



INTERCONNECTION AGREEMENT FOR NET ENERGY METERING (NEM2) OF SOLAR OR WIND ELECTRIC GENERATING FACILITIES OF 1,000 KW OR LESS, OTHER THAN FACILITIES OF 30 KW OR LESS

This Interconnection Agreement for Net Energy Metering (NEM2) of Solar or Wind Electric Generating Facilities of 1,000 kW or Less, Other Than Facilities of 30 kW or Less (Agreement)¹ is entered into by and between _____ (Customer-Generator), and Pacific Gas and Electric Company (PG&E), a California Corporation. Customer-Generator and PG&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 Customer-Generator to interconnect and operate a Generating Facility in parallel with PG&E's Electric System to serve the electrical loads connected to the electric service agreement ID number that PG&E uses to interconnect Customer-Generator's Generating Facility. Customer-Generator's Generating Facility is intended primarily to offset part or all of the Customer-Generator's own electrical requirements. Consistent with, and in order to effectuate, the provisions of Sections 2827, 2827.7 and 2827.8 of the California Public Utilities Code and PG&E's electric rate Schedule NEM2 (NEM2), Parties enter into this Agreement. This Agreement applies to the Customer-Generator's Generating Facilities identified below with the specified characteristics and generating capacity, and does not allow interconnection or operation of facilities different than those described.

2. SUMMARY AND DESCRIPTION OF CUSTOMER-GENERATOR'S GENERATING FACILITY AND DESIGNATION OF OTHERWISE-APPLICABLE RATE SCHEDULE

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 Customer-Generator's Generating Facility and loads are interconnected with PG&E's Electric System, is attached to and made a part of this Agreement. (This description is supplied by Customer-Generator as Appendix A).

2.2 Generating Facility identification number: _____ (Assigned by PG&E).

2.3 Customer-Generator's electric service agreement ID number: _____ (Assigned by PG&E).

2.4 Name and address used by PG&E to locate the electric service agreement ID number used to interconnect the Generating Facility with PG&E's Electric System:

Name: _____

Address: _____

City/Zip Code: _____

¹ Additional forms are available on PG&E's website at <http://www.pge.com/gen>.



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2.5 Interconnected Equipment:

List of generating equipment interconnected with, or without, an inverter to PG&E. (For those generators interconnecting without an inverter, write in "N/A" in the right three columns. If an inverter is shared by more than one generator, write "shared" on the same line as that generator under the manufacturer column and do not enter the inverter rating. Attach list of additional equipment, if applicable.)

	Type of Generator (Solar / Wind / Hybrid)	Generator Rating (watts)	Manufacturer of Inverter used with Generator (if Applicable)	Inverter Model Number (if Applicable)	Inverter Rating (watts) ² (if Applicable)
1					
2					

2.6 Customer-Generator's otherwise-applicable rate schedule under the provisions of Schedule NEM2 will be _____.

2.7 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.

2.8 If the date of the permits allowing the Customer-Generator to commence construction of the Generating Facility is prior to January 1, 2003, please provide the date the permits were issued: _____.

3. DOCUMENTS INCLUDED AND DEFINED TERMS

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

Appendix A Description of Generating Facility and Single-Line Diagram (Supplied by Customer-Generator).

Appendix B A Copy of *PG&E's Agreement for Installation or Allocation of Special Facilities* (Forms 79-255, 79-280, 79-702) or *Agreements to Perform Any Tariff Related Work (62-4527)*, if applicable (Formed by the Parties).

² If installing an inverter, the inverter rating equals: (the CEC efficiency for each installed inverter) TIMES (the nameplate rating, in kW, of each inverter). The CEC efficiency is obtained on the CEC website at http://www.consumerenergycenter.org/erprebate/eligible_inverters.html as listed on the date the application is reviewed. Enter the total of all inverter ratings for multiple inverter installations in the Table above.

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In addition, PG&E Electric Tariff Rules and Rates, including but not limited to Electric Rules 2, 14, 15, 16, and 21, Schedule NEM2, and Customer-Generator's otherwise-applicable rate schedule, available at PG&E's website at www.pge.com or by request, are specifically incorporated herein and made part of this Agreement.

- 3.2 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 PG&E's Electric Rule 21, Section C.

4. CUSTOMER BILLING AND PAYMENT

Customer-Generator initially selects Pacific Gas and Electric Company's electric rate schedule referenced in Section 2.6 of this Agreement as its otherwise-applicable rate schedule. Customer-Generator understands that they will be billed according to the otherwise-applicable rate schedule and Schedule NEM2.

5. TERM AND TERMINATION

- 5.1 This Agreement shall become effective as of the last date entered in Section 18 below. 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.
- (b) Unless otherwise agreed in writing by the Parties, at 12:01 A.M. on the day following the date the electric service agreement ID number through which Customer-Generator's Generating Facility is interconnected to PG&E is closed or terminated.
- (c) At 12:01 A.M. on the 61st day after Customer-Generator or PG&E provides written Notice pursuant to Section 11 below to the other Party of Customer-Generator's or PG&E's intent to terminate this Agreement.

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

- (a) A change in applicable rules, tariffs, or regulations, as approved or directed by the Commission, or a change in any local, state or federal law, statute or regulation, either of which materially alters or otherwise affects PG&E's ability or obligation to perform PG&E's duties under this Agreement; or,
- (b) Customer-Generator fails to take all corrective actions specified in PG&E's Notice that Customer-Generator's Generating Facility is out of compliance with the terms of this Agreement within the time frame set forth in such Notice; or,
- (c) Customer-Generator abandons the Generating Facility. PG&E shall deem the Generating Facility to be abandoned if PG&E determines, in its sole opinion, the Generating Facility is nonoperational and Customer-Generator does not provide a substantive response to PG&E Notice of its intent to terminate this Agreement as a result of Customer-Generator's apparent abandonment of the Generating Facility affirming Customer-Generator's intent and ability to continue to operate the Generating Facility; or,

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(d) Customer-Generator's Generating Facility ceases to meet all applicable safety and performance standards set out in Section 6.

5.3 Notwithstanding any other provisions of this Agreement, PG&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.

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 REQUIREMENTS

6.1 Customer-Generator's Generating Facility must meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories such as Underwriters Laboratories and, where applicable, rules of the Commission regarding safety and reliability including Rule 21.

6.2 Customer-Generator shall: (a) maintain the Generating Facility and Interconnection Facilities 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 Facilities. Customer-Generator shall reimburse PG&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.

6.3 Customer-Generator shall not commence parallel operation of the Generating Facility until PG&E has provided express written approval. Such approval shall normally be provided no later than thirty (30) business days following PG&E's receipt of: (1) a completed *Generating Facility Interconnection Application for Non-Export or Certain Net Energy Metered Generating Facilities* (Form 79-974-02), including all supporting documents and payments as described in the Application; (2) a signed and completed *Interconnection Agreement for Net Energy Metering (NEM2) of Solar or Wind Electric Generating Facilities, Other Than Facilities of 30 KW or Less* (Form 79-978-02); 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. PG&E shall have the right to have representatives present at the Commissioning Test as defined in Rule 21. Customer-Generator shall notify PG&E at least five (5) business days prior to the initial testing.

6.4 In order to promote the safety and reliability of the customer Generating Facility, the Customer-Generator certifies that as a part of this interconnection request for NEM2, that all major solar system components are on the verified equipment list maintained by the California Energy Commission and certifies that other equipment, as determined by PG&E, has safety certification from a nationally recognized testing laboratory.

6.5 Customer-Generator certifies as a part of this interconnection request for NEM2 that

(i) a warranty of at least 10 years has been provided on all equipment and on its installation, or

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(ii) a 10-year service warranty or executed “agreement” has been provided ensuring proper maintenance and continued system performance.

6.6 Customers on this tariff must pay for the interconnection of their Generation Facilities as provided in Electric Rule 21, pursuant to Decision 16-01-044.

7. INTERCONNECTION FACILITIES

7.1 Customer-Generator and/or PG&E, as appropriate, shall provide Interconnection Facilities that adequately protect PG&E’s Electric System, personnel, and other persons from damage or injury, which may be caused by the operation of Customer-Generator’s Generating Facility.

7.2 Customer-Generator shall be solely responsible for the costs, design, purchase, construction, permitting, operation, and maintenance of the Interconnection Facilities that Customer-Generator owns.

7.3 If the provisions of PG&E’s Electric Rule 21, or any other tariff or rule approved by the Commission, require PG&E to own and operate a portion of the Interconnection Facilities, Customer-Generator and PG&E shall promptly execute a Special Facilities Agreement that establishes and allocates responsibility for the design, installation, operation, maintenance, and ownership of the Interconnection Facilities. This Special Facilities Agreement shall be attached to and made a part of this Agreement as Appendix B.

8. LIMITATION OF LIABILITY

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 limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages of any kind whatsoever.

9. INSURANCE

Customer-Generator Facility is required to comply with standards and rules set forth in Section 6 and provide the following for insurance policies in place.

Customer-Generator shall furnish the required certificates and all endorsements to PG&E prior to Parallel Operation.

The certificate shall provide thirty (30) calendar days’ written notice to PG&E prior to cancellation, termination, alteration, or material change of such insurance.

PG&E shall have the right to inspect or obtain a copy of the original policy or policies of insurance.

9.1 If at any time during this agreement the Customer-Generator fails to meet the requirements in Section 6 and is not self-insured under Section 9.3, the following insurance shall apply:

Customer-Generator shall procure and maintain a commercial general liability insurance policy at least as broad as the Insurance Services Office (ISO) commercial general liability coverage “occurrence” form; or, if Customer-Generator is an

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individual, then liability coverage with respect to premises and use at least as broad as the ISO homeowners' or personal liability Insurance occurrence policy form, or substitute, providing equivalent coverage no less than the following limits, based on generator size:

- (a) Two million dollars (\$2,000,000) for each occurrence if the Gross Nameplate Rating of the Generating Facility is greater than one hundred (100) kW; or
- (b) One million dollars (\$1,000,000) for each occurrence if the Gross Nameplate Rating of the Generating Facility is greater than twenty (20) kW and less than or equal to one hundred (100) kW; or
- (c) Five hundred thousand dollars (\$500,000) for each occurrence if the Gross Nameplate Rating of the Generating Facility is twenty (20) kW or less;
- (d) Two hundred thousand dollars (\$200,000) for each occurrence if the Gross Nameplate Rating of the Generating Facility is ten (10) kW or less and the Generating Facility is connected to an account receiving residential service from PG&E.

The insurance shall, by endorsement:

- (a) Add PG&E as an additional insured;
- (b) State that coverage provided is primary and is not in excess to or contributing with any insurance or self-insurance maintained by PG&E.
- (c) Contain a severability of interest clause or cross-liability clause.

9.2 If Customer-Generator's Generating Facility is connected to an account receiving residential service from PG&E and the requirement of Section 9.1 prevents Customer-Generator from obtaining the insurance required in this Section, then upon Customer-Generator's written Notice to PG&E in accordance with Section 11.1, the requirements of Section 9.1 may be waived.

9.3 Customer-Generator may self-insure with approval from PG&E. Evidence of an acceptable plan to self-insure, at least thirty (30) calendar days' prior to operations shall be submitted. Customer-Generators such as state agencies that self-insure under this section are exempt from Section 10.1.

If Customer-Generator ceases to self-insure to the level required hereunder, or if Customer-Generator is unable to provide continuing evidence of Customer-Generator's ability to self-insure, Customer-Generator agrees to immediately obtain the coverage required under agreement.

9.4 All required certificates, endorsements or letters of self-insurance shall be issued and submitted via email or fax to the following:

Pacific Gas and Electric Company
c/o EXIGIS LLC
support@exigis.com
Fax: 646-755-3327

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10. INDEMNITY FOR FAILURE TO COMPLY WITH INSURANCE PROVISIONS

- 10.1 If Customer-Generator fails to comply with the insurance provisions of this Agreement, Customer-Generator shall, at its own cost, defend, save harmless and indemnify PG&E, its directors, officers, employees, agents, assignees, and successors in interest from and against any and all loss, liability, damage, claim, cost, charge, demand, or expense of any kind or nature (including attorney's fees and other costs of litigation) resulting from the death or injury to any person or damage to any property, including the personnel and property of the utility, to the extent that the utility would have been protected had Customer-Generator complied with all such insurance provisions. The inclusion of this Section 10.1 is not intended to create any expressed or implied right in Customer-Generator to elect not to provide any such required insurance.
- 10.2 The provisions of this Section 10 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.

11. NOTICES

- 11.1 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 PG&E: Pacific Gas and Electric Company
(Contact Information to be Supplied)

If to Customer-Generator:
(Contact Information To be Supplied)

- 11.2 A Party may change its address for Notices at any time by providing the other Party notice of the change in accordance with Section 11.1.
- 11.3 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.

12. REVIEW OF RECORDS AND DATA

- 12.1 PG&E shall have the right to review and obtain copies of Customer-Generator's operations and maintenance records, logs, or other information such as Generating Facility availability, maintenance outages, circuit breaker operation requiring manual reset, relay targets and unusual events pertaining to Customer-Generator's Generating Facility or its interconnection to PG&E.

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12.2 Customer-Generator authorizes to release to the California Energy Commission (CEC) information regarding Customer-Generator's facility, including customer name and Generating Facility location, size, and operational characteristics, as requested from time to time pursuant to the CEC's rules and regulations.

13. ASSIGNMENT

Customer-Generator shall not voluntarily assign its rights nor delegate its duties under this Agreement without PG&E's written consent. Any assignment or delegation Customer-Generator makes without PG&E's written consent shall not be valid. PG&E shall not unreasonably withhold its consent to Customer-Generator's assignment of this Agreement.

14. 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.

15. GOVERNING LAW, JURISDICTION OF COMMISSION, INCLUSION OF PG&E's TARIFF SCHEDULES AND RULES

15.1 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.

15.2 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.

15.3 The interconnection and services provided under this Agreement shall at all times be subject to the terms and conditions set forth in the Tariff Schedules and Rules applicable to the electric service provided by PG&E, which Tariff Schedules and Rules are hereby incorporated into this Agreement by this reference.

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

16. AMENDMENT AND MODIFICATION

This Agreement can only be amended or modified by a writing signed by both Parties.

17. 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,



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agreement or other statement not set forth in this Agreement or in the incorporated Tariff Schedules and Rules.

18. SIGNATURES

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

_____	PACIFIC GAS AND ELECTRIC COMPANY
<i>(Customer Generator's Name)</i>	
_____	_____
<i>(Signature)</i>	<i>(Signature)</i>
_____	_____
<i>(Print Name)</i>	<i>(Print Name)</i>
_____	_____
<i>(Title)</i>	<i>(Title)</i>
_____	_____
<i>(Date)</i>	<i>(Date)</i>

APPENDIX A

DESCRIPTION OF GENERATING FACILITY
AND SINGLE-LINE DIAGRAM

(Provided by Customer-Generator)