage when you use more than your generator produces in a future month. Your meter register will increase whenever you are drawing power from the grid and decrease (“spin backwards”) whenever you are exporting power to the grid. Bill credits are not carried over from year to year.

Under the power purchase agreement, your meter will register imports and exports separately. Under the full buy/sell agreement, you will pay your regular rate for all the electricity you use, and you will be paid at MPR multiplied by the energy allocation factor for all the electricity you generate. Under the excess agreement, you will be paid at MPR multiplied by the energy allocation factor for all the electricity you export (generation in excess of simultaneous load). You will pay your regular rate for the electricity used when you need more than you generate.

13. How will SCE know how much to pay me?

We will meter your usage, and separately meter your generation or exports to the grid.

14. Is a special meter needed to record the amount of power generated in each hour?

Yes, these meters are referred to as “interval meters” and if the customer’s existing meter is not a revenue-quality interval meter, it will have to be replaced.

15. Will I have to pay for two meters?

If your existing meter is capable of separately metering usage and generation or exports, then you will not have to pay for two meters. You may have to pay a reprogramming charge, though, so your meter will collect the information needed. If your existing meter cannot separately meter usage and generation or exports, then a meter capable of doing so will be installed at your expense.

16. How do I connect my renewable generator to the SCE grid?

Download the [Generating Facility Interconnection Application](#) from the SCE web site. This is the application form for a Rule 21 interconnection. Please complete the application and submit it to the address provided on the first page.

When the interconnection and metering design for your generator is complete, SCE will complete the Interconnection Facilities Financing and Ownership Agreement (IFFOA) for your review. Once you and SCE have signed the IFFOA, it will be inserted into the power purchase agreement in Appendix B.

Until the IFFOA is signed and inserted into Appendix B, the CREST PPA cannot be executed.

If you have interconnection questions, contact:

Mark Hoppe
(714) 626-4666
mark.hoppe@sce.com

17. What are the steps that should be taken when applying for a CREST contract?

- a. Download the tariff, contracts, and interconnection application from SCE's website at www.sce.com/crest.
- b. Obtain site control.
- c. Open an SCE retail account at the site, if an account does not already exist.
- d. Complete the design for the generating facility, including equipment specifications, single line diagram(s) stamped by a licensed engineer, site plans and maps. This is input to the interconnection application, and to Appendix A of the CREST agreement.
- e. Obtain CEC pre-certification that the facility is an Eligible Renewable Resource. A copy of the certificate will be placed in Appendix A.
- f. Download and submit an interconnection application to SCE (Mark Hoppe) and work with SCE to complete an Interconnection Facilities Financing and Ownership Agreement (IFFOA) for the generating facility. This is input to Appendix B of the CREST agreement.
- g. Be prepared to complete the construction of the generating facility and achieve Initial Operation within 18 months of the CREST agreement execution date. See Sections 2.8 and 4.2 of the CREST agreement.
- h. Fill out the draft CREST agreement and submit to SCE (Janice Wang). Work with SCE to make the agreement 100% correct, and execute the CREST agreement.

18. Questions?

Please send your questions via e-mail to:

crest@sce.com.

Or contact:

Janice Wang
(626) 302-3515
janice.wang@sce.com