

## **Electric Standard Offer Program**

### **Procedure No. 360-11**

#### **Standard Offer No. 1 and Bid 89 Payments for Facilities with Self Generation**

##### **1. Purpose:**

To clarify PSE&G's procedure for processing Standard Offer No. 1 and Bid 89 incentive payments for facilities that utilize self generation.

##### **2. Description:**

The Seller will receive the full Standard Offer No. 1 and Bid 89 incentive payments for facilities that utilize self generation provided that there is a net purchase of electricity from PSE&G on an hourly basis. This means that the difference between the kilowatt-hours purchased from PSE&G and sold to PSE&G by the Host Facility must be positive for every hour that energy savings are invoiced for. No incentive payments will be made for intervals where a net purchase of electric power from PSE&G by the Host Facility has not occurred.

PSE&G must be notified in writing when self generation is to be used at a Host Facility. The written notification should include a revised Monitoring and Verification (M&V) plan that will allow for the total kilowatt hours purchased from PSE&G and sold to PSE&G to be recorded on an interval basis.

PSE&G will conduct field audits at the Host Facility to verify the installation and operation of new monitoring equipment.

##### **3. Seller Responsibilities:**

The Seller must notify PSE&G in writing when a Host Facility will utilize self generation.

The Seller's notification must include a revised M&V plan. The revised plan must include monitoring of the total kilowatt-hours purchased from PSE&G and sold to PSE&G on an interval basis (intervals not to exceed one hour).

The Seller will coordinate with PSE&G to schedule field audits at the Host Facility to allow for verification of the installation and operation of new monitoring equipment.

The Seller will resume billing for energy savings once PSE&G has given written approval to do so. The Seller's invoice submittal must provide the M&V data and backup documentation required for PSE&G to verify that there is a net purchase of kilowatt-hours from PSE&G for each interval that energy savings are invoiced for.

**4. PSE&G Responsibilities:**

PSE&G will review the Seller's written notification when a Host Facility will be utilizing self generation.

PSE&G will review the Seller's modified M&V plan. PSE&G will verify that the modified M&V plan will allow for the total kilowatt hours purchased from PSE&G and sold to PSE&G by the Host Facility to be monitored and recorded on an interval basis.

PSE&G will coordinate with the Seller to schedule field audits to verify the installation and operation of new M&V equipment.

Based on its review of the Sellers written notification, revised M&V plan, and the field audit results, PSE&G will notify the Seller in writing when billing for energy savings may resume.

PSE&G will use the data from the modified M&V system and the supporting backup documentation to verify that there is a net purchase of kilowatt hours from PSE&G by the Host Facility for each interval that energy savings are invoiced for.

**5. References:**

Letter to Bureau of Electric Rates & Tariffs from PSE&G:

Partial Cogeneration Policy For Bidding & Standard Offer - 3/17/93

"the Host Facility must show a net purchase of electric power from PSE&G on an hourly basis. That is, the difference of the amount of kWh purchased from PSE&G and sold to PSE&G by the Host Facility must be positive for every hour that conservation savings are delivered. No payments will be made for any hours where the net purchase of kWh is zero or negative".

Letter from Bureau of Electric Rates & Tariffs to PSE&G:

Board Of Regulatory Commissioners - 5/4/93

Notification from the Board Staff that they are in agreement with the "Partial Cogeneration Policy For Bidding & Standard Offer - 3/17/93"

**Approved By:** \_\_\_\_\_ **Date:** \_\_\_\_\_

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