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February 1, 2013

**ADVICE LETTER 2424-E-A**  
(U902-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: SUPPLEMENTAL - MODIFICATION OF SAN DIEGO GAS & ELECTRIC NET ENERGY METERING (NEM) FUEL CELL TARIFFS PURSUANT TO SENATE BILL 594**

San Diego Gas & Electric Company ("SDG&E") hereby submits to the California Public Utilities Commission ("CPUC" or "Commission") for approval the following revisions to its electric tariff sheets as show in enclosed Attachment A.

**BACKGROUND**

On September 27, 2012, Senate Bill ("SB") 594 was approved by Governor Jerry Brown modifying various parts of Public Utility Code Section ("PU Code §") 2827 and 2827.10, which outlines the State's NEM protocols. SB 594 will take effect January 1, 2013. SB 594 authorizes an eligible customer-generator with multiple meters to elect to aggregate the electrical load of the meters located on the property where the generation facility is located and on all property adjacent on contiguous to the property on which the generation facility is located, if those properties are solely owned, leased or rented by the eligible customer-generator, as provided. The bill would require that in making the determination whether the eligible fuel cell customer-generator is a net consumer or producer of electricity during the 12-month period, the electrical corporation is to aggregate the electrical load of the meters located on the property as previously described.

SDG&E filed Advice Letter (AL) 2424-E on November 30, 2012 to update its NEM Fuel Cell Tariffs pursuant to SB 594. Under direction from Energy Division, SDG&E is filing this complete supplemental to update its share of the 500 megawatts (MW) fuel cell NEM capacity cap and to serve parties in service lists for Rulemaking (R.)10-05-004 and R.12-11-005. This supplemental filing replaces AL 2424-E in its entirety.

**DISCUSSION**

SB 594 directs SDG&E, Pacific Gas & Electric ("PG&E") and Southern California Edison ("SCE") (collectively known as "IOUs") to modify its Net Energy Metering - Fuel Cell ("NEM-FC") tariff to include (1) language that aggregates the electrical load of the meters located on the property where the eligible fuel cell electrical generation facility is located and on all property adjacent or contiguous to the property on which the facility is located, if those properties are solely owned, leased, or rented by the eligible fuel cell customer-generator, (2) an extension of the in operation date from January 1, 2014 to January 1, 2015, (3) increase participation allowed under NEM-FC by increasing the cap from 45 MW per IOU to a statewide limitation of

500 MW, (4) Allows the Commission to authorize an electrical corporation to charge a fee based on the cost to the IOU associated with providing interconnection inspection services for the fuel cell customer-generator and (5) amends the definition of an “eligible fuel cell customer-generator” to add that “a person or entity is a customer of the electrical corporation if the customer is physically located within the service transmission service from the electrical corporation”. As such, the inclusion of this definition makes this tariff available to Direct Access (“DA”) customers.

### **Aggregation of Customers**

SDG&E includes language in the tariff to note that “All aggregated accounts must be (1) all bundled customers, (2) all Community Choice Aggregators (“CCA”) service accounts served by the same CCA, or (3) all Direct Access customers’ accounts served by the same Electric Service Provider. Accounts can only be aggregated to one customer-generator. Customers choosing to aggregate accounts will be responsible for the interconnection costs associated with sizing their systems to offset load from multiple meters.

SDG&E herein also modifies Electric Form 142-02762, Fuel Cell Generating Facility Net Energy Metering and Interconnection Agreement, to include a new Appendix E, “List of eligible Time-of-Use metered service accounts to be aggregated” to allow for this modification.

### **Enrollment Cap**

PU Code Section 2827.10(c)(1) modifies the NEM-FC enrollment cap by requiring the IOU to make the tariff available until the total cumulative rated generating capacity of the eligible fuel cell electrical generating facilities receiving service reaches a level equal to its proportionate share of the California statewide limitation of 500MW.

The CPUC determined that the legislative intent of SB 594 was to raise the cap on fuel cell NEM to 500MW to be proportionately allocated amongst only the three CA IOUs. As such, SDG&E in calculating its share used the 2011 historical peak demand (numerator) from its 2011 FERC Form 1, page 401b, peak for September 7, 2011 of 4,371MW. For the peak statewide demand (denominator), the total of all three IOUs historical peak demand from their 2011 FERC Form 1 of 46,075MW (SDG&E = 4,371MW + SCE = 22,154MW + PG&E = 19,550MW) was used to determine the percentage share of the 500MW cap for each utility.

Therefore, SDG&E’s percentage of the 500MW statewide limitation would be calculated as  $4,371 / 46,075 = 9.5\%$ ; resulting in  $500 \text{ MW} \times 9.5\% = 47.5 \text{ MW}$

### **Direct Access (“DA”) Customers**

Schedule NEM-FC also applies to DA customers. Although SDG&E won’t be providing the generation credit, DA customers are allowed to receive the departing load, standby and Rule 21 exemptions by being included in the tariff.

### **Interconnection Inspection Fees**

PU Code §2827.10 (d)(2) provides that “The commission shall authorize an electrical corporation to charge a fuel cell customer-generator a fee based on the cost to the utility

associated with providing interconnection inspection services for that fuel cell customer-generator.”

Currently, separate from NEM, each on-site generation facility that is connected to the utility distribution system must be inspected by the utility to ensure that proper disconnection equipment is accessible to utility personnel that may need to work on power lines that may be energized by the on-site generation facility (requirement established via Electric Rule 21). The cost for these inspections is currently embedded in the rates paid by other customers. The modification of PU Code §2827.10 allows the electrical corporation to charge a fee based on the cost for providing these inspection services so that non-NEM customers are not required to pay for these services.

SDG&E intends to charge the following interconnection inspection costs based on incremental labor costs of \$150/hour (similar to charges in Electric Rule 21) to verify the protective settings and functionality of the eligible fuel cell electrical generating facility's interconnection with SDG&E's system:

Non-aggregated arrangement = \$225 flat fee (1.5 hours);  
Aggregated arrangement = \$375 flat fee (2.5 hours); and  
Hourly (\$150) for "non-certified" equipment

### **EFFECTIVE DATE**

SDG&E believes that this filing is subject to Energy Division disposition and should be classified as Tier 2 (effective pending disposition) pursuant to GO 96-B. This filing is consistent with SB 594 and, therefore, SDG&E respectfully requests that this filing be approved effective on January 1, 2013.

### **PROTEST**

The filing of a supplement does not automatically continue or reopen the protest period or delay the effective date of the advice letter. Anyone may protest this Advice Letter to the Commission. Any new protest shall be limited to the substance of the supplemental or additional information.

If the protest period is reopened, the protest must state the grounds upon which it is based and be submitted expeditiously. The protest must be made in writing and received no later than February 21, 2013, which is 20 days from the date this Supplemental Advice Letter was filed with the Commission. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of the Energy Division at [EDtariffUnit@cpuc.ca.gov](mailto:EDtariffUnit@cpuc.ca.gov). A copy of the protest should also be sent via both e-mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Megan Caulson  
Regulatory Tariff Manager  
8330 Century Park Court, Room 32C  
San Diego, CA 92123-1548  
Facsimile No. (858) 654-1879  
E-mail: [MCaulson@semprautilities.com](mailto:MCaulson@semprautilities.com)

**NOTICE**

A copy of this filing has been served on the utilities and interested parties shown on the attached GO 96-B list and to those parties in service list R.10-05-004 and R.12-11-005, by either providing them a copy electronically or by mailing them a copy hereof properly stamped and addressed.

Address changes should be directed to SDG&E Tariffs by facsimile at (858) 654-1879 or by email to [SDG&ETariffs@semprautilities.com](mailto:SDG&ETariffs@semprautilities.com).

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CLAY FABER  
Director – Regulatory Affairs

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **SAN DIEGO GAS & ELECTRIC (U 902)**

Utility type:

ELC     GAS  
 PLC     HEAT     WATER

Contact Person: Joff Morales

Phone #: (858) 650-4098

E-mail: jmorales@semprautilities.com

### EXPLANATION OF UTILITY TYPE

ELC = Electric    GAS = Gas  
PLC = Pipeline    HEAT = Heat    WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 2424-E-A

Subject of AL: Supplemental - Modification of SDG&E Net Energy Metering Fuel Cell Tariffs Pursuant to Senate Bill 594

Keywords (choose from CPUC listing): Tariffs, Net Energy Metering

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: None

Summarize differences between the AL and the prior withdrawn or rejected AL<sup>1</sup>: N/A

Does AL request confidential treatment? If so, provide explanation: No

Resolution Required?  Yes  No

Tier Designation:  1  2  3

Requested effective date: 1/1/2013

No. of tariff sheets: 12

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: NEM-FC, Electric Form 142-02762, Table of Contents

Service affected and changes proposed<sup>1</sup>: No m

Pending advice letters that revise the same tariff sheets: None

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:**

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Ave.,  
San Francisco, CA 94102  
EDTariffUnit@cpuc.ca.gov

San Diego Gas & Electric  
Attention: Megan Caulson  
8330 Century Park Ct, Room 32C  
San Diego, CA 92123  
mcaulson@semprautilities.com

<sup>1</sup> Discuss in AL if more space is needed.

General Order No. 96-B  
ADVICE LETTER FILING MAILING LIST

cc: (w/enclosures)

Public Utilities Commission

DRA

Y. Schmidt  
W. Scott

Energy Division

P. Clanon  
S. Gallagher  
H. Gatchalian  
D. Lafrenz  
M. Salinas

CA. Energy Commission

F. DeLeon  
R. Tavares

Alcantar & Kahl LLP

K. Harteloo

American Energy Institute

C. King

APS Energy Services

J. Schenk

BP Energy Company

J. Zaiontz

Barkovich & Yap, Inc.

B. Barkovich

Bartle Wells Associates

R. Schmidt

Braun & Blaising, P.C.

S. Blaising

California Energy Markets

S. O'Donnell  
C. Sweet

California Farm Bureau Federation

K. Mills

California Wind Energy

N. Rader

CCSE

S. Freedman  
J. Porter

Children's Hospital & Health Center

T. Jacoby

City of Chula Vista

M. Meacham  
E. Hull

City of Poway

R. Willcox

City of San Diego

J. Cervantes  
G. Lonergan  
M. Valerio

Commerce Energy Group

V. Gan

Constellation New Energy

W. Chen

CP Kelco

A. Friedl

Davis Wright Tremaine, LLP

E. O'Neill  
J. Pau

Dept. of General Services

H. Nanjo  
M. Clark

Douglass & Liddell

D. Douglass  
D. Liddell  
G. Klatt

Duke Energy North America

M. Gillette

Dynegy, Inc.

J. Paul

Ellison Schneider & Harris LLP

E. Janssen

Energy Policy Initiatives Center (USD)

S. Anders

Energy Price Solutions

A. Scott

Energy Strategies, Inc.

K. Campbell  
M. Scanlan

Goodin, MacBride, Squeri, Ritchie & Day

B. Cragg  
J. Heather Patrick

J. Squeri

Goodrich Aerostructures Group

M. Harrington

Hanna and Morton LLP

N. Pedersen

Itsa-North America

L. Belew

J.B.S. Energy

J. Nahigian

Luce, Forward, Hamilton & Scripps LLP

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Manatt, Phelps & Phillips LLP

D. Huard  
R. Keen

Matthew V. Brady & Associates

M. Brady

Modesto Irrigation District

C. Mayer

Morrison & Foerster LLP

P. Hanschen

MRW & Associates

D. Richardson

OnGrid Solar

Andy Black

Pacific Gas & Electric Co.

J. Clark  
M. Huffman  
S. Lawrie  
E. Lucha

Pacific Utility Audit, Inc.

E. Kelly

R. W. Beck, Inc.

C. Elder

School Project for Utility Rate  
Reduction

M. Rochman

Shute, Mihaly & Weinberger LLP

O. Armi

Solar Turbines

F. Chiang

Sutherland Asbill & Brennan LLP

K. McCrea

Southern California Edison Co.

M. Alexander

K. Cini

K. Gansecki

H. Romero

TransCanada

R. Hunter

D. White

TURN

M. Florio  
M. Hawiger

UCAN

M. Shames

U.S. Dept. of the Navy

K. Davoodi

N. Furuta

L. DeLacruz

Utility Specialists, Southwest, Inc.

D. Koser

Western Manufactured Housing  
Communities Association

S. Dey

White & Case LLP

L. Cottle

Interested Parties in

R.10-05-004

R.12-11-005

ATTACHMENT  
ADVICE LETTER 2424-E-A

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
Revised 23436-E	SCHEDULE NEM-FC, NET ENERGY METERING FOR FUEL CELL CUSTOMER-GENERATORS, Sheet 1	Revised 22606-E
Revised 23437-E	SCHEDULE NEM-FC, NET ENERGY METERING FOR FUEL CELL CUSTOMER-GENERATORS, Sheet 2	Revised 22607-E
Revised 23438-E	SCHEDULE NEM-FC, NET ENERGY METERING FOR FUEL CELL CUSTOMER-GENERATORS, Sheet 3	Revised 20456-E
Revised 23439-E	SCHEDULE NEM-FC, NET ENERGY METERING FOR FUEL CELL CUSTOMER-GENERATORS, Sheet 4	Revised 22608-E
Revised 23440-E	SCHEDULE NEM-FC, NET ENERGY METERING FOR FUEL CELL CUSTOMER-GENERATORS, Sheet 5	Revised 23232-E
Revised 23441-E	SCHEDULE NEM-FC, NET ENERGY METERING FOR FUEL CELL CUSTOMER-GENERATORS, Sheet 6	Revised 22610-E
Revised 23442-E	SCHEDULE NEM-FC, NET ENERGY METERING FOR FUEL CELL CUSTOMER-GENERATORS, Sheet 7	Revised 22611-E
Original 23443-E	SCHEDULE NEM-FC, NET ENERGY METERING FOR FUEL CELL CUSTOMER-GENERATORS, Sheet 8	
Revised 23444-E	SAMPLE FORMS, FORM 142-02762, Sheet 1	Revised 18679-E
Revised 23445-E	TABLE OF CONTENTS, Sheet 1	Revised 23405-E
Revised 23446-E	TABLE OF CONTENTS, Sheet 5	Revised 23402-E
Revised 23447-E	TABLE OF CONTENTS, Sheet 10	Revised 23290-E



**SCHEDULE NEM-FC**

Sheet 1

NET ENERGY METERING FOR FUEL CELL CUSTOMER-GENERATORS

APPLICABILITY

Except as otherwise provided herein, this schedule is applicable to bundled service, Community Choice Aggregators (CCA), and Direct Access (DA) customers who are served under a Time-of-Use (TOU) rate schedule, and who prior to January 1, 2015 (1) interconnect and operate in parallel with the Utility's electrical system using an Eligible Fuel Cell Electrical Generating Facility, as defined below (Special Condition 1a) pursuant to California Public Utilities Code Section 2827.10 (PU Code Section 2827.10), with a generating capacity no greater than 1,000 kW, located or adjacent to the customer's owned, leased or rented premises, is interconnected and operates in parallel with the Utility's grid while the grid is operational or is operated independently from the grid when the grid is not operational, and is sized to offset part or all of the customer's electrical requirements, (2) are the recipient of local, state, or federal funds, or who self-finance projects designed to encourage the development of Eligible Fuel Cell Electrical Generating Facilities, and (3) use technology the Commission has determined will achieve reductions in emissions of greenhouse gases pursuant to subdivision (b), and meets the emission requirements for eligibility for funding set forth in subdivision (c), of section 379.6. Such a customer will be referred to hereafter as an "eligible fuel cell customer-generator" or "customer". Customers eligible for service under this schedule are exempt from any new or additional charges not included in their Otherwise Applicable Schedule (OAS).

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Pursuant to PU Code Section 2827.10, this schedule is available on a first-come, first-serve basis for the operating life of the Eligible Fuel Cell Electrical Generating Facility, and will be closed to new customers once the Utility reaches a level equal to its proportionate share of a statewide limitation of 500 megawatts as calculated by a ratio of the Utilities peak demand compared to the total statewide peak demand. This ratio is calculated to be 37 megawatts for the Utility.

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Pursuant to Decision 08-02-002 and notwithstanding all applicable terms and conditions contained herein, to the extent a CCA offers a net energy metering tariff for fuel cell customer-generators, the Utility shall provide applicable NEM services under this schedule to an eligible CCA customer-generator consistent with services provided to its bundled service eligible customer-generators. As a condition of receiving service under this schedule, the CAA shall be responsible for timely providing the applicable generation-related bill charges or credits for each CCA customer-generator to the Utility. Each eligible CCA customer-generator shall look to its CCA for NEM services related to the electric generation charges and credits that result from receiving services under this schedule. The CCA shall also be responsible for the applicable generation-related bill credit structure associated with this service option and providing the CCA customer-generator with the applicable generation-related bill credit. If a CCA or DA customer elects NEM aggregation service, as defined below, all aggregated accounts must be served by the same CCA or by the same Electric Service Provider (ESP).

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<i>1P3</i>	Issued by	Date Filed	Feb 1, 2013
Advice Ltr. No. <u>2424-E-A</u>	<b>Lee Schavrien</b>	Effective	
Decision No. _____	Senior Vice President Regulatory Affairs	Resolution No.	_____





**SCHEDULE NEM-FC**

Sheet 2

NET ENERGY METERING FOR FUEL CELL CUSTOMER-GENERATORS

APPLICABILITY (continued)

Schedule NEM-FC applies to specified Net Energy Metering-eligible (NEM-eligible) generators in a Generating Facility comprised of multiple NEM and non-NEM eligible generators, served through the same Point of Common Coupling (PCC), where the NEM-eligible generating capacity is not more than 1 megawatt. Such facilities will be referred to as Multiple Tariff Facilities, and any group of generators within such a facility that is subject to the same tariff provisions for billing and metering purposes will be referred to as a Constituent Generator Group. In order to be eligible for this rate schedule in a Multiple Tariff Facility, the customer must meet all the requirements of Special Condition 7 for the Schedule NEM-FC generator, and must also meet any other applicable tariffs. Customer must also complete a Generating Facility Interconnection Agreement (Multiple Tariff) (Form 117-2160).

TERRITORY

The entire territory served.

RATES

Only the Generation Rate Component of the eligible fuel cell customer-generator's OAS, less generation surcharges (such as the DWR Bond Charge shown on Schedule DWR-BC) or any successor rate schedule if any, shall be used in the calculation of credits when the eligible fuel cell customer-generator is a net energy producer, on a monthly basis, for any TOU period. Only the Generation Rate Component of the eligible fuel cell customer-generator's OAS, including all generation surcharges, if any, shall be used to calculate the charge for generation when the eligible fuel cell customer-generator is a net energy consumer on a monthly basis, for any TOU period. All other charges, including but not limited to, Transmission Charges, Distribution Charges, Public Goods Charges, Nuclear Decommissioning Charges, Monthly Basic Service Fees, Customer Charges, Minimum Charges, Demand Charges, and non-energy related charges shall be calculated according to the eligible fuel cell customer-generator's OAS prior to the netting of energy consumed and exported.

Pursuant to CPUC Decision 03-04-030, eligible fuel cell customer-generators shall not pay the departing load cost responsibility surcharge shown on Schedule DL-CRS.

Notwithstanding anything in Electric Rule 21 pursuant to PU Code Section 2827.10, the following interconnection inspection charges will be applied:

- Non-aggregated arrangement = \$225 flat fee;
- Aggregated arrangement = \$375 flat fee; and
- Hourly (\$150) for "non-certified" equipment

(Continued)

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Advice Ltr. No. 2424-E-A

Decision No. \_\_\_\_\_

Issued by  
**Lee Schavrien**  
Senior Vice President  
Regulatory Affairs

Date Filed Feb 1, 2013

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_



**SCHEDULE NEM-FC**

Sheet 3

NET ENERGY METERING FOR FUEL CELL CUSTOMER-GENERATORS

RATES (continued)

Customers eligible for service under this schedule are not required to take service under Schedule S (Standby Service) or Schedule S-I (Standby Service – Interruptible) for the qualifying generators. Eligible customers shall be permitted to take standby service for non-eligible generation on the same meter as the eligible generation.

The charges and credits for Multiple Tariff Facilities taking service on this rate schedule under the provisions of Special Condition 7 will be calculated using the OAS identified by the eligible fuel cell customer-generator in its application for interconnection and its interconnection agreement with SDG&E or as subsequently changed by the eligible fuel cell customer-generator in accordance with SDG&E’s Electric Rule 12.

Customers with Multiple Tariff Facilities with existing NEM and/or NEM-FC eligible generators interconnecting additional generators, will receive a bill true-up, prior to taking service under Special Condition 7. This ensures that all NEM accounts have the same Relevant Period, as defined in Special Condition 1.d, going forward.

SPECIAL CONDITIONS

1. Definitions: The definitions and terms used in this schedule are either found herein or in Rule 1, Rule 21, or the eligible fuel cell customer-generator’s OAS.
  - a. Eligible Fuel Cell Electrical Generating Facility: A Generating Facility used to produce electricity by a fuel cell, that meets all applicable safety and performance standards in accordance with the Utility’s Electric Rule 21 and pursuant to PU Code Section 2827.10 includes 1) an integrated power plant systems containing a stack, tubular array, or other functionally similar configuration used to electrochemically convert fuel to electric energy; 2) an inverter and fuel processing system where necessary, and 3) other plant equipment, including heat recovery equipment necessary to support the plant’s operation or it’s energy conversion.
  - b. Date of Final Interconnection: The date the Utility provides the eligible fuel cell customer-generator with the Utility’s written approval to commence parallel operation of the Eligible Fuel Cell Electrical Generating Facility for purposes of participating in Schedule NEM-FC.
  - c. Otherwise Applicable Schedule (OAS): The eligible fuel cell customer-generator’s regularly filed rate schedule under which service is rendered.
  - d. Relevant Period: Twelve monthly billing cycles commencing on the anniversary date of Final Interconnection or pursuant to Special Condition 4.b, or a portion thereof, in the event service under this tariff terminates.
  - e. Eligible Metered Service Account: A TOU metered service account serving an Eligible Fuel Cell Electrical Generating Facility.

(Continued)



**SCHEDULE NEM-FC**

Sheet 4

NET ENERGY METERING FOR FUEL CELL CUSTOMER-GENERATORS

SPECIAL CONDITIONS (continued)

1. Definitions: (continued)

- a. Annual Reconciliation: The Utility will total the monthly valued generation rate component of the energy (kWh) supplied by the Utility to the eligible fuel cell customer-generator and the monthly valued generation rate component of the energy (kWh) fed back to the Utility Distribution System by the eligible fuel cell customer-generator during the Relevant Period. If the total generation rate component value of all the energy supplied by the Utility is greater than the total Generation Rate Component fed back to the Utility Distribution System, then the eligible fuel cell customer-generator is a net consumer. Otherwise, the eligible fuel cell customer-generator is a net producer.

For purposes of determining if the eligible fuel cell customer-generator was a net consumer or net producer during the Relevant Period, SDG&E will aggregate the electrical load of the meters located on the property where the eligible fuel cell electrical generation facility is located, and on all property adjacent or contiguous to the property on which the facility is located, if those properties are solely owned, leased, or rented by the eligible fuel cell customer generator. Each aggregated account shall be billed and measured according to a time-of-use rate schedule. In addition, the eligible fuel cell customer generator must be the owner or record on all such accounts to be eligible for aggregation service.

As part of the Annual Reconciliation, net consumers and net producers will receive a bill for energy usage that totals 1) all generation charges; 2) all Eligible Generation Credits; and 3) all other charges, due in that billing cycle of the Relevant Period.

The balance of all monies owed by net consumers and net producers shall be paid in accordance with the customer-generator's OAS. Production and consumption during the twelfth month is already considered in the true-up.

For CCA, at the end of each relevant period, the CCA shall complete an annual true up of all charges and credits calculated monthly, consistent with the provisions set forth under this schedule. Credits and charges related to the CCA's generation services shall be based on the information provided by the CCA to the Utility. Any net balance related to generation charges that are collected from an eligible NEM CCA customer-generator will be paid annually by the Utility to the CCA as set forth in Rule 27, Section Q, which describes the payment and collection terms between the Utility and a CCA customer. Charges or credits resulting from a CCA's generation services shall not be co-mingled with charges or credits resulting from services provided by the Utility.

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Advice Ltr. No. 2424-E-A

Decision No. \_\_\_\_\_

Issued by  
**Lee Schavrien**  
Senior Vice President  
Regulatory Affairs

Date Filed Feb 1, 2013

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_



**SCHEDULE NEM-FC**

Sheet 5

NET ENERGY METERING FOR FUEL CELL CUSTOMER-GENERATORS

SPECIAL CONDITIONS (continued)

1. Definitions: (continued)

g. Eligible Generation Credit: The Eligible Generation Credit for net consumers equals the lesser of 1) all net generation charges for the Relevant Period; or 2) the absolute value of all net generation credits for the Relevant Period.

Pursuant to PU Code Section 2827(h)(3), once the true-up is completed at the end of the Relevant Period, any credit for excess energy (kWh) will be retained by the Utility and net producer will not be owed any compensation for this excess energy.

h. Net Energy: The difference between the electricity (kWh) supplied by the Utility to the eligible fuel cell customer-generator, and the electricity (kWh) generated by the eligible fuel cell customer-generator and fed back into the Utility's Distribution System, measured over a given period.

i. Generation Rate Component: The Generation Rate Component (under Schedule EECC or any other applicable generation related charge, which includes, but is not limited to optional commodity pricing that may be available) of the energy charge of the eligible fuel cell customer-generator's OAS.

2. Required Contract: An Interconnection Agreement is required for service under this schedule.

3. Metering:

a. Fuel cell Net Energy Metering shall be accomplished using a TOU meter capable of separately registering the flow of electricity in two directions. If the eligible fuel cell customer-generator's existing meter is not capable of separately measuring the flow of electricity in two directions, the eligible fuel cell customer-generator shall be responsible for all expenses involved in purchasing and installing a meter that is able to separately measure electricity flow in two directions. If dual metering is installed, the Net Energy Metering calculation shall yield a result identical to that of a single meter capable of separately measuring the flow of electricity in two directions.

b. If none of the normal metering options at the Utility's disposal that are necessary to render accurate billing are acceptable to the eligible fuel cell customer-generator, the Utility shall have the have the right to refuse interconnection under this rate schedule

c. Multiple Tariff Facilities will be metered under one of the options described in Special Condition 7.

4. Billing: Eligible fuel cell customer-generators will be billed monthly for all charges other than the Generation Rate Component. With each monthly billing statement, the Utility shall provide the eligible fuel cell customer-generator with information regarding energy (kWh) consumption and energy (kWh) exported to the grid.

The Utility shall start a customer on Schedule NEM effective with the first meter read date to the later of (1) customer notice to the Utility of a request for service on Schedule NEM-FC or (2) SDG&E's written authorization for parallel operation of the customer's eligible generating facility.

(Continued)

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Advice Ltr. No. 2424-E-A

Decision No. \_\_\_\_\_

Issued by  
**Lee Schavrien**  
Senior Vice President  
Regulatory Affairs

Date Filed Feb 1, 2013

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_



**SCHEDULE NEM-FC**

Sheet 6

NET ENERGY METERING FOR FUEL CELL CUSTOMER-GENERATORS

SPECIAL CONDITIONS (continued)

4. Billing (continued)

At the end of each Relevant Period, as defined in Special Condition 1.d, following the Date of Final Interconnection, the Utility shall proceed as follows:

- a. The Utility will complete an Annual Reconciliation pursuant Special Condition 1.f.
- b. All applicable generation credit will be applied to the customer account with the eligible fuel cell electrical generation facility at the time of the Annual Reconciliation. This includes generation credit associated with any aggregated electrical load of the meters located on the property where the eligible fuel cell electrical generation facility is located, and on all property adjacent or contiguous to the property on which the facility is located.
- c. Any remaining generation credit greater than the Eligible Generation Credit calculated pursuant to Special Condition 1.g will be reduced to zero and the eligible fuel cell customer-generator shall not be entitled to compensation for such credit, and a new Relevant Period shall commence.

Customer-generators with Multiple Tariff Facilities with existing NEM and/or NEM-FC eligible generators interconnecting additional generators, will receive a bill reconciliation prior to taking service under Special Condition 7. This ensures that all NEM accounts have the same Relevant Period going forward.

5. Standby Charges: Consistent with electric Rate Schedule S, Standby Service, or S-I, Standby Service - Interruptible, to the extent that charges for transmission and distribution services are recovered through demand charges in any billing period, no standby charges shall apply in that monthly billing cycle except Multiple Tariff Facilities interconnected under the terms of Special Condition 7 may be subject to the requirements of Schedules S or SI.

6. Interconnection: Prior to Parallel Operation, the eligible fuel cell customer-generator must execute and comply with the applicable Utility Interconnection Agreement (Form 142-0761 or, for NEM / non-NEM Generating Facility export, Form 117-2160). The eligible fuel cell customer-generator shall meet all applicable safety and performance standards established by the National Electric Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories such as Underwriters Laboratories and, where applicable, rules of the CPUC regarding safety and reliability.

7. Multiple Tariff Facilities:

Multiple Tariff Facilities have the following additional provisions:

- a. When Net Generation Output Metering (NGOM) is required, such NGOM must conform to the requirements set forth in Electric Rule 21, Section J.3.
- b. An NEM-eligible Constituent Generator Group is defined as a group of generators that is eligible for service under the provisions of either schedule NEM or NEM-FC

(Continued)

6P3

Issued by

Date Filed

Feb 1, 2013

Advice Ltr. No. 2424-E-A

**Lee Schavrien**

Effective

Senior Vice President  
Regulatory Affairs

Resolution No. \_\_\_\_\_

Decision No. \_\_\_\_\_



**SCHEDULE NEM-FC**

Sheet 7

NET ENERGY METERING FOR FUEL CELL CUSTOMER-GENERATORS

SPECIAL CONDITIONS (continued)

7. Multiple Tariff Facilities (continued)

- a. A non-NEM-eligible Constituent Generator Group is defined as a group of generators that does not take service under the provisions of schedules NEM or NEM-FC, but interconnects under the provisions of Electric Rule 21.
- b. All metering for Multiple Tariff Facilities called for in this special condition must meet the requirements needed to bill under the customer's OAS. All metering equipment and Non Export Relays necessary to implement the provisions in this section will be provided at the customer's expense.
- c. Billing Credits:
  - 1) For customer-generators with one NEM-eligible Constituent Generator Group and one or more non-NEM-Eligible Generators without non-export relay, and energy (kWh) is exported to the grid at the PCC, the billing credit will be calculated for each billing period as follows:
    - a) NEM-eligible Export is the lesser of either all exported energy (kWh) as measured at the PCC or the NEM-eligible Constituent Generator Group's production as measured at the NGOM(s)
    - b) Multiply the NEM-eligible export determined in (a) above with the customer-generator's rate per OAS and applicable NEM schedule
  - 2) For customer-generators with multiple NEM-eligible Constituent Generator Groups and with or without one or more non-Eligible Generator's without non-export relay, and energy (kWh) is exported to the grid at the PCC, the billing credit for each NEM-eligible Constituent Generator Group will be calculated for each billing period as follows:
    - a) Sum all NEM-eligible Constituent Generator Groups' production (kWh) as measured at the NGOMs.
    - b) Determine the proportion of energy production (kWh) attributable to each NEM-eligible Constitute Generator Group by dividing the NGOM reading of each by the sum from (a) above.
    - c) NEM-eligible Export for each NEM-eligible Constituent Generator Group is the lesser of either its proportion of attributable energy production determined in (b) above multiplied by the total exported energy (kWh) as measured at the PCC or its energy production (kWh) measured at its NGOM.

(Continued)



**SCHEDULE NEM-FC**

Sheet 8

NET ENERGY METERING FOR FUEL CELL CUSTOMER-GENERATORS

SPECIAL CONDITIONS (continued)

7. Multiple Tariff Facilities: (continued)

e. Billing Credits: (continued)

- d) Multiply each NEM-eligible Constituent Generator Group's Export determined in (c) above by the customer-generator's rate per OAS and applicable NEM schedule.

If interval meters are used, this allocation of bill credit will be done on the aggregated intervals over a billing period. If the OAS is a time-of-use (TOU) rate schedule, the allocation will be performed for each aggregated TOU period separately.

3) Billing credit will be applied consistent with the appropriate NEM tariff as follows:

- a) First, apply Generation Rate Component credits from NEM-FC generators (if any) as appropriate, to the remainder of generation component charges on the account served by the Generating Facility (Host Account).
- b) Second, apply NEM Generating Facility credits to energy charges of the accounts served by the Generating Facility.

f. Multiple Tariff Facility Configurations and Metering.

- 1) For two or more of NEM-eligible Constituent Generator Groups and no non-NEM eligible Constituent Generator Groups, the customer-generator must install NGOM on each Constituent Generator Group. In addition, metering is required at the PCC.
- 2) For both, NEM-eligible and non-NEM-eligible Constituent Generator Groups, the customer must select one of the following options:
  - a) **Non Export Relay Option:** A customer-generator must install a Non-Export relay on their non-NEM Constituent Generator Groups and install metering as follows: 1) If there is only one type of NEM-eligible Constituent Generator Group then metering at the PCC is all that is required and the terms of the appropriate NEM tariff for that group shall apply; 2) If there are two or more types of NEM-eligible Constituent Generator Groups, then metering at the PCC and NGOM metering of each NEM-eligible Constituent Generator Group is required.
  - b) **NGOM Option:** The customer-generator must install NGOM on each NEM-eligible Constituent Generator Group and metering at the PCC.

For any of the above configurations, if the customer-generator has a Constituent Generator Group eligible for Schedule NEM for Renewable electrical generating facility, the customer-generator may elect to take service for such under either Schedule NEM or Schedule NEM-FC as appropriate to one of the other Constituent Generator Groups.

For the purpose of tariff administration, other metering configurations may be allowed at SDG&E's discretion.

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Advice Ltr. No. 2424-E-A

Decision No. \_\_\_\_\_

Issued by  
**Lee Schavrien**  
Senior Vice President  
Regulatory Affairs

Date Filed Feb 1, 2013

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_



San Diego Gas & Electric Company  
San Diego, California

Revised Cal. P.U.C. Sheet No. 23444-E

Canceling Revised Cal. P.U.C. Sheet No. 18679-E

**SAMPLE FORMS**

Sheet 1

FORM 142-02762

Fuel Cell Generating Facility Net Energy Metering  
and Interconnection Agreement

(01/13)

(See Attached Form)

T

1P4

Advice Ltr. No. 2424-E-A

Decision No. \_\_\_\_\_

Issued by  
**Lee Schavrien**  
Senior Vice President  
Regulatory Affairs

Date Filed Feb 1, 2013

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_





**SAN DIEGO GAS & ELECTRIC COMPANY  
FUEL CELL GENERATING FACILITY NET ENERGY METERING  
AND INTERCONNECTION AGREEMENT**

This Fuel Cell Generating Facility Net Energy Metering and Interconnection Agreement (“Agreement”) is entered into by and between (*Producer’s Name*) a (*form of entity & state of registration*) (“Producer”), and San Diego Gas & Electric Company (“SDG&E”), a California corporation. Producer and SDG&E are sometimes also referred to in this Agreement jointly as “Parties” or individually as “Party.” In consideration of the mutual promises and obligations stated in this Agreement and its attachments, the Parties agree as follows:

1. SCOPE AND PURPOSE

This Agreement provides for Producer to interconnect and operate an Eligible Fuel Cell Electrical Generating Facility, as defined section 2827.10 of the California Public Utilities Code (“Generating Facility”), in parallel with SDG&E’s Distribution System to serve the electrical loads at the location identified in Section 2.2, below.

2. SUMMARY AND DESCRIPTION OF PRODUCER’S GENERATING FACILITY

2.1 A description of the Generating Facility, including a summary of its significant components and a single-line diagram showing the general arrangement of how Producer’s Generating Facility and loads are interconnected with SDG&E’s Distribution System are attached as Appendix A and made a part of this Agreement.

2.2 Name and address used by SDG&E to locate the Electric Service Account(s) used to interconnect the Generating Facility with SDG&E’s Distribution System:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City / Zip: \_\_\_\_\_

2.3 Generating Facility identification number: \_\_\_\_\_ (Assigned by SDG&E)

2.4 Producer’s electric service account number: \_\_\_\_\_ (Assigned by SDG&E)

2.5 The Gross Nameplate Rating of the Generating Facility is \_\_\_\_\_ kW.

2.6 The Net Nameplate Rating of the Generating Facility is \_\_\_\_\_ kW.

2.7 The annual energy production of the Generating Facility is expected to be \_\_\_\_\_ kWh.

2.8 The annual amount of surplus energy to be delivered to SDG&E’s Distribution System is expected to be \_\_\_\_\_ kWh.

2.9 The maximum (instantaneous) level of power that may be delivered to SDG&E’s Distribution System is \_\_\_\_\_ kW.

2.10 The Generating Facility’s expected date of Initial Operation is \_\_\_\_\_. The expected date of Initial Operation shall be within two years of the date of this Agreement.

2.11 Producer hereby declares that the Generating Facility meets the requirements for an “Eligible Fuel Cell Electrical Generating Facility”, as defined in Section 2827.10 of the California Public Utilities Code.

3. METERING AND BILLING:

Metering requirements and billing procedures shall be set forth in the rate schedule(s) applicable to the electric service account assigned to the location where the Generating Facility is connected.

4. DISCONNECTION, INTERRUPTION OR REDUCTION OF DELIVERIES:

4.1 SDG&E may require Producer to interrupt or reduce the output of its Generating Facility under the following circumstances:

- (a) Whenever SDG&E deems it necessary in its sole judgment, to construct, install, maintain, repair, replace, remove, investigate, or inspect any of its equipment or any part of its electric system; or
- (b) Whenever SDG&E determines in its sole judgment, that curtailment, interruption, or reduction of Producer's electrical generation is otherwise necessary due to emergencies, forced outages, force majeure, or compliance with prudent electrical practices.

4.2 Notwithstanding any other provision of this Agreement, upon termination of this Agreement or at any time SDG&E determines the continued parallel operation of the Generating Facility may endanger the public or SDG&E personnel, or affect the integrity of SDG&E's electric system or the quality of electric service provided to other customers, SDG&E shall have the right to require the Generating Facility to be immediately disconnected from SDG&E's electric system. The Generating Facility shall remain disconnected until such time as SDG&E is satisfied, in its sole judgment, that the condition(s) causing such disconnection have ended or have been corrected.

4.3 Whenever feasible, SDG&E shall give Producer reasonable notice of the possibility that interruption or reduction of deliveries may be required.

4.4 Electrical energy and capacity provided to Producer during periods of curtailment or interruption of the output of the Generating Facility shall be provided pursuant to the terms of the rate schedule(s) applicable to the electric service account to which the Generating Facility is connected.

5. TERM AND TERMINATION

5.1 This Agreement shall become effective as of the last date entered in Section 17 of this Agreement. The Agreement shall continue in full force and effect until the earliest date that one of the following events occurs:

- (a) The Parties agree in writing to terminate the Agreement, or
- (b) Unless otherwise agreed in writing by the Parties, at 12:01 A.M. on the day following the date the electric service account through which Producer's Generating Facility is Interconnected to SDG&E's Distribution System is closed or terminated, or
- (c) At 12:01 A.M. on the 61<sup>st</sup> day after Producer or SDG&E provides written Notice pursuant to Section 10 of this Agreement to the other Party of Producer's or SDG&E's intent to terminate this Agreement.

5.2 Producer may elect to terminate this Agreement pursuant to the terms of Section 5.1(c) for any reason. SDG&E may elect to terminate this Agreement pursuant to the terms of Section 5.1(c) for one or more of the following reasons:

SAN DIEGO GAS & ELECTRIC  
FUEL CELL GENERATING FACILITY NET ENERGY METERING  
AND INTERCONNECTION AGREEMENT

- (a) A change in applicable tariffs as approved or directed by the California Public Utilities Commission (CPUC) or a change in any local, state or federal law, statute or regulation, either of which materially alters or otherwise affects SDG&E's ability or obligation to perform SDG&E's duties under this Agreement; or,
  - (b) Unless otherwise agreed in writing by the Parties, Producer fails to take all corrective actions specified in SDG&E's Notice that Producer's Generating Facility is out of compliance with the terms of this Agreement within the time frame set forth in such Notice; or,
  - (c) Producer fails to interconnect and operate the Generating Facility per the terms of this Agreement prior to 120 days after the date set forth in Section 2.10 of this Agreement as the Generating Facility's expected date of Initial Operation; or,
  - (d) Producer abandons the Generating Facility. SDG&E shall deem the Generating Facility to be abandoned if SDG&E determines, in its sole opinion, the Generating Facility is non-operational and Producer does not provide a substantive response to SDG&E's notice of its intent to terminate this Agreement as a result of Producer's apparent abandonment of the Generating Facility affirming Producer's intent and ability to continue to operate the Generating Facility.
- 5.3 Notwithstanding any other provisions of this Agreement, SDG&E shall have the right to unilaterally file with the CPUC, pursuant to the CPUC's rules and regulations, an application to terminate this Agreement.
- 5.4 Any agreements attached to and incorporated into this Agreement shall terminate concurrently with this Agreement unless the Parties have agreed otherwise in writing.

6. GENERATING FACILITY OPERATION

Producer will operate the Generating Facility consistent with the requirements as specified in Rule 21 or Schedule NEM-FC, or such superseding applicable tariffs as the CPUC may from time to time order.

7. INTERCONNECTION FACILITIES

- 7.1 Producer and/or SDG&E, as appropriate, shall provide Interconnection Facilities that adequately protect SDG&E's Distribution System, personnel, and other persons from damage or injury which may be caused by the operation of Producer's Generating Facility.
- 7.2 Producer shall be solely responsible for the costs, design, purchase, construction, operation, and maintenance of the Interconnection Facilities that Producer owns.
- 7.3 If the provisions of SDG&E's Rule 21, or any other tariff approved by the CPUC, requires SDG&E to own and operate a portion of the Interconnection Facilities, Producer and SDG&E shall promptly execute an agreement that establishes and allocates responsibility for the design, installation, operation, maintenance, and ownership of the Interconnection Facilities. This agreement shall be attached to and made a part of this Agreement as Appendix B.

8. INDEMNITY AND LIABILITY:

- 8.1 Each Party as indemnitor shall defend, hold harmless, and indemnify the other Party and the directors, officers, employees, and agents of the other Party against and from any and all loss, liability, damage, claim, cost, charge, demand, or expense (including any direct, indirect or consequential loss, liability, damage, claim, cost, charge, demand, or expense, including retained or in-house attorneys' fees) for injury or death to persons, including employees of either Party, and damage to property, including property of either Party, arising out of or in connection with (a) the engineering, design, construction, maintenance, repair, operation, supervision, inspection, testing, protection or ownership of the indemnitor's facilities, or (b) the making of replacements, additions, betterments to, or reconstruction of the indemnitor's facilities. This indemnity shall apply notwithstanding the active or passive negligence of the indemnitee. However, neither Party shall be indemnified hereunder for its loss, liability, damage, claim, cost, charge, demand, or expense resulting from its sole negligence or willful misconduct.

- 8.2 The indemnitor shall, on the other Party's request, defend any suit asserting a claim covered by this indemnity and shall pay for all costs, including reasonable attorney fees, which may be incurred by the other Party in enforcing this indemnity.
- 8.3 The provisions of this Section shall not be construed to relieve any insurer of its obligations to pay any insurance claims in accordance with the provisions of any valid insurance policy.
- 8.4 Except as otherwise provided in Section 8.1 neither Party shall be liable to the other Party for consequential damages incurred by that Party.
- 8.5 Nothing in this Agreement shall create any duty, any standard of care with reference to, or any liability to any person who is not a party to it.
- 8.6 Notwithstanding the provisions of Section 7.1, Customer shall be responsible for protecting its Generating Facility from damage by reason of the electrical disturbances of faults caused by the operation, faulty operation, or non-operation of SDG&E's facilities, and SDG&E shall not be liable for any such damage so caused.

## 9. INSURANCE

- 9.1 In connection with Producer's performance of its duties and obligations under this Agreement, Producer shall maintain, during the term of this Agreement, general liability insurance with a combined single limit of not less than:
  - (a) Two million dollars (\$2,000,000) for each occurrence if the Gross Nameplate Rating of Producer's Generating Facility is greater than one hundred (100) kW;
  - (b) One million dollars (\$1,000,000) for each occurrence if the Gross Nameplate Rating of Producer's Generating Facility is greater than twenty (20) kW and less than or equal to one hundred (100) kW; and
  - (c) Five hundred thousand dollars (\$500,000) for each occurrence if the Gross Nameplate Rating of Producer's Generating Facility is twenty (20) kW or less.
  - (d) Two hundred thousand dollars (\$200,000) for each occurrence if the Gross Nameplate Rating of Producer's Generating Facility is ten (10) kW or less and Producer's Generating Facility is connected to an account receiving residential service from SDG&E.

Such general liability insurance shall include coverage for "Premises-Operations, Owners and Contractors Protective, Products/Completed Operations Hazard, Explosion, Collapse, Underground, Contractual Liability, and Broad Form Property Damage including Completed Operations."

- 9.2 The general liability insurance required in Section 9.1 shall, by endorsement to the policy or policies, (a) include SDG&E as an additional insured; (b) contain a severability of interest clause or cross-liability clause; (c) provide that SDG&E shall not by reason of its inclusion as an additional insured incur liability to the insurance carrier for payment of premium for such insurance; and (d) provide for thirty (30) calendar days' written notice to SDG&E prior to cancellation, termination, alteration, or material change of such insurance.
- 9.3 If Producer's Generating Facility is connected to an account receiving residential service from SDG&E and the requirement of Section 9.2(a) prevents Producer from obtaining the insurance required in Section 9.1, then upon Producer's written Notice to SDG&E in accordance with Section 10.1, the requirements of Section 9.2(a) shall be waived.
- 9.4 Evidence of the insurance required in Section 9.2 shall state that coverage provided is primary and is not in excess to or contributing with any insurance or self-insurance maintained by SDG&E.
- 9.5 Producer agrees to furnish the required certificates and endorsements to SDG&E prior to Initial Operation. SDG&E shall have the right to inspect or obtain a copy of the original policy or policies of insurance.
- 9.6 If Producer is self-insured with an established record of self-insurance, Producer may comply with the following in lieu of Sections 9.1 through 9.4:

SAN DIEGO GAS & ELECTRIC  
FUEL CELL GENERATING FACILITY NET ENERGY METERING  
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- (a) Producer shall provide to SDG&E, at least thirty (30) calendar days prior to the date of Initial Operation, evidence of an acceptable plan to self-insure to a level of coverage equivalent to that required under Section 9.1.
- (b) If Producer ceases to self-insure to the level required hereunder, or if Producer is unable to provide continuing evidence of Producer's ability to self-insure, Producer agrees to immediately obtain the coverage required under Section 9.1.

9.7 All insurance certificates, statements of self insurance, endorsements, cancellations, terminations, alterations, and material changes of such insurance shall be issued and submitted to the following:

San Diego Gas & Electric Company  
Attention: \_\_\_\_\_  
Address: \_\_\_\_\_  
City/Zip: \_\_\_\_\_

10. NOTICES

10.1 Any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person or sent by first class mail, postage prepaid, to the person specified below:

If to SDG&E: San Diego Gas & Electric Company  
Attention: \_\_\_\_\_  
Address: \_\_\_\_\_  
City/Zip: \_\_\_\_\_  
Phone: ( ) \_\_\_\_\_  
FAX: ( ) \_\_\_\_\_

If to Producer: Producer Name \_\_\_\_\_  
Address: \_\_\_\_\_  
City/Zip: \_\_\_\_\_  
Phone: ( ) \_\_\_\_\_  
FAX: ( ) \_\_\_\_\_

10.2 A Party may change its address for Notices at any time by providing the other Party Notice of the change in accordance with Section 10.1.

10.3 The Parties may also designate operating representatives to conduct the daily communications, which may be necessary or convenient for the administration of this Agreement. Such designations, including names, addresses, and phone numbers may be communicated or revised by one Party's Notice to the other.

11. REVIEW OF RECORDS AND DATA

11.1 SDG&E shall have the right to review and obtain copies of Producer's operations and maintenance records, logs, or other information such as, unit availability, maintenance outages, circuit breaker operation requiring manual reset, relay targets and unusual events pertaining to Producer's Generating Facility or its Interconnection with SDG&E's Distribution System.

11.2 Producer authorizes SDG&E to release to the California Energy Commission (CEC) and/or the CPUC information regarding the Generating Facility, including the Producer's name and location, and the size, location and operational characteristics of the generating facility, as requested from time to time pursuant to the CEC's or CPUC's rules and regulations.

12. AMENDMENT, MODIFICATIONS, WAIVER OR ASSIGNMENT:

- 12.1 This Agreement may not be altered or modified by either of the Parties, except by an instrument in writing executed by each of them.
- 12.2 None of the provisions of this Agreement shall be considered waived by a Party unless such waiver is given in writing. The failure of a Party to insist in any one or more instances upon strict performance of any of the provisions of this Agreement or to take advantage of any of its rights hereunder shall not be construed as a waiver of any such provisions or the relinquishment of any such rights for the future, but the same shall continue and remain in full force and effect.
- 12.3 This Agreement shall supersede any existing agreement under which Producer is currently operating the Generating Facility identified in Section 2.2, herein, and any such agreement shall be deemed terminated as of the date this Agreement becomes effective.
- 12.4 This Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter of this Agreement. Each Party also represents that in entering into this Agreement, it has not relied on any promise, inducement, representation, warranty, agreement or other statement not set forth in this Agreement.
- 12.5 Neither Party shall voluntarily assign this Agreement or any of its rights or duties hereunder without the written consent of the other Party, which consent shall not be unreasonably withheld. Any such assignment or delegation made without such written consent shall be null and void.

13. GOVERNING LAW, JURISDICTION OF COMMISSION, INCLUSION OF SDG&E TARIFF SCHEDULES, DEFINED TERMS

- 13.1 This Agreement shall be interpreted, governed, and construed under the laws of the State of California as if executed and to be performed wholly within the State of California without giving effect to choice of law provisions that might apply to the law of a different jurisdiction.
- 13.2 This Agreement shall, at all times, be subject to such changes or modifications by the CPUC as it may from time to time direct in the exercise of its jurisdiction.
- 13.3 The interconnection and services provided under this Agreement shall at all times be subject to the terms and conditions set forth in the tariffs applicable to the electric service provided by SDG&E. Copies of such tariffs are available at SDG&E's Internet site: [www.sdge.com/regulatory](http://www.sdge.com/regulatory) or by request to SDG&E and are incorporated into this Agreement by this reference.
- 13.4 Notwithstanding any other provisions of this Agreement, SDG&E shall have the right to unilaterally file with the CPUC, pursuant to the CPUC's rules and regulations, an application for change in tariffs, rates, charges, classification, service, or any agreement relating thereto.

14. DOCUMENTS INCLUDED

This Agreement includes the following exhibits, which are specifically incorporated herein and made a part of this Agreement.

- Appendix A - Description of Generating Facility and Single-Line Diagram
- Appendix B - Interconnection Facility Financing and Ownership Agreement
- Appendix C - Schedule NEM-FC, Net Energy Metering for Fuel Cell Customer-Generators
- Appendix D - Producer's warranty that the Generating Facility meets the requirements for an "Eligible Fuel Cell Electrical Generating Facility" as defined in Section 2827.10 of the California Public Utilities Code.
- Appendix E - List of eligible Time-of-Use metered service accounts to be aggregated

SAN DIEGO GAS & ELECTRIC  
FUEL CELL GENERATING FACILITY NET ENERGY METERING  
AND INTERCONNECTION AGREEMENT

15. AMENDMENTS AND MODIFICATION

This Agreement can only be amended or modified by a written agreement signed by both Parties. SDG&E shall determine in its sole discretion whether prior CPUC approval is required for such amendments or modifications.

16. ENTIRE AGREEMENT

This Agreement, including any incorporated rate schedules and rules, contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter of this Agreement. Each Party also represents that in entering into this Agreement; it has not relied on any promise, inducement, representation, warranty, agreement or other statement not set forth in this Agreement, or in the incorporated tariffs and rules.

17. SIGNATURES

IN WITNESS WHEREOF, the Parties hereto have caused two originals of this Agreement to be executed by their duly authorized representatives. This Agreement is effective as of the last date set forth below.

**PRODUCER'S NAME**

**SAN DIEGO GAS & ELECTRIC COMPANY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

SAN DIEGO GAS & ELECTRIC  
FUEL CELL GENERATING FACILITY NET ENERGY METERING  
AND INTERCONNECTION AGREEMENT

APPENDIX A

DESCRIPTION OF GENERATING FACILITY  
AND SINGLE-LINE DIAGRAM

(Provided by Producer)



SAN DIEGO GAS & ELECTRIC  
FUEL CELL GENERATING FACILITY NET ENERGY METERING  
AND INTERCONNECTION AGREEMENT

APPENDIX B  
(If Applicable)

INTERCONNECTION FACILITIES  
FINANCING AND OWNERSHIP AGREEMENT

(Provided by SDG&E)

SAN DIEGO GAS & ELECTRIC  
FUEL CELL GENERATING FACILITY NET ENERGY METERING  
AND INTERCONNECTION AGREEMENT

APPENDIX C

SCHEDULE NEM-FC  
NET ENERGY METERING FOR FUEL CELL CUSTOMER-GENERATORS  
(Provided by SDG&E)

APPENDIX D

PRODUCER'S WARRANTY THAT THE GENERATING FACILITY IS  
AN ELIGIBLE FUEL CELL ELECTRICAL GENERATING FACILITY  
PURSUANT TO SECTION 2827.10 OF THE CALIFORNIA PUBLIC UTILITIES CODE

Producer has declared that the Generating Facility meets the requirements for an "Eligible Fuel Cell Electrical Generating Facility", as defined in Section 2827.10 of the California Public Utilities Code. ("Eligibility Requirements")

Producer warrants that, beginning on the date of Initial Operation and continuing throughout the term of this Agreement, its Generating Facility shall continue to meet the Eligibility Requirements. If Producer becomes aware that the Generating Facility has ceased to meet the Eligibility Requirements, Producer shall promptly provide SDG&E with Notice of such change pursuant to Section 10.1 of the Agreement. If at any time during the term of this Agreement SDG&E determines in its sole discretion that Producer's Generating Facility may no longer meet the Eligibility Requirements, SDG&E may require Producer to provide evidence that the Generating Facility continues to meet the Eligibility Requirements within 15 business days of SDG&E's request for such evidence. Additionally, SDG&E may periodically (typically, once per year) inspect Producer's Generating Facility and/or require documentation from Producer to monitor the Generating Facility's compliance with the Eligibility Requirements. If SDG&E determines in its sole judgment that Producer either failed to provide evidence in a timely manner or that it provided insufficient evidence that its Generating Facility continues to meet the Eligibility Requirements, then the Distributed Energy Resources Generation status of the Generating Facility shall be deemed ineffective until such time as Producer again demonstrates to SDG&E's reasonable satisfaction that the Generating Facility meets the requirements for a Distributed Energy Resources Generation facility (the "Eligibility Status Change").

SDG&E shall revise its records and the administration of this Agreement to reflect the Eligibility Status Change and provide Notice to Producer of the Eligibility Status Change pursuant to Section 10.1 of this Agreement. Such Notice shall specify the effective date of the Eligibility Status Change. This date shall be the first day of the calendar year for which SDG&E determines in its sole discretion that the Generating Facility first ceased to meet the Eligibility Requirements. SDG&E shall invoice the Producer for any tariff charges that were not previously billed during the period between the effective date of the Eligibility Status Change and the date of the Notice in reliance upon Producer's representations that the Generating Facility complied with the Eligibility Requirements and therefore was eligible for the rate treatment available under the Net Energy Metering provisions of SDG&E's Schedule NEM-FC, Net Energy Metering for Fuel Cell Customer-Generators.

Any amounts to be paid or refunded by Producer, as may be invoiced by SDG&E pursuant to the terms of this warranty, shall be paid to SDG&E within 30 days of Producer's receipt of such invoice.

APPENDIX E  
(if applicable)

LIST OF ELIGIBLE LOAD AGGREGATION SERVICE ACCOUNTS  
TO INCLUDE IN NET ENERGY METERING CALCULATIONS



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Sheet 1

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