



**GENERATING FACILITY INTERCONNECTION AGREEMENT
(NEM /NEM-ST/NON- NEM GENERATING FACILITY EXPORT)**

This Generating Facility Interconnection Agreement (“Agreement”) is entered into by and between _____, a _____ (“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, 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 Generating Facility may be any combination of “Eligible customer-generators” as defined in California Public Utilities Code (“PU Code”), Section 2827 (“NEM Generator(s)”) and other Generator(s) (“Non-NEM Generator(s)”). NEM Generators can consist of any of the following technologies: solar, wind, biogas digester or fuel cell.
- 1.2 This Agreement provides for Producer to operate the NEM Generator(s) pursuant to the provisions of Section 2827, 2827.1, 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
Biogas Digester: _____ kW
Fuel Cell: _____ kW
Other: _____ kW

2.5.2 NEM-ST Generator(s) is (are):

Solar: _____ kW
Wind: _____ kW
Biogas Digester: _____ kW
Fuel Cell: _____ kW
Other: _____ kW

2.5.3 Non-NEM Generator(s) is (are): _____ kW

2.5.4 **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
Biogas Digester: _____ kW
Fuel Cell: _____ kW
Other: _____ kW

2.6.2 NEM-ST Generator(s) is (are):

Solar: _____ kW
Wind: _____ kW
Biogas Digester: _____ kW
Fuel Cell: _____ kW
Other: _____ kW

2.6.3 Non-NEM Generator(s) is (are): _____ kW

2.6.4 **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
Biogas Digester: _____ kWh
Fuel Cell: _____ kWh
Other: _____ kWh

2.7.2 NEM-ST Generator(s) is (are):

Solar: _____ kWh
Wind: _____ kWh
Biogas Digester: _____ kWh
Fuel Cell: _____ kWh
Other: _____ kWh

2.7.3 Non-NEM Generator(s) is (are): _____ kWh

2.7.4 **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
Biogas Digester: _____ kW
Fuel Cell: _____ kW
Other: _____ kW

2.8.2 NEM-ST Generator(s) is (are):

Solar: _____ kW
Wind: _____ kW
Biogas Digester: _____ kW
Fuel Cell: _____ kW
Other: _____ kW

2.8.3 Non-NEM Generator(s) is (are): _____ kW

2.8.4 **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>
Biogas Digester:	<u>does meet <input type="checkbox"/> does not meet <input type="checkbox"/></u>
Fuel Cell:	<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 216.6 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 216.6 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)
- Appendix F - Listing of eligible service accounts, as defined in SDG&E's Schedule NEM-BIO to be included in Net Energy Metering calculations (When applicable)
- Appendix G - Producer's warranty that it meets the requirements for an "Eligible Biogas Digester Electrical Generating Facility," (applicable Generator(s) only) as defined in Section 2827.9 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 16 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 61st day after Producer or SDG&E provides written Notice pursuant to Section 9 of this Agreement to the other Party of Producer or SDG&E's intent to terminate 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 2.7 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.
- 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. GENERATING FACILITY OPERATION

- 5.1 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.
- 5.2 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.
- 5.3 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 sole 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).
- 5.4 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 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.
- 5.5 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 or, for NEM / non-NEM Generating Facility export, Form 117-2160); 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.
- 5.4 Producer shall not deliver reactive power to SDG&E's Distribution System unless the Parties have agreed otherwise in writing.
- 5.5 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.

6. INTERCONNECTION FACILITIES

- 6.1 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.
- 6.2 Producer shall be solely responsible for the costs, design, purchase, construction, operation, and maintenance of the Interconnection Facilities that Producer owns.
- 6.3 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 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 C.
- 6.4 The Interconnection Facilities 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.

7. 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.

8. INSURANCE

- 8.1 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."

- 8.2 The general liability insurance required in Section 8.1 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.
- 8.3 If Producer's Generating Facility is connected to an account receiving residential service from SDG&E and the requirement of Section 8.2(a) prevents Producer from obtaining the insurance required in Section 8.1, then upon Producer's written Notice to SDG&E in accordance with Section 9.1, the requirements of Section 8.2(a) shall be waived.
- 8.4 Evidence of the insurance required in Section 8.2 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.
- 8.5 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.
- 8.6 If Producer is self-insured with an established record of self-insurance, Producer may comply with the following in lieu of Sections 8.1 through 8.4:
- (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 8.1.
 - (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 8.1.
- 8.7 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
Attn: Customer Generation
8316 Century Park Court, 52F
San Diego, CA 92123-1582**

9. NOTICES

9.1 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**
Attn: Customer Generation
8316 Century Park Court, 52F
San Diego, CA 92123-1582

If to Producer: Producer Name

Attention: _____

Address: _____

City: _____

Phone: _____

Fax: _____

9.2 A Party may change its address for Notices at any time by providing the other Party Notice of the change in accordance with Section 9.1.

9.3 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.

10. REVIEW OF RECORDS AND DATA

- 10.1 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.
- 10.2 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.

11. 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.

12. 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.

13. GOVERNING LAW, JURISDICTION OF COMMISSION, INCLUSION OF SDG&E's 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 Commission 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 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 Commission, pursuant to the Commission's rules and regulations, an application for change in tariffs, rates, charges, classification, service, or any agreement relating thereto.
- 13.5 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.

14. 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 Commission approval is required for such amendments or modifications.

15. 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.

16. TRANSITION PROVISIONS FOR ELIGIBLE GENERATORS

Customers receiving service on a NEM tariff prior to the date that SDG&E reaches its NEM program limit or July 1, 2017, whichever is earlier, are subject to the transition provisions as outlined in the applicable NEM rate schedule. Additionally, this agreement shall not alter the year of interconnection for the purpose of determining the 20-year transition period.

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: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

APPENDIX A

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

(Provided by Producer)