



SOCALGAS DISTRIBUTED ENERGY RESOURCE TARIFF



SoCalGas

A  Sempra Energy utility

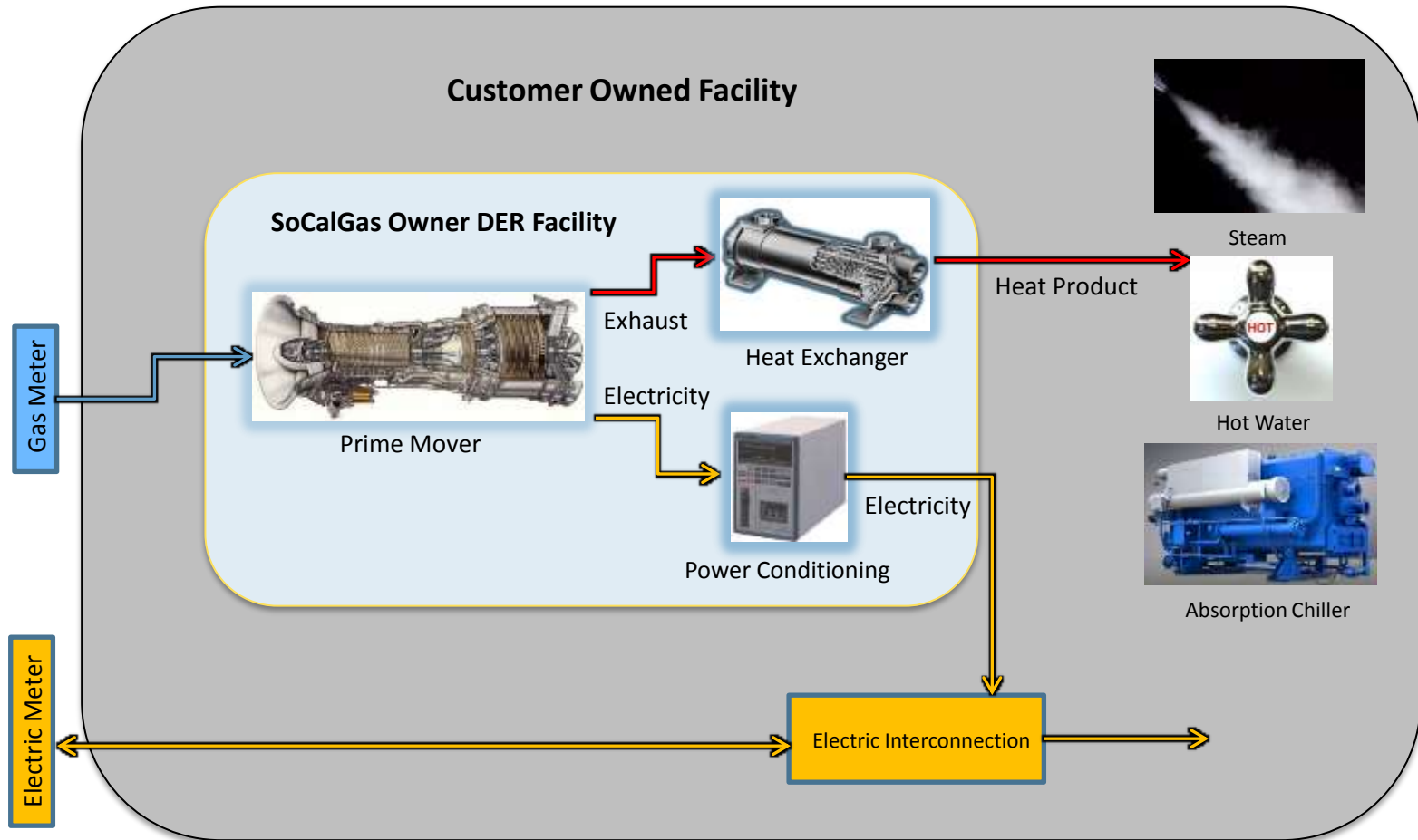
Distributed Energy Resources (DER) Tariff

- » **Summary:** The DER tariff is an optional cost-based service which allows SoCalGas to design, install, own, operate, and maintain distributed energy assets on or adjacent to a customer premise in order to satisfy onsite energy requirements as requested by the customer and agreed to by SoCalGas. The DER Tariff was approved by the CPUC on October 22nd. Launch is expected to occur in mid to late 2016.

- » **Applications:** Types of DER systems approved:
 - Combined Heat and Power
 - Waste Heat to Power

- » **Details:**
 - Service available across SoCalGas service territory to customers in the industrial, commercial, institutional, and multifamily residential sectors
 - Systems must comply with SGIP Efficiency, GHG, and NOx standards
 - Maximum system size 20 MW
 - SoCalGas does not take ownership of energy inputs or outputs

DER Service Ownership Model



DER Model Options

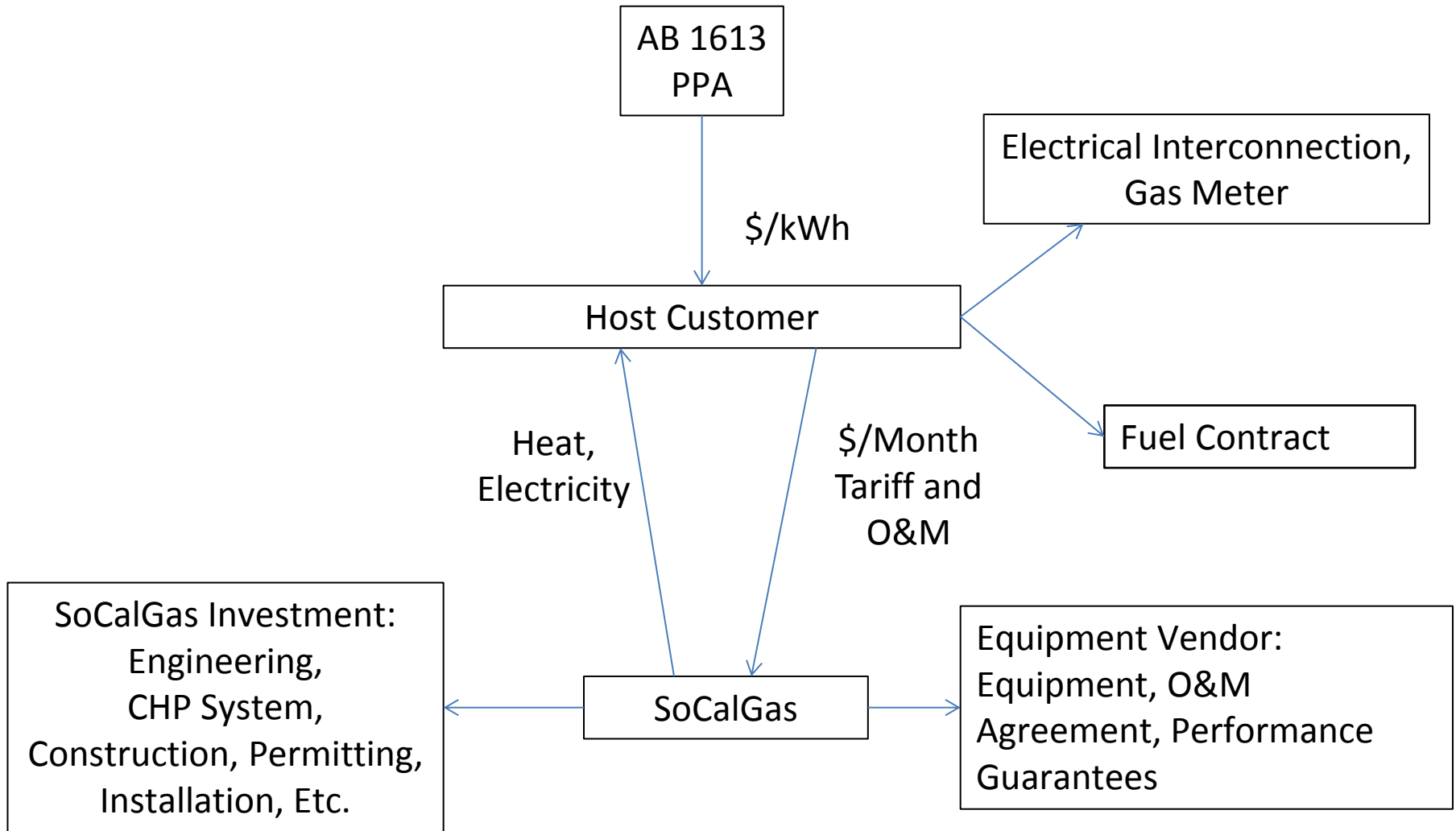
» Direct option

- Host customer is the DER tariff customer and pays a monthly service fee as well as pass through operating and maintenance costs
- Desired energy outputs provided to host customer, backed by performance guarantees
- Host customer responsible for fuel contract as well as any power export arrangement

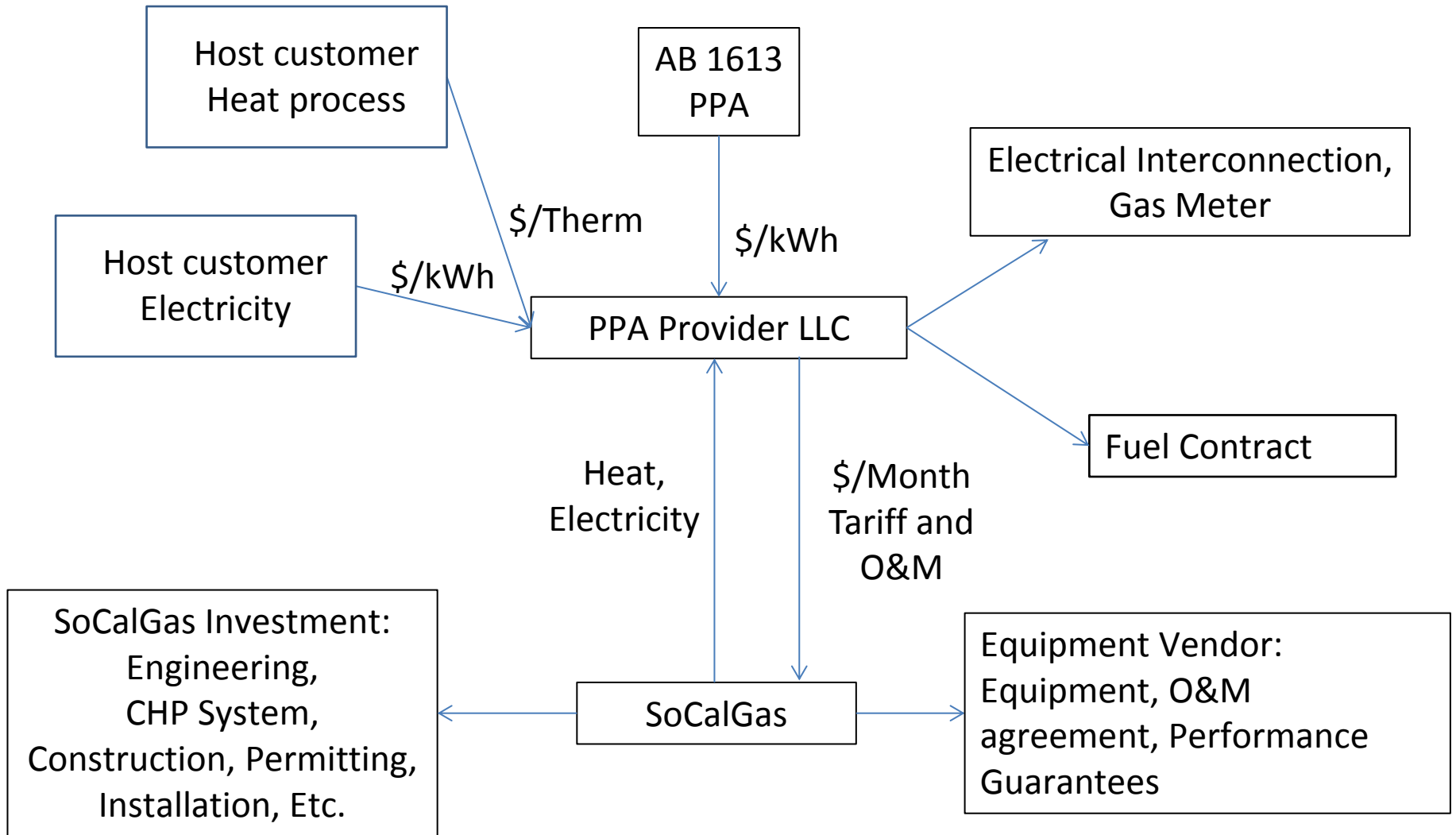
» PPA option

- 3rd party ESCO is the DER tariff customer and pays a monthly service fee as well as pass through operating and maintenance costs
- Energy outputs provided to 3rd party ESCO who will then sell to host customer on a metered/per unit of energy basis
- 3rd party ESCO is responsible for fuel contract as well as any power export arrangement

Relationships – Direct Option



Relationships – PPA Option



Regulatory Requirements

» Tracking and Reporting for DER

- DER is a shareholder funded initiative, all ratepayer resources are accounted for and charged to shareholders
- Need to ensure use of competitively neutral scripts
 - Neutral script is currently in draft form, must be officially approved by Utility Commission

» The DER tariff service is non-discriminatory and competitively neutral

- The DER is an optional tariff
- Taking service under the DER tariff provides no preference in any service from SoCalGas such as line extensions or new meters
- Potential customers made aware that the same or similar services may be provided by other non utility entities and given a list of such providers.

Launch of DER – Current Status

- » **With CPUC Final Decision SoCalGas can now:**
 - Discuss tariff with customers
 - Obtain customer energy data
 - Conduct high level feasibility studies
 - Discuss draft agreements
 - **Agreements cannot be executed until advice letter approval!**

- » **Submitted Tier 3 Implementation Advice Letter**
 - File date: January 19th

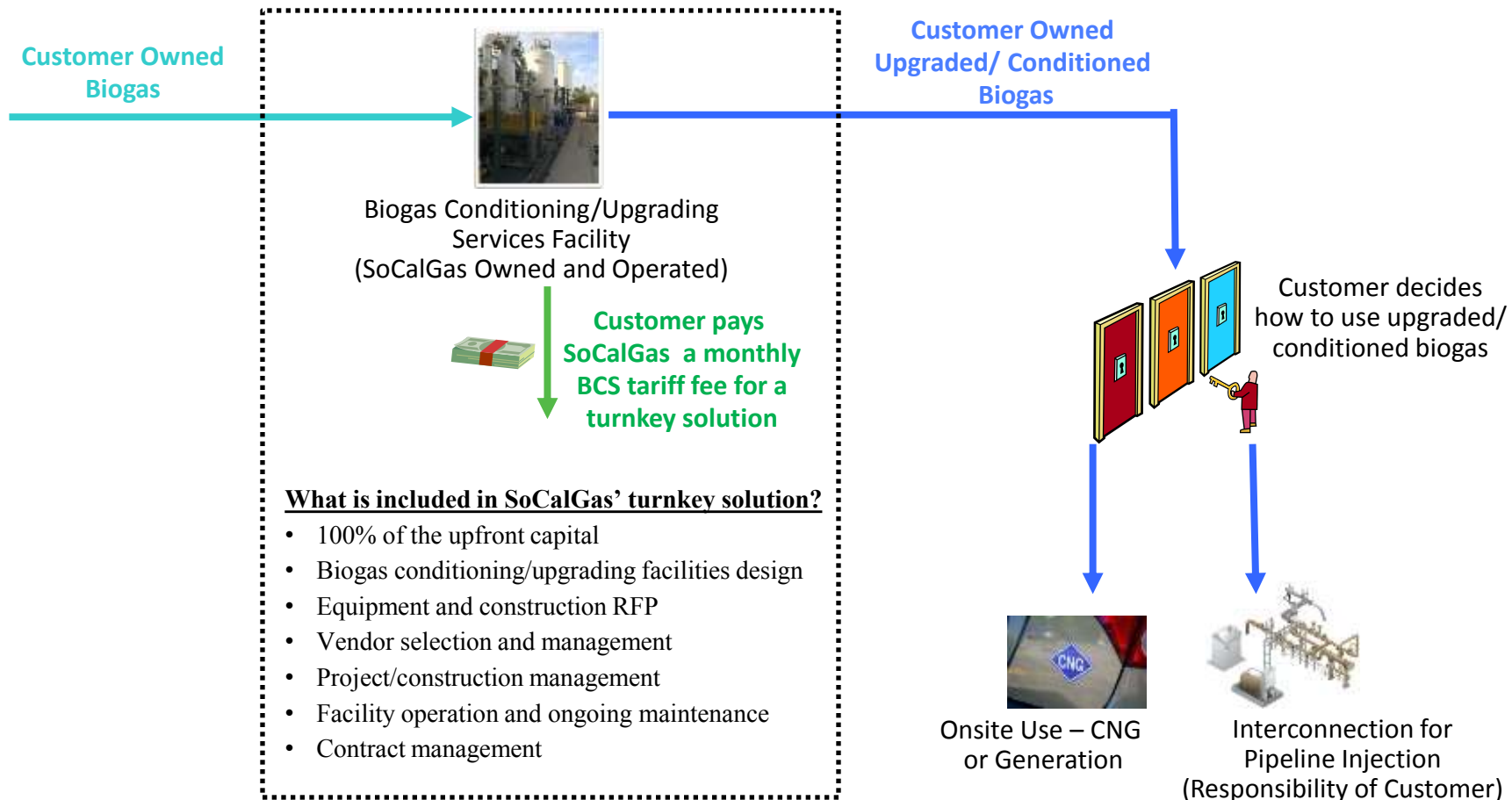
- » **Obtain CPUC Advice Letter Approval**
 - Commission expected to approve in mid 2016

SoCalGas Biogas Conditioning/Upgrading Services (BCS) Tariff

- » **Summary:** The BCS Tariff allows SoCalGas to design, install, own, operate & maintain biogas conditioning/upgrading equipment on or adjacent to the customers premise
- » **Applications:** Primary applications for conditioned/upgraded biogas include, but are not limited to:
 - Onsite renewable power generation
 - Onsite renewable CNG for vehicle fueling
 - Produce renewable natural gas (RNG) and put into the utility pipeline. RNG is used offsite for either: 1) CNG vehicle fuel or 2) power generation
- » **Provides Business Growth**
 - Creates natural gas business and throughput growth opportunity
 - Supports SoCalGas pathway of RNG and the state's GHG reduction goals
 - Biogas has the lowest carbon intensity of all transportation fuels and qualifies for significant financial incentives via the Low Carbon Fuel Standard (LCFS) and Renewable Fuel Standard (RFS) programs
 - Meet growing customer need for alternative energy solutions

SoCalGas Biogas Conditioning/Upgrading Services(BCS) Tariff

BCS Tariff Illustration



SoCalGas Compression Services Tariff (CST)

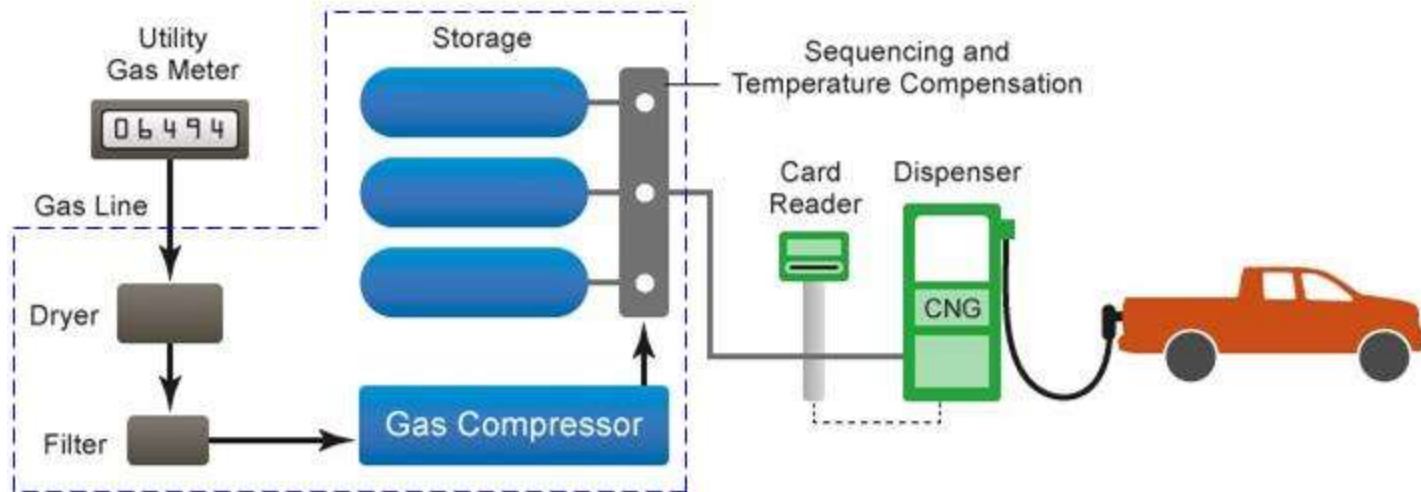
- » **Summary:** The Compression Services Tariff allows SoCalGas to install, own, operate, and maintain compression facilities on customer premises to meet on-site pressure requirements.

- » **Applications:** Applications include, but are not limited to
 - CNG vehicle fueling stations
 - Combined heat and power systems
 - Peaking power plants
 - Other industrial processes requiring higher than standard delivery pressure

- » **Provides Business Growth**
 - Creates natural gas business and throughput growth opportunity
 - Aligns with strategy to build out CNG infrastructure and expand HD vehicle market
 - Aligns with State policy & GHG reduction goals
 - Meet growing customer need for alternative energy solutions

SoCalGas Compression Services Tariff (CST)

- » **Retail:** Any retailing activities past the point of service delivery is the responsibility of the customer.
 - For compressed natural gas (CNG) vehicle refueling stations, fuel dispensing equipment must be provided by the customer. An exception exists for integrated systems that incorporate dispensers.



Equipment Eligible For
Compression Facilities

Q&A