

## FIT SCHEDULE Feed-In Tariff for Renewable Generation

- A. **APPLICABILITY.** Clean Energy Alliance (“CEA”) Feed-In Tariff (“FIT”) Schedule is available to qualifying Applicants who wish to sell renewable energy to CEA from an eligible small-scale renewable generating resource (“Eligible Resource”). CEA reserves the right to revise CEA FIT Schedule, the related FIT Application (“Application”) and the terms of the FIT Power Purchase Agreement (“FIT PPA”) from time to time. CEA is not obligated to enter into a FIT PPA with any Applicant, and CEA has no binding obligation under or in connection with this Schedule CEA FIT until a related FIT PPA is duly executed by and between an Applicant and CEA for an Eligible Resource. Moreover, applicants are expected to review CEA’s [Inclusive and Sustainable Workforce Policy](#) to ensure compliance.
- B. **ELIGIBILITY CRITERIA.** An Eligible Resource must meet the following criteria:
- a. **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 Application is received by CEA.
  - b. **Small-Scale.** The nameplate generating capacity of any Eligible Resource must be at least 500 kilowatts (kW) and smaller than 1 MW (megawatt), alternating current.
  - c. **Project Location.** The Eligible Resource must be physically interconnected and located entirely within CEA’s territory.
  - d. **RPS Eligibility.** For purposes of this Schedule CEA FIT, an Eligible Resource must qualify and be certified by the California Energy Commission (“CEC”) as an Eligible Renewable Energy Resource (“ERR”) as such term is defined in California Public Utilities Code Section 399.12 or Section 399.16, and as described in the most current edition of the CEC’s Renewables Portfolio Standard (“RPS”) Eligibility Guidebook (“Guidebook”), as may be amended or supplemented from time to time. The Eligible Resource must use a fuel source permitted under California’s current RPS program, as further described in the Guidebook, including but not limited to the following (it may include non-GHG-emitting energy storage in a hybrid facility arrangement): 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, and geothermal.
  - e. **Interconnection.** An Eligible Resource must pursue and secure interconnection using the appropriate distribution-level interconnection process administered by San Diego Gas & Electric Company (“SDG&E”). Electrical interconnection of the Eligible Resource, including execution of all applicable agreements and payment of all applicable costs, shall be the sole responsibility of the FIT applicant and shall be completed consistent with interconnection requirements specified by SDG&E and/or the California Independent System Operator (“CAISO”), as appropriate. Any resources not meeting the requirements specified in the applicable interconnection procedures of the incumbent distribution utility will not be eligible for service under this CEA FIT Schedule.

- f. Permits. The FIT applicant must obtain all necessary permits from appropriate jurisdictional agencies and shall maintain such permits, as may be required, for the duration of the FIT PPA.
  - g. Bundled Product. The product sold by an Eligible Resource and purchased by CEA shall include all electric energy, net of station service, environmental attributes (including related Renewable Energy Certificates, or “RECs”, which shall be transferred to CEA using the Western Renewable Energy Generation Information System, or “WREGIS”) 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. Participating Applicants will need to register with WREGIS and transfer all RECs to CEA’s designated WREGIS account.
  - h. Environment Attributes. An Eligible Resource accepting service under this Schedule CEA FIT will deliver to CEA both the electric energy generated and any environmental attributes (associated with such electric energy) produced by the Eligible Resource.
  - i. FIT Power Purchase Agreement. All Eligible Resources shall execute CEA’s FIT PPA, which is a standard, non-negotiable, long-term contract created for the purpose of addressing CEA power purchases from an Eligible Resource. CEA’s FIT PPA can be accessed on CEA’s website.
- C. TERM OF FIT PPA. Each FIT PPA shall have a delivery term of twenty (20) years beginning from the Commercial Operation Date (the “Delivery Term”).
- D. FIT PPA BASE PRICE. The base energy price for all FIT PPAs shall be \$85/MWh (\$0.085/kWh), subject to the application of Bonus Incentives as further described below.
- E. BONUS INCENTIVES – PRICING AND SELECTION INCENTIVES. CEA may adjust FIT pricing or selection evaluation for certain Eligible Resources meeting the criteria described below (“Bonus Incentives”). Bonus Incentives shall be paid during the first five (5) years of each FIT PPA. After the first five contract years, the price will revert to the base price set in Section D. Details regarding the documentation required to establish Bonus Incentive eligibility are outlined in the Application. Applicants shall be notified of Bonus Incentive eligibility prior to FIT PPA execution. Current Bonus Incentives are described below.
- a. Co-located with battery storage (ratio of at least 0.5kW storage for 1kW of generating capacity): \$15/MWh (\$0.015/kWh)
- F. FIT PAYMENTS. Payments will be made monthly by CEA to the applicant for each Eligible Resource based on metered electric deliveries. Meter readings, net of station service, delivered by SDG&E will be used for payment determination as described in the FIT PPA.
- G. FIT CAPACITY LIMIT. CEA’s FIT has a capacity limit of two (2) megawatts and no more than four (4) projects. The program will continue until there is no remaining capacity or until CEA decides, at its sole discretion, to discontinue or suspend the program. CEA’s Governing Board reserves the right to adjust the noted FIT Capacity Limit at its sole discretion and without advance notice.

- H. FORECASTING REQUIREMENTS. Generation forecasts will be required at the time of Application submittal and shall be updated (as needed) during construction and throughout the Delivery Term. Underperformance of an Eligible Resource, relative to forecast, may be grounds for financial penalties and/or FIT PPA termination.
- I. PENALTIES. In any year of the Delivery Term, if the Eligible Resource over-generates in excess of 115% of contracted output, payments for such excess will be made at 50% of the base energy price applicable at the time of FIT PPA execution, subject to other pertinent limitations reflected in the FIT PPA. System underperformance that results in less than 80% of contracted output being delivered over a consecutive two-year period shall be grounds for FIT PPA renegotiation.
- J. FIT APPLICATION FEE. There is a non-refundable application fee of \$500 due at the time of Application submittal.
- K. DEVELOPMENT SECURITY DEPOSIT. A Development Security Deposit of \$10 per kilowatt (kW) of Proposed Generator Capacity is due at the time of FIT PPA execution. The Development Security Deposit is retained in full amount by CEA in the event the Project does not achieve Commercial Operation by the Commercial Operation Date. CEA shall return the Development Security Deposit to Seller once the Project achieves Commercial Operation by crediting the full amount of the Development Security Deposit on the first payment.
- L. PERFORMANCE SECURITY DEPOSIT. A Performance Security Deposit of \$10 per kilowatt (kW) of Proposed Generator Capacity is due at the Commercial Operation Date. The Performance Security Deposit is retained in full amount by CEA for the Term of the Power Purchase Agreement. CEA shall return the Performance Security Deposit to Seller once the Term is completed by crediting the full amount of the Reservation Deposit on the last payment.
- M. FIT APPLICATION. CEA requires the sponsor of any Eligible Resource to complete and submit the currently effective Application, which can be viewed on the CEA website. Any informational deficiencies or inaccuracies within a submitted Application may result in the rejection of such Application. Any determinations regarding the sufficiency, accuracy or completeness of a submitted Application will be made at CEA's sole discretion.
- N. CURE PERIOD. CEA will review an Application following its receipt. Based on CEA's review, a FIT applicant may be provided with an opportunity to correct/address certain minor errors and/or deficiencies, as solely determined by CEA, in an Application. If such opportunity is provided, the applicant will be informed by CEA of noted errors and/or deficiencies and will be afforded a ten-day cure period to correct such deficiencies (the "cure period"). The ten-day cure period shall commence following CEA's communication of such errors and/or deficiencies to the FIT applicant. The FIT applicant will retain its place in the queue during such cure period. If the applicant fails to correct noted errors and/or deficiencies within the ten-day cure period, the FIT applicants place in the FIT queue will be forfeited.
- O. FIT APPLICATION – TIMELINE Interconnection process must be initiated and application for applicable permits must be submitted at the time of (or prior to) submittal of an Application to CEA.

- P. FIT APPLICATION – QUEUE. All Applications will be reviewed on a first come-first served basis. A FIT queue position shall only be established after CEA, at its sole discretion, deems the related FIT Application to be complete and accepted. Until such notification is provided by CEA to a FIT Applicant, no queue position shall be established. Failure of a project sponsor to achieve any of the milestones reflected in an Application will be grounds for removal of the project from CEA’s FIT queue or relocation to the end of the queue. At CEA’s sole discretion, projects may be positioned or repositioned higher in the queue for achieving one or more of the following bonus criteria:
- a. Criteria: Queue Position Bonus
    - i. Previously developed site – project is developed on a previously developed site.
    - ii. Local business/local hire – project applicant is a local business and/or intends to use a local workforce.
    - iii. Training – project will use local apprenticeship program hires.
    - iv. Prevailing wage – project contractors and subcontractors will pay at least prevailing rate of wages, as defined in Article 2 (commencing with Section 1770) of Chapter 1 of Part 7 of Division 2 of the California Labor Code
    - v. Timeline – project’s interconnection supplemental review is complete (i.e., a tendered Interconnection Agreement is in place)
- Q. PARTICIPATION IN OTHER CEA PROGRAMS. An Eligible Resource taking service under this Schedule CEA FIT may not also obtain benefits from any of the following: 1) another power purchase agreement with CEA for deliveries from the same Eligible Resource; or 2) any Net Energy Metering (“NEM”) option for energy deliveries from the same Eligible Resource.
- R. CEA APPROVAL. The CEA CEO or their designee must execute every FIT PPA before it is in effect.
- S. OTHER FIT PROGRAM DETAILS. A unique FIT Applicant may submit no more than one Application per calendar month.