

<p align="center">Table 1 Qualifying Facility (QF) Programs Adopted and Existing</p>					
No.	Provision	<p align="center">PROSPECTIVE QF PROGRAM (Adopted) (For Any Future Contract for Expiring and Expired QFs; and for New QFs As Described)</p>		<p align="center">EXISTING QF PROGRAM (Will Phase Out With QF Contract Expiration)</p>	
		<p align="center">One- to Five-Year As-Available Energy Contract</p>	<p align="center">One- to Ten-Year Unit-Firm Capacity Contract</p>	<p align="center">ADOPTED</p>	<p align="center">CURRENT</p>
1	Energy Price	<p align="center">Market Index Formula (MIF) For PG&E, SCE, and SDG&E: Same as SCE's current SRAC formula as adopted in D.01-03-067, with the exception that the heat rate component, formerly the Incremental Energy Rate (IER), will be calculated as the average of a market derived heat rate and the existing, administratively determined heat rate for each respective utility pursuant to prior commission decisions. The market-derived heat rate will be calculated from a 12-month rolling average of forward NP15 or SP15 Day-Ahead (DA) market price data.</p>		<p align="center">Market Index Formula (MIF) Same as for As-Available Energy Contracts in the Prospective QF Program, or as contractually based, e.g., fixed price agreement or SRAC energy variant.</p>	SRAC Transition Formula for PG&E and SDG&E; and the Modified Transition Formula for SCE.
2	Capacity Price	As-available capacity payments will not fall below the first-year capacity price for the duration of the contract.	The capacity payment will be fixed for the duration of the contract.	Existing contractually-based capacity payments remain unchanged.	Posted Price for As-Available Capacity
2a	Calculation of Capacity Price	Based on the fixed cost of a Combustion Turbine (CT) as proposed by TURN; less the estimated value of Ancillary Services (A/S) as proposed by SDG&E; and less the capacity value that is recovered in energy market prices as proposed by TURN and SDG&E.	As calculated in the MPR Model in \$/kW-year (per Resolution E-4049), adjusted to reflect an operating life of 30 years, less the value of inframarginal rents as proposed by SCE.	Eligibility: If as-available capacity counts for purposes of Resource Adequacy (RA), QFs will receive a capacity payment.	Contractually-Based Capacity Prices
3	Daily Scheduling	Standard CAISO Timetables and Protocols for Day-Ahead Schedules for QFs greater than 1 MW **		No Change	None
4	Forecasting	Weekly, Monthly and Annual Forecasts **		No Change	None
5	Deliveries	SC-SC Trade (where SC = Scheduling Coordinator) for QFs greater than 1 MW **		No Change	None. Utility is now the Scheduling Coordinator.
6	Emergency Response	Standard ISO Emergency Response Provisions **		No Change	None
7	CPUC Performance Requirements	Day-Ahead Scheduling **	Penalties to Capacity Payment for Failure to Deliver 95% during on-peak months and 90% during off-peak months (not counting scheduled outages) ** This is a Qualifying Capacity (QC) provision.	No Change	None
8	Credit	None **	None **	No Change	None

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		<p align="center"><u>One- to Five-Year</u> <u>As-Available Energy</u> <u>Contract</u></p>	<p align="center"><u>One- to Ten-Year</u> <u>Unit-Firm Capacity</u> <u>Contract</u></p>	ADOPTED	CURRENT
9	Termination Rights	QF has the ability to terminate if selected in native utility solicitation. **		No Change	QF has the unilateral right to terminate on 30-day notice. ----- IOU termination rights are tied to QF non-performance, and QFs can also be derated.
10	Oversubscription and Contract Denial	An IOU may only deny a prospective contract if it will result in over-subscription and after it meets and confers with its Procurement Review Group (PRG). However, for "small" QFs, defined as QFs under 20 MW or that offer equivalent annual energy deliveries of 131,400 MWh and that consume at least 25% of the power internally and sell 100% of the surplus to the utilities, special provisions apply. IOUs may not deny either of the 2 contract options to <u>existing small</u> QFs for any reason related to over-subscription. IOUs may not deny either of the 2 contract options to <u>new small</u> QFs for any reason related to oversubscription unless the total capacity of QF power would, with the proposed contract exceed 110% of the utilities QF capacity as of the date of this decision.		-	-
11	CAISO Resource Adequacy (RA) Tariff	QFs with a dependable capacity of greater than 1 MW shall comply with the CAISO RA tariff.		-	-
Footnotes		* Variable O&M is deducted from the price of power prior to calculating the heat rate component of the Market Index Formula. ** Several provisions of the Prospective QF Program are as proposed by PG&E in Exhibit 28, see Table 4-3, page 4-12.			

Table 2
Party Positions on SRAC Energy Pricing
SRAC Energy = Gas Price x IER + O&M Adder

	Party	Methodology	Type of Methodology	Service Area	Heat Rate (IER) Btu/kWh	O&M Adder \$/MWh	Gas Price Border or Trading Point \$/MMBtu	Gas Price Exemplary Burnertip \$/MMBtu	Gas Price Point	Resulting SRAC \$/MWh	Effective Heat Rate Btu/kWh
	A	B	B1	C	D	E	F	G	H	J = FxD+E	K = J ÷ (F or G)
1	PG&E	Reduce Gas Price "Factor" by 36%	Indirect Use of Market Heat Rates	PG&E	7,823	2.0	6.33	7.00	Border	51.5	8,139
2	Edison	12-Month Rolling Average of Market Heat Rates	Heat Rate Calculated from Current Market Prices	SCE	7,586	2.0	6.53	7.00	Burner-Tip	55.1	7,872
3	SDG&E	24-Month Average of Market Heat Rates		SDG&E	7,789	2.6	6.53	7.00	Burner-Tip	57.1	8,160
4	TURN	Capped Market Heat Rate		All IOUs	8,294	0.0	6.73	7.00	Trading Point (PG&E City Gate)	55.8	8,294
5	Average									54.9	8,116

6	CCC	Forward Market with Elasticity Adjustment	Heat Rate Based on Market Prices, but then Adjusted Upward	PG&E	9,620	3.0	6.33	7.00	Burner-Tip	70.3	10,049
7	CCC	Forward Market with Elasticity Adjustment		SCE / SDG&E	9,822	3.0	6.53	7.00	Burner-Tip	71.8	10,251
8	CAC / EPUC	Keep existing PG&E Formula from D.96-12-028	Heat Rate Administratively Set by CPUC	PG&E	9,794	6.3	6.53	7.00	Burner-Tip	70.2	10,032
9	CAC / EPUC	Eliminate algebraic factor for SCE		SCE	10,522	6.1	6.53	7.00	Burner-Tip	74.8	10,691
10	IEP	Keep existing PG&E Formula from D.96-12-028		PG&E	9,794	6.3	6.53	7.00	Burner-Tip	70.2	10,032
11	IEP	Use SCE Formula from D. 01-03-067		SCE	9,140	2.0	6.53	7.00	Burner-Tip	66.0	9,426
12	Average									70.6	10,080

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	A	B	B1	C	D	E	F	G	H	J = FxD+E	K = J ÷ (F or G)

13	PG&E	Existing PG&E Formula from D.96-12-028	Heat Rate Administratively Set by CPUC	PG&E	9,794	6.3	6.53	7.00	Burner-Tip	70.2	10,032
14	Edison	Existing SCE Formula from D.01-03-067		SCE	9,140	2.0	6.53	7.00		66.0	9,426
15	SDG&E	Existing SDG&E Formula from D.96-12-028, and Existing Gas Price from D.01-03-067		SDG&E	9,603	8.8	6.53	7.00		71.5	10,212
16	Average									69.2	9,890

Source: This table is based on Table ES-1 which was first referenced in Exhibit 103 and that was actual submitted as errata in Exhibit 104. This version of the table was prepared by the CPUC Energy Division and contains a number of modifications and corrections.

Notes:

Line 1: PG&E. The heat rate value for PG&E, that was originally shown in Exhibit 104 was 6301 Btu/kWh, along with an O&M adder of \$11.6/MWh. The latter values were submitted by CCC in an attempt to describe PG&E's proposal using the Transition Formula components, but the low heat rate and high O&M adder do not individually comport with PG&E's. Instead, this table shows an O&M value of \$2 per MWh which reflects Exhibit 28, page 3A-12, and the heat rate of 7823 Btu/kWh is the value that results in a value of 8139 Btu/kWh in Column K, given the \$2 per MWh O&M adder.

Line 2: SCE heat rate of 7586 Btu/kWh is from Exhibit 1, Figure 10, Sample Derivation of IER, page 63 for the August 2004 through July 2005 time period.

Line 3: SDG&E. "The calculated market-implied IER value for 2006 without consideration of the variable O&M is 8,227 [Btu/kWh], and with consideration of variable O&M is 7,789 [Btu/kWh]" (Exhibit 85, page 10).

Line 4: TURN heat rate is Exhibit 149, page 2, an average of the Summer and Winter Daily Heat Rates in Figure 1.

Table 3
Sample Derivation of IER for SP15

		A	B	C	D	E =	HR _m =	HR _{12mthMAvg} =	IER _{SCE} = .5*MHR+.5*AHR
						C + D	(A-B)/E*1000	$\frac{\sum(HR_{c1}-HR_{c12})}{12mth}$	(.5* 9,705)+(.5*HR _{12mthMAvg})
		SP-15 Monthly Avg of DJ, ICE & MWDaily	VO&M	Topock CA Bidweek Border Gas Price	SoCalGas Intrastate Transportation	Burnertip Gas Price	Implicit Heat Rate (Net of VO&M)	Un-Collared Heat Rate FORWARD 12 mntMAvg	
		\$/MWh	\$/MWh	\$/MMBtu	\$/MMBtu	\$/MMBtu	Btu/KWh	Btu/KWh	Btu/Kwh
2002	Aug-02	\$26.82	\$2.65	\$2.91	\$0.21	\$3.12	7,750	7,927	8,816
	Sep-02	\$30.23	\$2.65	\$3.09	\$0.23	\$3.32	8,305	7,900	8,803
	Oct-02	\$32.10	\$2.65	\$3.31	\$0.23	\$3.54	8,314	7,908	8,806
	Nov-02	\$35.79	\$2.65	\$4.11	\$0.23	\$4.34	7,628	7,907	8,806
	Dec-02	\$39.91	\$2.65	\$4.04	\$0.26	\$4.29	8,681	7,888	8,797
2003	Jan-03	\$38.78	\$2.65	\$4.69	\$0.34	\$5.03	7,182	7,906	8,805
	Feb-03	\$53.20	\$2.65	\$4.92	\$0.35	\$5.27	9,592	7,714	8,710
	Mar-03	\$52.86	\$2.65	\$6.98	\$0.39	\$7.37	6,816	7,783	8,744
	Apr-03	\$41.80	\$2.65	\$4.92	\$0.35	\$5.27	7,433	7,837	8,771
	May-03	\$39.87	\$2.65	\$4.95	\$0.33	\$5.28	7,053	7,936	8,820
	Jun-03	\$42.69	\$2.65	\$5.73	\$0.36	\$6.09	6,573	7,936	8,821
	Jul-03	\$51.58	\$2.65	\$5.42	\$0.35	\$5.77	8,476	7,926	8,816
	Aug-03	\$47.09	\$2.65	\$4.56	\$0.34	\$4.90	9,076	7,811	8,758
	Sep-03	\$44.05	\$2.65	\$4.84	\$0.35	\$5.19	7,978	7,768	8,736
	Oct-03	\$42.20	\$2.65	\$4.37	\$0.34	\$4.70	8,409	7,802	8,753
	Nov-03	\$37.87	\$2.65	\$4.29	\$0.34	\$4.62	7,616	7,723	8,714
	Dec-03	\$44.12	\$2.65	\$4.56	\$0.34	\$4.90	8,455	7,687	8,696
2004	Jan-04	\$45.64	\$2.65	\$5.42	\$0.39	\$5.81	7,395	7,681	8,693
	Feb-04	\$43.99	\$2.65	\$5.29	\$0.38	\$5.67	7,290	7,691	8,698
	Mar-04	\$41.84	\$2.65	\$4.75	\$0.38	\$5.13	7,647	7,716	8,710
	Apr-04	\$45.19	\$2.65	\$4.88	\$0.39	\$5.27	8,072	7,631	8,668
	May-04	\$51.31	\$2.65	\$5.50	\$0.40	\$5.91	8,240	7,430	8,567
	Jun-04	\$46.91	\$2.65	\$6.31	\$0.41	\$6.72	6,583	7,462	8,583
	Jul-04	\$54.71	\$2.65	\$5.82	\$0.41	\$6.23	8,356	7,483	8,594
	Aug-04	\$50.41	\$2.65	\$5.81	\$0.40	\$6.21	7,687	7,696	8,700
	Sep-04	\$42.05	\$2.65	\$4.89	\$0.39	\$5.28	7,460	7,834	8,770
	Oct-04	\$48.46	\$2.65	\$4.80	\$0.39	\$5.19	8,822	7,797	8,751
	Nov-04	\$53.78	\$2.65	\$7.23	\$0.43	\$7.66	6,673	7,719	8,712
	Dec-04	\$57.52	\$2.65	\$6.43	\$0.41	\$6.84	8,017	7,905	8,805
2005	Jan-05	\$49.97	\$2.65	\$6.00	\$0.46	\$6.46	7,324	7,762	8,733
	Feb-05	\$48.51	\$2.65	\$5.73	\$0.45	\$6.19	7,412	7,711	8,708
	Mar-05	\$51.00	\$2.65	\$5.64	\$0.45	\$6.09	7,942	7,569	8,637
	Apr-05	\$53.54	\$2.65	\$6.75	\$0.47	\$7.22	7,050	7,526	8,615
	May-05	\$43.86	\$2.65	\$6.60	\$0.47	\$7.07	5,828	7,522	8,613
	Jun-05	\$45.22	\$2.65	\$5.65	\$0.46	\$6.11	6,967	7,612	8,659
	Jul-05	\$62.06	\$2.65	\$6.42	\$0.47	\$6.89	8,617	7,881	8,793
	Aug-05	\$72.57	\$2.65	\$6.36	\$0.47	\$6.83	10,238	7,731	8,718
	Sep-05	\$82.93	\$2.65	\$8.31	\$0.50	\$8.80	9,118	7,504	8,605
	Oct-05	\$92.25	\$2.65	\$10.17	\$0.53	\$10.69	8,379	7,688	8,697
	Nov-05	\$72.17	\$2.65	\$11.58	\$0.54	\$12.12	5,735	7,840	8,773
	Dec-05	\$102.46	\$2.65	\$9.23	\$0.51	\$9.74	10,246	7,630	8,667
2006	Jan-06	\$59.06	\$2.65	\$9.48	\$0.58	\$10.05	5,610	7,838	8,771
	Feb-06	\$54.57	\$2.65	\$7.09	\$0.54	\$7.64	6,799	7,918	8,811
	Mar-06	\$46.23	\$2.65	\$6.45	\$0.54	\$6.99	6,237	7,907	8,806
	Apr-06	\$44.58	\$2.65	\$5.89	\$0.53	\$6.42	6,533	8,023	8,864
	May-06	\$40.35	\$2.65	\$5.99	\$0.53	\$6.52	5,784	8,209	8,957
	Jun-06	\$47.61	\$2.65	\$5.07	\$0.51	\$5.58	8,052	8,185	8,945
	Jul-06	\$73.85	\$2.65	\$5.49	\$0.52	\$6.01	11,844	7,994	8,850
	Aug-06	\$62.24	\$2.65	\$6.53	\$0.53	\$7.06	8,440	8,065	8,885
	Sep-06	\$45.83	\$2.65	\$6.22	\$0.54	\$6.76	6,389	8,315	9,010
	Oct-06	\$49.42	\$2.65	\$3.92	\$0.50	\$4.42	10,587	8,164	8,935
	Nov-06	\$57.37	\$2.65	\$6.69	\$0.54	\$7.24	7,563	8,229	8,967
	Dec-06	\$59.25	\$2.65	\$6.79	\$0.54	\$7.33	7,722	8,221	8,963
2007	Jan-07	\$55.41	\$2.65	\$6.04	\$0.47	\$6.51	8,106	8,172	8,939
	Feb-07	\$59.65	\$2.65	\$6.86	\$0.49	\$7.35	7,753	8,152	8,929
	Mar-07	\$49.04	\$2.65	\$7.09	\$0.50	\$7.59	6,114	8,281	8,993
	Apr-07	\$56.74	\$2.65	\$6.33	\$0.50	\$6.83	7,923	8,239	8,972
Historical	May-07	\$62.61	\$2.65	\$6.98	\$0.50	\$7.48	8,020	8,196	8,950
Future	Jun-07	\$62.50	\$2.65	\$7.22	\$0.49	\$7.72	7,755	8,164	8,935
	Jul-07	\$79.25	\$2.65	\$7.52	\$0.50	\$8.01	9,559	8,127	8,916
	Aug-07	\$78.46	\$2.65	\$7.67	\$0.50	\$8.17	9,284	8,102	8,903
	Sep-07	\$78.46	\$2.65	\$7.58	\$0.50	\$8.07	9,389	8,068	8,887
	Oct-07	\$72.75	\$2.65	\$7.48	\$0.50	\$7.98	8,787	8,033	8,869
	Nov-07	\$72.75	\$2.65	\$7.91	\$0.50	\$8.41	8,331	8,005	8,855
	Dec-07	\$72.75	\$2.65	\$8.67	\$0.52	\$9.18	7,635	8,001	8,853
2008	Jan-08	\$74.39	\$2.65	\$9.03	\$0.52	\$9.55	7,515		
	Feb-08	\$74.39	\$2.65	\$9.02	\$0.52	\$9.54	7,517		
	Mar-08	\$74.39	\$2.65	\$8.85	\$0.52	\$9.36	7,662		
	Apr-08	\$63.93	\$2.65	\$7.77	\$0.50	\$8.27	7,409		
	May-08	\$63.93	\$2.65	\$7.67	\$0.50	\$8.17	7,504		
	Jun-08	\$63.93	\$2.65	\$7.81	\$0.50	\$8.31	7,376		
	Jul-08	\$80.14	\$2.65	\$8.00	\$0.51	\$8.50	9,116		
	Aug-08	\$80.14	\$2.65	\$8.13	\$0.51	\$8.63	8,977		
	Sep-08	\$80.14	\$2.65	\$8.11	\$0.51	\$8.62	8,992		
	Oct-08	\$73.50	\$2.65	\$7.96	\$0.51	\$8.47	8,366		
	Nov-08	\$73.50	\$2.65	\$8.35	\$0.51	\$8.86	7,996		
	Dec-08	\$73.50	\$2.65	\$8.82	\$0.52	\$9.34	7,587		

Table 4
Adopted SRAC Energy Pricing - Illustrative Calculations
Market Index Formula
SRAC Energy = Gas Price x Heat Rate + O&M Adder

Methodology	Type of Methodology	Service Area	Administratively Determined Heat Rate Btu/kWh	Market Heat Rate Btu/kWh	Heat Rate (IER) Btu/kWh	O&M Adder \$/MWh	Gas Price Border or Trading Point \$/MMBtu	Gas Price Exemplary Burnertip \$/MMBtu	Gas Price Point	Resulting SRAC \$/MWh	Effective Heat Rate Btu/kWh
A	B	C	D	E	F = (D+E)/2	G	H	I	J	K = FxI+G	L = K+(G or I)
Average of the administratively determined heat rate pursuant to D.96-12-028 and a Market Heat Rate calculated using a 24-Month Rolling Average of Forward Market Power Prices.	Calculated from administratively determined heat rate and Weighted Average of Peak and Off-Peak Prices	PG&E	9,794	7,795	8,795	2.65	7.02	7.50	Burner-Tip	68.61	9,148
Average of the administratively determined heat rate (equal to the average administrative heat rate in effect for SCE pursuant to D.96-12-028 and modified in D.01-03-067) and a Market Heat Rate calculated using a 24-Month Rolling Average of Forward Market Power Prices	Calculated from administratively determined heat rate and Weighted Average of Peak and Off-Peak Prices	SCE	9,705	8,068	8,887	2.65	7.02	7.50	Burner-Tip	69.30	9,240
Average of the administratively determined heat rate pursuant to D.96-12-028 and a Market Heat Rate calculated using a 24-Month Rolling Average of Forward Market Power Prices	Calculated from administratively determined heat rate and Weighted Average of Peak and Off-Peak Prices	SDG&E	9,603	8,068	8,836	2.65	7.02	7.50	Burner-Tip	68.92	9,189

**Table 4a
All-In Power Prices
Adopted Energy and Capacity Pricing
at an Illustrative Gas Price**

	QF Contract Option	Illustrative Gas Price Burnertip \$/MMBtu	Heat Rate (IER) Btu/kWh	O&M Adder \$/MWh	Capacity Price \$/kW-year	All-In Power Price \$/MWh	All-In Effective Heat Rate Btu/kWh
	A	B	C	D	E	$F = B \times C + D + (E/8760) \times 1000$	$G = F \div B$
Adopted	As-Available Power	7.50	8,887	2.65	\$32.53	\$73	9,735
Adopted	Unit-Contingent, Firm Power	7.50	8,887	2.65	\$91.97	\$80	10,640
PG&E Current	As-Available Power	7.50	9,794	6.3	\$69.93	\$88	11,692
SCE Current	As-Available Power	7.50	9,140	2.0	\$4.93	\$71	9,482
SDG&E Current	As-Available Power	7.50	9,603	8.8	\$70.34	\$89	11,841

Table Notes:

All-In Price = [Gas Price x Heat Rate + O&M Adder] + [Capacity Payment]

where Capacity Payment = \$104/kW-year ÷ 8.760 = \$11.8 per MWh

Table 5
QF Capacity Payments
As-Available vs. Fixed Nameplate Capacity (MW)

Type	PG&E	SCE	SDG&E	Total QF Nameplate Capacity	Illustrative Estimate of Total QF Dependable Capacity
As-Available (MW)	824	1615	21	2,460	1,260
Fixed (MW)	3,429	2,547	219	6,195	5,040
Total (MW)	4,253	4,162	240	8,655	6,300
As-Available %	19%	39%	9%	28%	20%
Fixed %	81%	61%	91%	72%	80%
Total %	100%	100%	100%	100%	100%

Table 6 Power Contract Components	
Components	Types
Time-of-Delivery	7x24 Baseload; 6x16 peak; 6x8 super-peak; 5x8 critical peak.
Price Structure	Fixed; Indexed; Tolling.
Firmness	Unit-Contingent; Firm
Availability	All hours and months, or as specified.
Dispatchability	Dispatchable, non-dispatchable, or intermittent.
Efficiency	Heat rate, sometimes including periodic heat rate tests for unit contingent contracts.
Delivery Point	NP15, SP15, or as agreed.
Recourse for Non-Delivery	Payment for replacement energy at a specified price, or as agreed.

Table 7					
QF LRAC Pricing Proposals					
And All-In Payments					
Pricing Provisions	CAC/EPUC	CCC	IEP	PG&E/IEP Settlement	Adopted
Capacity Price \$/kW-year	\$142	\$110	\$129	\$50	\$92
Based On	CCGT	CT	CCGT	CCGT	CCGT
Heat Rate (Btu/kWh)	7,500	8,895	7,400	8,700	8,887*
VOM (\$/MWh)	\$2.00	\$2.70	\$2.50	\$2.00	\$2.65
Illustrative Gas Price (\$/MMBtu)	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50
All-In Power Price (cents/kWh)	7.4	8.2	7.3	7.3	8.0**

* This heat rate is illustrative for SCE only; the heat rate for PG&E and SDG&E will depend on the relevant administratively determined heat rate pursuant to D.96-12-028 and the market derived heat rate using NP15 prices for PG&E and SP15 prices for SDG&E.

** Because the adopted heat rate shown here applies to SCE only, the all-in power price shown in Table 7 will also apply only to SCE. The result for PG&E and SDG&E will depend on each utility's applicable heat rate.