



Local. Renewable. Ours.

50 Old Courthouse Square, Suite 605
Santa Rosa, CA 95404

SONOMA CLEAN POWER FEED IN TARIFF

AMENDED ON AUGUST 7, 2014 ([amendments noted](#))

Eligibility Criteria

An Eligible Small-Scale Distributed Renewable Generation Resource (“Eligible Resource”) must meet the following criteria:

New Resource. The Eligible Resource must be new, meaning that the Eligible Resource must not have produced or delivered electric energy prior to the date on which its FIT Application is received by SCP.

Small-Scale. The nameplate generating capacity of any Eligible Resource must be smaller than 1 MW (megawatt), alternating current.

Located in SCP Service Territory. The Eligible Resource must be located entirely within the service territory of Sonoma Clean Power, as such service territory is defined on the date of FIT Application submittal.

RPS Compliant. The Eligible Resource must use a fuel source permitted under California’s current RPS program, as further described in the California Energy Commission’s Renewables Portfolio Standard Eligibility Guidebook. Eligible fuel sources include, but are not limited to, the following:

- | | |
|----------------------------------|-----------------------|
| Biomass | Biodiesel |
| Fuel cells using renewable fuels | Digester gas |
| Landfill gas | Municipal solid waste |
| Ocean wave | Ocean thermal |
| Tidal current | Solar Photovoltaic |
| Small hydroelectric | Solar thermal |
| Wind | Geothermal |



Interconnection. Electric interconnection of the Eligible Resource, including execution of all applicable agreements, shall be the sole responsibility of the FIT applicant, inclusive of all related costs, and shall be completed consistent with interconnection requirements specified by PG&E and/or the CAISO, as appropriate. Projects need not be Qualifying Facilities.

Permits. The FIT applicant must obtain all necessary permits from appropriate jurisdictional agency having authority and shall maintain such permits, as may be required, for the duration of the Agreement.

Bundled Product. The product sold by an Eligible Resource and purchased by SCP shall include all electric energy, net of station service, environmental attributes (including related Renewable Energy Certificates, which shall be transferred to SCP) and capacity. For the sake of clarity, environmental attributes shall include all emission reduction benefits associated with the generation of renewable electricity by the Eligible Resource as well as other attributes. SCP will complete WREGIS applications for participating generators.

Operations and Maintenance will be specified in the FIT Agreement.

Standard Contract. All Eligible Resources shall execute SCP's FIT Agreement which is a standard, non-negotiable, long term power purchase agreement.

Participation Limits

Total power cost allocations will be limited to \$250,000 of the program cap per calendar year for a single owner and/or developer applicant. The total program cap for Fiscal Year 2014-2015 is adopted as \$600,000. It should be noted that this budget is for the additional cost of procuring local power. For simplicity, \$65 per MWh will be used as the default base rate when determining program capacity.

As an example, if Acme Company is awarded a FIT Agreement for a project estimated to produce 5500 MWh per year at a rate of \$95 per MWh, the amount assumed paid from this budget per year is \$165,000.

$5500 \text{ kWh} \times (\$95 / \text{MWh} - \$65 / \text{MWh}) = \$165,000$ Paid from Program Budget



As a result, the Acme project would decrease the FIT program budget capacity by \$165,000, resulting in a remaining budget capacity of \$435,000.

The project would still earn \$522,500 per year: \$165,000 being paid with the FIT program budget and the remaining \$357,500 coming from SCP's "base" procurement budget.

$5500 \text{ MWh} \times \$95 / \text{MWh} = \$522,500$ Total Paid to Developer.

FIT Payments

Payments will be made monthly by SCP to each Eligible Resource based on metered electric deliveries. Meter readings will be used for payment determination and quantification as described in the FIT Agreement.

Bonus Tariff

SCP may adjust FIT pricing for certain Eligible Resources that meet the following criteria:

Bonus Criteria	Bonus Tariff	Bonus Payout Period
A. Small Systems (less than 250kW)	\$5 / MWh	Paid during first 60 months of Eligible Resource operation. ^{1,2}
B. Previously Developed Site Location	\$10 / MWh	
C. Local Business	\$10 / MWh	

¹Projects have the option of receiving Bonus payouts at half the tariff amount over twice the amount of time (i.e. for Bonus A: \$2.5 / MWh over 120 months).

²In the event that an Eligible Resource meets all three Bonus Criteria, the Bonus Payout Period shall be extended for an additional 60 months (a total Bonus Payout Period of 120 months).



Details on required documentation are outlined in the FIT Application.

Characteristics are defined as follows:

1. Small systems are defined as those with nameplate generating capacity less than 250 kW AC (average annual output) in size.
2. Previously developed locations are those "areas that either contain or have contained structures or were used for parking, loading or storage related to a previous or existing land use" as defined by Sonoma County Permit and Resource Management Department. Previous use must have occurred within the last 10 years. Satisfactory development documentation, as solely determined by SCP, must be provided by FIT applicant.
3. Local Business shall be defined as follows:
 - a. The developer and/or prime contractor has a place of business (i.e. possesses a business license) and headquartered in Sonoma County, and
 - b. At least 75% of the non-management project-specific labor resides in Sonoma County. Documentation supporting this requirement will be required prior to payment for bonus amount will be issued.

Training Incentive

SCP may adjust FIT pricing for local contractors of Eligible Resources that satisfactorily demonstrate to SCP that:

1. At least 20% of project-specific job hours are staffed by an apprentice who resides in Sonoma County and is participating in a State of California Division of Apprenticeship Standards approved program, and
2. A contractor licensed by the Contractors State License Board as a Class C-10 electrical contractor for the placement, installation, erection and/or connection of all electrical work, as described in Title 16, California Code of Regulations, Section 832.10, will be part of any work involving an electrical system of 100 volt-amperes or more.



Qualifying developers and/or prime contractors must EITHER (a) have a place of business (i.e., possess a business license) and be headquartered in Sonoma County, OR (b) show that at least 75% of the non-management project-specific labor resides in Sonoma County. Documentation supporting this requirement will be required prior to payment for bonus amount will be issued.

An apprenticeship program must be active and documented for the duration of the incentive payout.

The incentive for the complying with the above-listed requirements shall be \$10/MWh paid during first 60 months of Eligible Resource operation.

Forecasting Requirements

Generation forecasts will be required at the time of application and updated (as needed) during construction and throughout the Delivery Term. Underperforming years may be grounds for penalties and changes to the power purchase agreement or termination as appropriate.

Penalties

If the system over generates beyond 115% of contractual output will be compensated at 75% of standard price per kWh of surplus generation up to any contractual and/or financial limits for that contract year.

System underperformance that results in less than 80% of contractual output for two consecutive years is grounds for contract renegotiation or termination.

Fees and Deposit

There is a non-refundable application fee of \$500 and a required deposit of \$4/kW AC installed capacity which is fully refundable upon project completion.



Application Timeline

Interconnection supplemental review must be complete (i.e. tendered IA in place) at time of FIT Application to SCP.

Application Queue

During the first 2 weeks of program operation, an open application period will occur. At the end of the open application period, a lottery system will sort applications received during this time to determine the order in which projects will be listed in the queue. All applications submitted after the open application period will be accepted on a first come-first served basis.

20% of the program budget will be held aside for projects < 250 kW for at least the first 4 months of program operation.