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October 4, 2013

**ADVICE LETTER 2523-E**  
(U902-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: CREATION OF MODIFIED INTERCONNECTION AGREEMENTS (FORM 142-02760-A and FORM 142-2160-A) FOR FEDERAL CUSTOMERS**

San Diego Gas & Electric Company (SDG&E) hereby submits for approval the following modifications to its electric tariffs as shown in the enclosed Attachments A , respectively.

**PURPOSE**

Pursuant to General Order (GO) 96-B, this advice letter seeks California Public Utilities Commission (Commission or CPUC) approval of two new interconnection agreement forms for use by Federal Customers only -- Form 142-02760-A, Interconnection Agreement for Net Energy Metering (NEM) for Renewable Electrical Generating Facilities and Form 117-2160-A, Generating Facility Interconnection Agreement for NEM/NON-NEM Generating Facility Export.

**BACKGROUND**

Federal Agencies, specifically the Navy, has installed renewable generation facilities such as photovoltaic arrays in order to reduce their energy expenses. The Navy has expressed an interest in participating in SDG&E's NEM program, under Schedule NEM, which allows customers with their own generation to offset consumption over a billing cycle with excess production in another cycle, and which compensates interconnected SDG&E customers for surplus electricity remaining at the close of a 12-month "relevant period." In order to participate in SDG&E's NEM program, the customer interconnecting to the SDG&E grid must sign either SDG&E's Form 117-2180 or Form 142-02760.

SDG&E has been informed by the federal agencies identified above that they cannot sign SDG&E's current Form 142-02760 or Form 117-2180 because they include indemnification language that is contrary to a prohibition on federal agencies agreeing to indemnification where by doing so would violate the federal Anti-Deficiency Act, 31 U.S.C. Section 1341. The Navy has also asked for other changes to Form 142-02760 and Form 117-2180 based on their unique situation as a federal agency subject to federal law. These other changes consist of:

- (i) the replacement of the governing law language with language that is acceptable to the affected federal agencies and recognize that tariffed electric services are subject to the jurisdiction and regulation by the CPUC; and
- (ii) a change in the term language that reflects that these federal agencies have told SDG&E that they cannot agree to a contract term that exceeds 10 years when contracting under the GSA Areawide Agreement (see Federal Acquisition Regulation (FAR) 41.103(b) (48 CFR 41.103(b));

SDG&E, GSA and the agencies identified above have agreed to the updated language in Form 142-02760-A and Form 117-2180-A that is attached hereto. SDG&E is requesting CPUC approval to offer Form 142-02760-A and Form 117-2180-A to any federal agency customer.

### **PROPOSED TARIFF CHANGES**

#### **Form 142-02760-A: Interconnection Agreement for Net Energy Metering Renewable Electrical Generating Facility (Federal Government Only)**

SDG&E's proposed Form 142-02760-A will be available only to federal agencies. Requested deviations from current Form 142-02760 are described below.

- Sub-section 3.2 -- Generating Facility Interconnection and Design Requirements, is modified to add the following sentence:
  - CG shall not commence parallel operation of the Generating Facility until written approval has been provided to CG by SDG&E.
- Section 6 – Access to Premises. Added the following sentence:
  - SDG&E shall make prior arrangements with the CG for gaining emergency access to CG's premises by obtaining keys to a lock box or a padlock or by making other mutually agreeable arrangements.
- Section 7 -- Indemnity and Liability, has been renamed "Liability" and "Indemnity" has been deleted. Sub-sections 7.1 to 7.5 are modified to reflect the following:
  - 7.1 Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be determined in accordance with applicable law. Neither Party shall be liable to the other Party for consequential damages incurred by that Party.
  - 7.2 If the Government has limited or restricted SDG&E's access to the Generating Facility or Interconnection Facilities and thereby unreasonably interfered with SDG&E's ability to correct dangerous situations which are a threat to public safety or SDG&E's personnel safety, SDG&E shall be excused from any contractual obligations that are impacted by the Government's limitation or restriction on access and the Government shall be responsible for any liability resulting from

such limited or restricted access to the extent permitted by law and authorized by appropriations.

- 7.3 Nothing in this Agreement shall create any duty to, any standard of care with reference to, or any liability to any person who is not a Party to it.
- 7.4 Producer shall be responsible for protecting its Generating Facility and its Interconnection Facilities from damage by reason of the electrical disturbances or faults caused by the operation, faulty operation, or non-operation of SDG&E's facilities, and SDG&E shall not be liable for any damage so caused.
- 7.5 Notwithstanding Paragraphs 7.1 – 7.4 of this Agreement, the liability, if any, of the Government relating to this Agreement, for injury or loss of property, or personal injury or death shall be governed exclusively by the provisions of the Federal Tort Claims Act (28 U.S.C. §§ 1346, and 2671-2680). Subject to applicable Federal, State and local law, each Party's liability to the other for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement shall be limited to the amount of direct damages actually incurred, and in no event shall either Party be liable to the other for any indirect, special, consequential, or punitive damages.
- Section 8 – Insurance. A new section, Insurance, is inserted and intentionally left blank. As a result, the numbering of the remaining sections has been updated to reflect Sections 10 through 16.
  - Section 10 – Governing Law, Jurisdiction of CPUC, Inclusion of SDG&E's Rate Schedules and Rules. Subsection 10.1 is deleted and replaced with the following:
 

10.1 Matters involving the interpretation of tariffed retail rates, tariff rate schedules, and tariffed terms provided under this Agreement are subject to the jurisdiction and regulation of the California Public Utilities Commission except to the extent that same are determined to be preempted by Federal law.

Additionally, a new sub-section 10.5 is added to incorporate:

- 10.5 When initially capitalized, whether in the singular or in the plural, the terms used herein shall have the meanings assigned to them either in this Agreement or in SDG&E's Rule 1 or Rule 21, Section H. If any term is defined in both Rule 1 and Rule 21, the definition in Rule 21 shall prevail.
- Section 14 – Term and Termination of Agreement. Sub-section 14.1 is modified as noted below.
 

14.1 This Agreement shall become effective when signed by CG and SDG&E, and shall remain in effect thereafter from month to month unless terminated by either Party on thirty (30) days' prior written notice in accordance with Section 12; the termination of the statutory or regulatory authority for the NEM program; or ten (10) years after the effective date of this Agreement.

**Form 117-2160-A: Generating Facility Interconnection Agreement (NEM/Non-NEM Generating Facility Export); Federal Government Only**

SDG&E's proposed Form 117-2160-A will be available only to federal agencies. Requested deviations from the current Form 117-2160 are described below.

- Section 4 – Term and Termination. The following conditions have been added to 4.1:
  - (d) The termination of the statutory or regulatory authority for the NEM program.
  - (e) Ten (10) years after the effective date of this Agreement.
- Section 5 – Access to Premises. A new section is inserted and as a result, the numbering for Sections 6 through 17 has been modified. The following condition is added:

SDG&E may enter Producer's premises at all reasonable hours without notice to Producer for the following purposes.

- (a) To inspect Producer's protective devices and read or test meter(s); and
- (b) To disconnect the Generating Facility and/or service to Producer's whenever in SDG&E's sole opinion, a hazardous condition exists and such immediate action is necessary to protect persons, SDG&E's facilities, or property of others from damage or interference caused by the Generating Facility, or the absence or failure of properly operating protective devices.

SDG&E will make prior arrangements with the Producer for gaining emergency access to Producer's premises by obtaining keys to a lock box or a padlock or by making other mutually agreeable arrangements.

- Section 6 – Generating Facility Operation. Added the following sentence to the end of Sub-section 6.4
  - 6.4 The liability, if any, of the United States for injury or loss of property, or personal injury or death shall be governed exclusively by the provisions of the Federal Tort Claims Act (28 U.S.C. 2671-2680).
- Section 8 – Liability. This section has been entirely modified as follows;
  - 8.1 Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be determined in accordance with applicable law. Neither Party shall be liable to the other Party for consequential damages incurred by that Party.
  - 8.2 If the Government has limited or restricted SDG&E's access to the Generating Facility or Interconnection Facilities and thereby unreasonably interfered with SDG&E's ability to correct dangerous situations which are a threat to public safety or SDG&E's personnel safety, SDG&E shall be excused from any contractual

obligations that are impacted by the Government's limitation or restriction on access and the Government shall be responsible for any liability resulting from such limited or restricted access to the extent permitted by law and authorized by appropriations.

- 8.3 Nothing in this Agreement shall create any duty to, any standard of care with reference to, or any liability to any person who is not a Party to it.
- 8.4 Producer shall be responsible for protecting its Generating Facility and its Interconnection Facilities from damage by reason of the electrical disturbances or faults caused by the operation, faulty operation, or non-operation of SDG&E's facilities, and SDG&E shall not be liable for any damage so caused.
- 8.5 Notwithstanding Paragraphs 8.1 – 8.4 of this Agreement, the liability, if any, of the Government relating to this Agreement, for injury or loss of property, or personal injury or death shall be governed exclusively by the provisions of the Federal Tort Claims Act (28 U.S.C. §§ 1346, and 2671-2680). Subject to applicable Federal, State and local law, each Party's liability to the other for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement shall be limited to the amount of direct damages actually incurred, and in no event shall either Party be liable to the other for any indirect, special, consequential, or punitive damages.
- Section 9 – Insurance. A new section is inserted and intentionally left blank. As a result, the number of the sections has been updated and now reflects Sections 10 through 16.
  - Section 14 – Governing Law, Jurisdiction of Commission Inclusion of SDG&E's Tariff Schedules, Defined Terms. Condition 14.1 is amended to read:
    - 14.1. Matters involving the interpretation of tariffed retail rates, tariff rate schedules, and tariffed terms provided under this Agreement are subject to the jurisdiction and regulation of the California Public Utilities Commission except to the extent that same are determined to be preempted by Federal law.

### **EFFECTIVE DATE**

SDG&E believes this filing is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to GO 96-B. SDG&E respectfully requests that this filing be approved effective November 3, 2013, 30 days from the date filed.

### **PROTEST**

Anyone may protest this Advice Letter to the California Public Utilities Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and must be received no later than October 24, 2013, which is within 20 days of the date this 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) of the Energy Division. 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 list, including interested parties in R.11-05-005, R.11-09-011, and R.10-05-004 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 e-mail at [SDG&ETariffs@semprautilities.com](mailto:SDG&ETariffs@semprautilities.com).

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CLAY FABER  
Director – Regulatory Affairs

Attachments

# 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) #: 2523-E

Subject of AL: Creation of Modified Interconnection Agreements (Form 117-2160 and Form 142-02760) for Federal Customers Only

Keywords (choose from CPUC listing): Forms, Self Generation

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: None

Resolution Required?  Yes  No

Tier Designation:  1  2  3

Requested effective date: 11/3/2013

Number of tariff sheets: 5

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: New Forms 117-2160-A and 142-02760-A and Table of Contents

Service affected and changes proposed<sup>1</sup>: N/A

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

J. Leslie

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

R.11-05-005

R.11-09-011

R.10-05-004



ATTACHMENT A  
ADVICE LETTER 2523-E

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
Original 23783-E	SAMPLE FORMS, FORM 117-2160-A, Sheet 1	
Original 23784-E	SAMPLE FORMS, FORM 142-02760-A, Sheet 1	
Revised 23785-E	TABLE OF CONTENTS, Sheet 1	Revised 23773-E
Revised 23786-E	TABLE OF CONTENTS, Sheet 8	Revised 23244-E
Revised 23787-E	TABLE OF CONTENTS, Sheet 10	Revised 23511-E



San Diego Gas & Electric Company  
San Diego, California

Original Cal. P.U.C. Sheet No. 23783-E

Canceling \_\_\_\_\_ Cal. P.U.C. Sheet No. \_\_\_\_\_

**SAMPLE FORMS**

Sheet 1

FORM 117-2160-A

GENERATING FACILITY INTERCONNECTION AGREEMENT  
(NEM/NON-NEM GENERATING FACILITY EXPORT)  
FEDERAL GOVERNMENT ONLY

(10/13)

(See Attachment)

N  
N

N  
N  
N  
N  
N

1P7

Advice Ltr. No. 2523-E

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

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

Date Filed \_\_\_\_\_

Effective \_\_\_\_\_

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



**GENERATING FACILITY INTERCONNECTION AGREEMENT  
(NEM /NON- NEM GENERATING FACILITY EXPORT)  
(Federal Government Only)**

This Generating Facility Interconnection Agreement ("Agreement") is entered into by and between \_\_\_\_\_, a \_\_\_\_\_ ("Producer" or "Government"), 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, PURPOSE, AND RELATED AGREEMENT**

- 1.1 This Agreement provides for Producer to interconnect and operate a Generating Facility in parallel with SDG&E's Distribution System to serve, primarily, the electrical loads at the location identified in Section 2.4. The eligible Renewable electrical generation facility must generate electricity from a renewable source listed in paragraph (1) of subdivision (a) of Section 25741 of the Public Resources Code and may be of any combination.
- 1.2 This Agreement provides for Producer to operate the NEM Generator(s) pursuant to the provisions of Section 2827, 2827.7 and 2827.8 of the PU Code and the applicable SDG&E tariffs for net energy metering. The Agreement also provides for Producer to operate its Non-NEM Generator(s). This Agreement does not constitute an agreement by SDG&E to provide retail electrical service to Producer. Such arrangements must be made separately between SDG&E and Producer.

**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 to and made a part of this Agreement.
- 2.2 Generating Facility identification number: \_\_\_\_\_ (Assigned by SDG&E).
- 2.3 SDG&E's customer electric service account number: \_\_\_\_\_ (Assigned by SDG&E).
- 2.4 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2.5 The Gross Nameplate Rating of the Generating Facility is:

2.5.1 NEM Generator(s) is (are):

Solar: \_\_\_\_\_ kW  
Wind: \_\_\_\_\_ kW  
\_\_\_\_\_: \_\_\_\_\_ kW  
\_\_\_\_\_: \_\_\_\_\_ kW

2.5.2 Non-NEM Generator(s) is (are): \_\_\_\_\_ kW

2.5.3 **Total Gross** Nameplate Rating of the Generating Facility: \_\_\_\_\_ kW

2.6 The Net Nameplate Rating of the Generating Facility is:

2.6.1 NEM Generator(s) is (are):

Solar: \_\_\_\_\_ kW  
Wind: \_\_\_\_\_ kW  
\_\_\_\_\_: \_\_\_\_\_ kW  
\_\_\_\_\_: \_\_\_\_\_ kW

2.6.2 Non-NEM Generator(s) is (are): \_\_\_\_\_ kW

2.6.3 **Total Net** Nameplate Rating of the Generating Facility: \_\_\_\_\_ kW

2.7 The annual energy production of the Generating Facility is expected to be:

2.7.1 NEM Generator(s) is (are):

Solar: \_\_\_\_\_ kWh  
Wind: \_\_\_\_\_ kWh  
\_\_\_\_\_: \_\_\_\_\_ kWh  
\_\_\_\_\_: \_\_\_\_\_ kWh

2.7.2 Non-NEM Generator(s) is (are): \_\_\_\_\_ kWh

2.7.3 **Total annual energy** production of the Generating Facility: \_\_\_\_\_ kWh

2.8 The maximum level of power that may be exported by the Generating Facility to SDG&E's Distribution System is expected to be:

2.8.1 NEM Generator(s) is (are):

Solar: \_\_\_\_\_ kW  
Wind: \_\_\_\_\_ kW  
\_\_\_\_\_: \_\_\_\_\_ kW  
\_\_\_\_\_: \_\_\_\_\_ kW

2.8.2 Non-NEM Generator(s) is (are): \_\_\_\_\_ kW

2.8.3 **Total maximum level of power** that may be exported by the Generating Facility: \_\_\_\_\_ kW

2.9 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.

2.10 For the purpose of securing certain tariff charge exemptions available under the PU Code, Producer hereby declares the following for each Generator of the Generating Facility:

(a) Requirements for "Distributed Energy Resource Generation" as such term is used in Section 353.1 of the PU Code

Solar:	<u>does meet <input type="checkbox"/> does not meet <input type="checkbox"/></u>
Wind:	<u>does meet <input type="checkbox"/> does not meet <input type="checkbox"/></u>
_____:	<u>does meet <input type="checkbox"/> does not meet <input type="checkbox"/></u>
_____:	<u>does meet <input type="checkbox"/> does not meet <input type="checkbox"/></u>
Non-NEM Generator:	<u>does meet <input type="checkbox"/> does not meet <input type="checkbox"/></u>

(b) Requirements for "Cogeneration" as such term is used in Section 218.5 of the PU Code does meet  does not meet

### 3. 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 (Provided by Producer)
- Appendix B - Copy of SDG&E's Electric Rule 2 and Rule 21
- Appendix C - A copy of an agreement addressing interconnection facility financing and ownership (When applicable)
- Appendix D - Producer's warranty that the Generating Facility meets the requirements for a "Cogeneration facility" pursuant to Section 218.5 of the PU Code (When applicable)
- Appendix E - Producer's warranty that the Generating Facility meets the requirements for "Distributed Energy Resources Generation" as defined in Section 353.1 of the PU Code (When applicable)

### 4. TERM AND TERMINATION

4.1 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 or SDG&E's intent to terminate this Agreement.
- (d) The termination of the statutory or regulatory authority for the NEM program.
- (e) Ten (10) years after the effective date of this Agreement.

- 4.2 Producer may elect to terminate this Agreement pursuant to the terms of Section 4.1(c) for any reason. SDG&E may elect to terminate this Agreement pursuant to the terms of Section 4.1(c) for one or more of the following reasons:
- (a) A change in applicable tariffs as approved or directed by the California Public Utilities Commission (“Commission”) 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 2.9 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 reasonable 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.
- 4.3 Notwithstanding any other provisions of this Agreement, SDG&E shall have the right to unilaterally file with the Commission, pursuant to the Commission’s rules and regulations, an application to terminate this Agreement.
- 4.4 Any agreements attached to and incorporated into this Agreement shall terminate concurrently with this Agreement unless the Parties have agreed otherwise in writing.

## **5. ACCESS TO PREMISES**

SDG&E may enter Producer’s premises at all reasonable hours without notice to Producer for the following purposes:

- (a) To inspect Producer’s protective devices and read or test meter(s); and
- (b) To disconnect the Generating Facility and/or service to Producer’s whenever in SDG&E’s sole opinion, a hazardous condition exists and such immediate action is necessary to protect persons, SDG&E’s facilities, or property of others from damage or interference caused by the Generating Facility, or the absence or failure of properly operating protective devices.

SDG&E will make prior arrangements with the Producer for gaining emergency access to Producer’s premises by obtaining keys to a lock box or a padlock or by making other mutually agreeable arrangements.

## **6. GENERATING FACILITY OPERATION**

- 6.1 Producer is responsible for operating the Generating Facility in compliance with all of SDG&E’s tariffs, including but not limited to SDG&E’s Rule 21, and any other regulations and laws governing the Interconnection of the Generating Facility.
- 6.2 Except for that energy delivered to SDG&E’s Distribution System the electric energy produced by Producer’s Generating Facility shall be used to serve electrical loads connected to the electric service account that SDG&E uses to interconnect Producer’s

Generating Facility. Producer shall not use the Generating Facility to serve electrical loads that will cause Producer to be considered an “electrical corporation” as such term is used in Section 218 of the California Public Utilities Code.

- 6.3 In no event shall the delivery of the maximum electric power to SDG&E’s Distribution System exceed the amount or other limitations specified in Section 2. and Appendix A, hereto. If Producer does not regulate its Generating Facility in compliance with the limitations set forth in Section 2. and Appendix A, SDG&E may require Producer to disconnect its Generating Facility from SDG&E’s Distribution System until Producer demonstrates to SDG&E’s reasonable satisfaction that Producer has taken adequate measures to regulate the output of its Generating Facility and control its deliveries of electric power to SDG&E. Further, should SDG&E determine that Producer’s operation of the Generating Facility is causing an unsafe condition or is adversely affecting SDG&E’s ability to utilize its Distribution System in any manner, even if Producer’s deliveries of electric power to SDG&E’s Distribution System are within the limitations specified in Section 2. and Appendix A, SDG&E may require Producer to temporarily or permanently reduce or cease deliveries of electric power to SDG&E’s Distribution System. Alternatively, the Parties may agree to other corrective measures so as to mitigate the effect of electric power flowing from the Generating Facility to SDG&E’s Distribution System. Producer’s failure to comply with the terms of this Section shall constitute a material breach of this Agreement and SDG&E may initiate termination in accordance with the terms of Section 4.2(b).
- 6.4 Customer-Generator shall: (a) maintain the Generating Facility and Interconnection Facility in a safe and prudent manner and in conformance with all applicable laws and regulations including, but not limited to, Section 6.1, and (b) obtain any governmental authorizations and permits required for the construction and operation of the Generating Facility and Interconnection Facility. Customer-Generator shall reimburse SDG&E for any and all losses, damages, claims, penalties, or liability it incurs as a result of Customer-Generator’s failure to obtain or maintain any governmental authorizations and permits required for construction and operation of Customer-Generator’s Generating Facility. The liability, if any, of the United States for injury or loss of property, or personal injury or death shall be governed exclusively by the provisions of the Federal Tort Claims Act (28 U.S.C. 2671-2680).
- 6.5 Customer-Generator shall not commence parallel operation of the Generating Facility until SDG&E has provided express written approval. Such approval shall normally be provided no later than thirty (30) business days following SDG&E’s receipt of: (1) a completed Generating Facility Interconnection Application (Form 142-05203), including all supporting documents and payments as described in the Application; (2) a signed and completed Interconnection Agreement (Form 142-02760-A or, for NEM / non-NEM Generating Facility export, Form 117-2160-A); and (3) a copy of the Customer-Generator’s final inspection clearance from the governmental authority having jurisdiction over the Generating Facility. Such approval shall not be unreasonably withheld. SDG&E shall have the right to have representatives present at the Commissioning Test as defined in Rule 21. Customer-Generator shall notify SDG&E at least five (5) business days prior to the initial testing.
- 6.6 Producer shall not deliver reactive power to SDG&E’s Distribution System unless the Parties have agreed otherwise in writing.
- 6.7 The Generating Facility shall be operated with all of Producer’s Protective Functions in service whenever the Generating Facility is operated in parallel with SDG&E’s Distribution System. Any deviation from these requirements may occur only when the Parties have agreed to such deviations in writing.

## **7. INTERCONNECTION FACILITY**

- 7.1 Producer and/or SDG&E, as appropriate, shall provide an Interconnection Facility that adequately protects 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 Facility that Producer owns.
- 7.3 If the provisions of SDG&E's Rule 21, or any other tariff approved by the Commission, require SDG&E to own and operate a portion of the Interconnection Facility, 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 Facility. This agreement shall be attached to and made a part of this Agreement as Appendix C.
- 7.4 The Interconnection Facility may include Net Generation Output Metering for determination of standby charges and applicable non-bypassable charges, and/or other meters required for SDG&E's administration and billing pursuant to SDG&E's tariffs for net energy metering.

## **8. LIABILITY**

- 8.1 Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be determined in accordance with applicable law. Neither Party shall be liable to the other Party for consequential damages incurred by that Party.
- 8.2 If the Government has limited or restricted SDG&E's access to the Generating Facility or Interconnection Facilities and thereby unreasonably interfered with SDG&E's ability to correct dangerous situations which are a threat to public safety or SDG&E's personnel safety, SDG&E shall be excused from any contractual obligations that are impacted by the Government's limitation or restriction on access and the Government shall be responsible for any liability resulting from such limited or restricted access to the extent permitted by law and authorized by appropriations.
- 8.3 Nothing in this Agreement shall create any duty to, any standard of care with reference to, or any liability to any person who is not a Party to it.
- 8.4 Producer shall be responsible for protecting its Generating Facility and its Interconnection Facilities from damage by reason of the electrical disturbances or faults caused by the operation, faulty operation, or non-operation of SDG&E's facilities, and SDG&E shall not be liable for any damage so caused.
- 8.5 Notwithstanding Paragraphs 8.1 – 8.4 of this Agreement, the liability, if any, of the Government relating to this Agreement, for injury or loss of property, or personal injury or death shall be governed exclusively by the provisions of the Federal Tort Claims Act (28 U.S.C. §§ 1346, and 2671-2680). Subject to applicable Federal, State and local law, each Party's liability to the other for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement shall be limited to the amount of direct damages actually incurred, and in no event shall either Party be liable to the other for any indirect, special, consequential, or punitive damages.

## **9. INSURANCE [INTENTIONALLY LEFT BLACK]**



**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: \_\_\_\_\_  
\_\_\_\_\_  
San Diego, CA 92123 - \_\_\_\_\_  
  
Phone: (619) 696-2000  
Fax: (858) \_\_\_\_\_

If to Producer: Producer Name  
Attention: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_  
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 Commission 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 Commission’s rules and regulations.

**12. ASSIGNMENT**

Producer shall not voluntarily assign its rights nor delegate its duties under this Agreement without SDG&E’s written consent. Any assignment or delegation Producer makes without SDG&E’s written consent shall not be valid. SDG&E shall not unreasonably withhold its consent to Producer’s assignment of this Agreement.

**13. NON-WAIVER**

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.

**14. GOVERNING LAW, JURISDICTION OF COMMISSION, INCLUSION OF SDG&E's TARIFF SCHEDULES, DEFINED TERMS**

- 14.1 Matters involving the interpretation of tariffed retail rates, tariff rate schedules, and tariffed terms provided under this Agreement are subject to the jurisdiction and regulation of the California Public Utilities Commission except to the extent that same are determined to be preempted by Federal law.
- 14.2 This Agreement shall, at all times, be subject to such changes or modifications by the Commission as it may from time to time direct in the exercise of its jurisdiction.
- 14.3 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](http://www.sdge.com) or by request to SDG&E and are incorporated into this Agreement by this reference.
- 14.4 Notwithstanding any other provisions of this Agreement, SDG&E shall have the right to unilaterally file with the Commission, pursuant to the Commission's rules and regulations, an application for change in tariffs, rates, charges, classification, service, or any agreement relating thereto.
- 14.5 When initially capitalized, whether in the singular or in the plural, the terms used herein shall have the meanings assigned to them either in this Agreement or in SDG&E's Rule 1 or Rule 21, Section H. If any term is defined in both Rule 1 and Rule 21, the definition in Rule 21 shall prevail.

**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 reasonable discretion whether prior Commission approval is required for such amendments or modifications.

**16. ENTIRE AGREEMENT**

This Agreement, including any incorporated tariffs 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.

**CUSTOMER NAME**

**SAN DIEGO GAS & ELECTRIC COMPANY**

By:

By:

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

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

**APPENDIX A**

**DESCRIPTION OF GENERATING FACILITY  
AND SINGLE-LINE DIAGRAM**

**(Provided by Producer)**

## **APPENDIX B**

### **RULES: “2” and “21” (Provided by SDG&E)**

(Note: SDG&E's tariffs are included for reference only and shall at all times be subject to such changes or modifications by the Commission as the Commission may, from time to time, direct in the exercise of its jurisdiction. A copy of Rule 2 has not been provided. A copy may be obtained from SDG&E's website: [www.sdge.com](http://www.sdge.com))

**APPENDIX C**  
**(When applicable)**

**INTERCONNECTION FACILITY**  
**FINANCING AND OWNERSHIP**  
**AGREEMENT**

**(Provided by SDG&E)**

**APPENDIX D**  
**(When applicable)**

**PRODUCER'S WARRANTY THAT THE GENERATING FACILITY IS A "COGENERATION FACILITY" PURSUANT TO SECTION 218.5 OF THE CALIFORNIA PUBLIC UTILITIES CODE**

For the purpose of securing the Competition Transition Charge exemption available under Section 372 of the PU Code, Producer hereby declares that the Generating Facility meets the requirements for "Cogeneration" as such term is used in Section 218.5 of the PU Code ("Cogeneration Requirements").

Producer warrants that, beginning on the date of Initial Operation and continuing throughout the term of this Agreement, the Generating Facility shall continue to meet the Cogeneration Requirements. If Producer becomes aware that its Generating Facility has ceased to meet the Cogeneration Requirements, Producer shall promptly provide SDG&E with Notice of such change pursuant to Section 9.1 of the Agreement. If at any time during the term of this Agreement SDG&E determines in its reasonable discretion that Producer's Generating Facility may no longer meet the Cogeneration Requirements, SDG&E may require Producer to provide evidence that the Generating Facility continues to meet the Cogeneration Requirements within 20 business days of SDG&E's request for such evidence. Additionally, SDG&E will give 10 business days notice to 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 Cogeneration Requirements. If SDG&E determines in its reasonable 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 Cogeneration Requirements, then the Cogeneration 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 Cogeneration facility (the "Cogeneration Status Change").

SDG&E shall revise its records and the administration of this Agreement to reflect the Cogeneration Status Change and provide Notice to Producer of the Cogeneration Status Change pursuant to Section 9.1 of this Agreement. Such Notice shall specify the effective date of the Cogeneration Status Change. This date shall be the first day of the calendar year for which SDG&E determines in its reasonable discretion that the Generating Facility first ceased to meet the Cogeneration Requirements. SDG&E shall invoice the Producer's electric service account through which the Generating Facility is Interconnected with SDG&E's Distribution System for Competition Transition Charges ("CTCs") that were not previously billed during the period between the effective date of the Status Change and the date of the Notice in reliance upon Producer's representations that the Generating Facility complied with the Cogeneration Requirements and therefore was eligible for the exemption from CTCs available under Section 372 of the PU Code.

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**  
**(When applicable)**

**PRODUCER'S WARRANTY THAT THE GENERATING FACILITY IS A "DISTRIBUTED ENERGY RESOURCES GENERATION" FACILITY PURSUANT TO SECTION 353.1 OF THE CALIFORNIA PUBLIC UTILITIES CODE**

For the purpose of securing the tariff charge exemption available under Section 353.3 of the PU Code, Producer hereby declares that the Generating Facility meets the requirements for "Distributed Energy Resources Generation" as such term is used in Section 353.1 of the PU Code ("DERG 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 DERG Requirements. If Producer becomes aware that the Generating Facility has ceased to meet the DERG Requirements, Producer shall promptly provide SDG&E with Notice of such change pursuant to Section 9.1 of the Agreement. If at any time during the term of this Agreement SDG&E determines in its reasonable discretion that Producer's Generating Facility may no longer meet the DERG Requirements, SDG&E may require Producer to provide evidence that the Generating Facility continues to meet the DERG Requirements within 20 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 DERG Requirements. If SDG&E determines in its reasonable 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 DERG 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 "DERG Status Change"). SDG&E shall revise its records and the administration of this Agreement to reflect the DERG Status Change and provide Notice to Producer of the DERG Status Change pursuant to Section 9.1 of this Agreement. Such Notice shall specify the effective date of the DERG Status Change. This date shall be the first day of the calendar year for which SDG&E determines in its reasonable discretion that the Generating Facility first ceased to meet the DERG Requirements. SDG&E shall invoice the Producer electric service account through which the Generating Facility is Interconnected with SDG&E's Distribution System for any tariff charges that were not previously billed during the period between the effective date of the DERG Status Change and the date of the Notice in reliance upon Producer's representations that the Generating Facility complied with the DERG Requirements and therefore was eligible for the exemption from tariff charges available under Section 353.3 of the PU Code.

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.





San Diego Gas & Electric Company  
San Diego, California

Original Cal. P.U.C. Sheet No. 23784-E

Canceling \_\_\_\_\_ Cal. P.U.C. Sheet No. \_\_\_\_\_

**SAMPLE FORMS**  
FORM 142-02760-A

Sheet 1

N  
N

INTERCONNECTION AGREEMENT FOR NET ENERGY METERING  
RENEWABLE ELECTRICAL GENERATING FACILITY  
FEDERAL GOVERNMENT ONLY

(10/13)

(See Attachment)

N  
N  
N  
N

1P7

Advice Ltr. No. 2523-E

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

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

Date Filed \_\_\_\_\_

Effective \_\_\_\_\_

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



**SAN DIEGO GAS & ELECTRIC COMPANY  
INTERCONNECTION AGREEMENT FOR NET ENERGY METERING  
RENEWABLE ELECTRICAL GENERATING FACILITY  
(Federal Government Only)**

This "Interconnection Agreement for Net Energy Metering ("Agreement") is entered into by and between the Customer Generator ("CG" or "Government") and San Diego Gas & Electric Company ("SDG&E"). The CG 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 CG to interconnect and operate a Renewable Electrical Generating Facility that generates electricity from a renewable source listed in paragraph (1) of subdivision (a) of Section 25741 of the Public Resources Code to operate in parallel with SDG&E's Distribution System to serve the electrical loads connected to the electric service account that SDG&E uses to interconnect CG's Generating Facility.

Consistent with, and in order to effectuate, the provisions of Section 2827 and 2827.7 of the California Public Utilities Code and SDG&E's electric rate Schedule NEM - Net Energy Metering, Parties enter into this Agreement. This Agreement applies to the CG's Generating Facility identified below with the specified characteristics and generating capacity, and does not allow interconnection or operation of a facility different than those described.

**2. SUMMARY OF GENERATING FACILITY AND CG ACCOUNT**

2.1 Generating Facility Identification Number: \_\_\_\_\_ (Assigned by SDG&E)

2.2 CG Meter Number: \_\_\_\_\_

2.3 CG Account Number: \_\_\_\_\_

2.4 Applicable Rate Schedule: \_\_\_\_\_

2.5 Generating Facility Location:

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

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

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

2.5.1 This Agreement is applicable only to the Generating Facility described below and installed at the above location. The Generating Facility may not be relocated or connected to SDG&E's system at any other location without SDG&E's express written permission.

2.6 Generating Facility Technology: \_\_\_\_\_ (Solar, Wind, Hybrid.etc.)

2.7 Generating Facility Nameplate Rating: \_\_\_\_\_ kW.

2.8 Expected maximum monthly energy production of Generating Facility: \_\_\_\_\_ kWh.

2.9 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.

### 3. GENERATING FACILITY INTERCONNECTION AND DESIGN REQUIREMENTS

3.1 CG shall be responsible for the design, installation, operation, and maintenance of the Generating Facility and shall obtain and maintain any required governmental authorizations and/or permits.

3.2 CG shall not commence parallel operation of the Generating Facility until written approval has been provided to CG by SDG&E. (CG's Initials \_\_\_\_\_) SDG&E shall provide such written approval within thirty (30) working days from SDG&E's receipt of a complete Net Energy Metering Application including all supporting documentation and required payments, a completed and signed Net Energy Metering Interconnection Agreement, and the final inspection clearance of the governmental authority having jurisdiction over the Generating Facility.

Such approval shall not be unreasonably withheld. SDG&E shall have the right to have representatives present at the initial testing of CG's protective apparatus. CG shall notify SDG&E five (5) working days prior to initial testing.

3.3 SDG&E shall have the right to have its representatives present at the final inspection made by the governmental authority having jurisdiction to inspect and approve the installation of the Generating Facility. CG shall notify SDG&E in accordance with the terms of Section 12, herein, at least five (5) days prior to such inspection.

3.4 CG shall not add generation capacity in excess of the Nameplate Rating set forth in Section 2.7 of this Agreement, or otherwise modify the Generating Facility without the prior written permission of SDG&E.

### 4. 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.

### 5. DISCONNECTION, INTERRUPTION OR REDUCTION OF DELIVERIES

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

(a) Whenever SDG&E deems it necessary in its reasonable 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 reasonable judgment, that curtailment, interruption, or reduction of CG's electrical generation is otherwise necessary due to emergencies, forced outages, force majeure, or compliance with prudent electrical practices.

5.2 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 reasonable judgment, that the condition(s) causing such disconnection have ended or have been corrected.

- 5.3 Whenever feasible, SDG&E shall give CG reasonable notice of the possibility that interruption or reduction of deliveries may be required.
- 5.4 Electrical energy and capacity provided to CG 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.

## 6. ACCESS TO PREMISES

SDG&E may enter CG's premises at all reasonable hours without notice to CG for the following purposes:

- (a) To inspect CG's protective devices and read or test meter(s); and
- (b) To disconnect the Generating Facility and/or service to CG, whenever in SDG&E's reasonable opinion, a hazardous condition exists and such immediate action is necessary to protect persons, SDG&E's facility, or property of others from damage or interference caused by the Generating Facility, or the absence or failure of properly operating protective devices.

SDG&E shall make prior arrangements with the CG for gaining emergency access to CG's premises by obtaining keys to a lock box or a padlock or by making other mutually agreeable arrangements.

## 7. LIABILITY

- 7.1 Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be determined in accordance with applicable law. Neither Party shall be liable to the other Party for consequential damages incurred by that Party.
- 7.2 If the Government has limited or restricted SDG&E's access to the Generating Facility or Interconnection Facilities and thereby unreasonably interfered with SDG&E's ability to correct dangerous situations which are a threat to public safety or SDG&E's personnel safety, SDG&E shall be excused from any contractual obligations that are impacted by the Government's limitation or restriction on access and the Government shall be responsible for any liability resulting from such limited or restricted access to the extent permitted by law and authorized by appropriations.
- 7.3 Nothing in this Agreement shall create any duty to, any standard of care with reference to, or any liability to any person who is not a Party to it.
- 7.4 Producer shall be responsible for protecting its Generating Facility and its Interconnection Facilities from damage by reason of the electrical disturbances or faults caused by the operation, faulty operation, or non-operation of SDG&E's facilities, and SDG&E shall not be liable for any damage so caused.
- 7.5 Notwithstanding Paragraphs 7.1 – 7.4 of this Agreement, the liability, if any, of the Government relating to this Agreement, for injury or loss of property, or personal injury or death shall be governed exclusively by the provisions of the Federal Tort Claims Act (28 U.S.C. §§ 1346, and 2671-2680). Subject to applicable Federal, State and local law, each Party's liability to the other for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance

of this Agreement shall be limited to the amount of direct damages actually incurred, and in no event shall either Party be liable to the other for any indirect, special, consequential, or punitive damages.

**8. INSURANCE [INTENTIONALLY LEFT BLANK]**

**9. REVIEW OF RECORDS AND DATA**

9.1 SDG&E shall have the right to review and obtain copies of CG'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 CG's Generating Facility or its Interconnection with SDG&E's Distribution System.

9.2 CG authorizes to release to the California Energy Commission (CEC) information regarding CG's facility, including CG name, location, size, and operational characteristics of the unit, as requested from time to time pursuant to the CEC's rules and regulations.

**10. GOVERNING LAW, JURISDICTION OF CPUC, INCLUSION OF SDG&E's RATE SCHEDULES AND RULES**

10.1 Matters involving the interpretation of tariffed retail rates, tariff rate schedules, and tariffed terms provided under this Agreement are subject to the jurisdiction and regulation of the California Public Utilities Commission except to the extent that same are determined to be preempted by Federal law.

10.2 This Agreement shall, at all times, be subject to such changes or modifications by the Commission as it may from time to time direct in the exercise of its jurisdiction.

10.3 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](http://www.sdge.com) or by request to SDG&E and are incorporated into this Agreement by this reference.

10.4 Notwithstanding any other provisions of this Agreement, SDG&E shall have the right to unilaterally file with the Commission, pursuant to the Commission's rules and regulations, an application for change in tariffs, rates, charges, classification, service, or any agreement relating thereto.

10.5 When initially capitalized, whether in the singular or in the plural, the terms used herein shall have the meanings assigned to them either in this Agreement or in SDG&E's Rule 1 or Rule 21, Section H. If any term is defined in both Rule 1 and Rule 21, the definition in Rule 21 shall prevail.

**11. AMENDMENT, MODIFICATIONS, WAIVER OR ASSIGNMENT:**

11.1 This Agreement may not be altered or modified by either of the Parties, except by an instrument in writing executed by each of them.

11.2 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.

- 11.3 This Agreement shall supersede any existing agreement under which CG is currently operating the Generating Facility identified in Section 2, herein, and any such agreement shall be deemed terminated as of the date this Agreement becomes effective.
- 11.4 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.
- 11.5 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.

**12. NOTICES**

- 12.1 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: \_\_\_\_\_  
 Phone: ( ) \_\_\_\_\_  
 FAX: ( ) \_\_\_\_\_

**If to CG :** \_\_\_\_\_  
 Attention: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City: \_\_\_\_\_  
 Phone: ( ) \_\_\_\_\_  
 FAX: ( ) \_\_\_\_\_

- 12.2 A Party may change its address for Notices at any time by providing the other Party Notice of the change in accordance with Section 12.1.

**13. DOCUMENTS INCLUDED; DEFINED TERMS**

- 13.1 This Agreement includes the following exhibit(s) which are specifically incorporated herein and made a part of this Agreement by this reference:

- Appendix A- Description of Generating Facility and Single-Line Diagram
- Appendix B- (When applicable) Copy of interconnection facility financing and ownership agreement

In addition, SDG&E Electric Rules and Rates, including but not limited to Electric Rules 2, 14, and 21, Schedule NEM, and CG's otherwise applicable rate schedule, available at SDG&E's web-site at <http://sdge.com/nem> or by request, are incorporated herein and made part of this Agreement.

- 13.2 When initially capitalized, whether in the singular or in the plural, the terms used herein shall have the meanings assigned to them either in this Agreement or in SDG&E's electric Rule 21.

**14. TERM AND TERMINATION OF AGREEMENT**

14.1 This Agreement shall become effective when signed by CG and SDG&E, and shall remain in effect thereafter from month to month unless terminated by either Party on thirty (30) days' prior written notice in accordance with Section 12; the termination of the statutory or regulatory authority for the NEM program; or ten (10) years after the effective date of this Agreement.

14.2 This Agreement shall terminate, without notice, upon: (a) termination of the electric distribution service provided to CG by SDG&E; or (b) changes to CG's electric load which cause CG to no longer satisfy all requirements of the definition of an Eligible CG set forth in Section 2827(b)(5) of the California Public Utilities Code.

**15. ENTIRE AGREEMENT**

This Agreement, including any incorporated tariff 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 tariff schedules and rules

**16. 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.

\_\_\_\_\_  
(CG NAME)

**SAN DIEGO GAS & ELECTRIC COMPANY**

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

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

**APPENDIX A**

DESCRIPTION OF GENERATING FACILITY AND SINGLE-LINE DIAGRAM  
(Provided by Producer)



APPENDIX B

(When applicable)

Copy of interconnection facility financing and ownership agreement



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Sheet 1

The following sheets contain all the effective rates and rules affecting rates, service and information relating thereto, in effect on the date indicated herein.

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