



San Diego Gas & Electric Company
San Diego, California

Revised Cal. P.U.C. Sheet No. 22736-E*

Canceling Original Cal. P.U.C. Sheet No. 21147-E*

SAMPLE FORMS

Sheet 1

FORM 142-02760.5

Interconnection Agreement for
Virtual Net Energy Metering

(01/12)

(See Attached From)

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Advice Ltr. No. 2315-E-A

Decision No. _____

Issued by
Lee Schavrien
Senior Vice President
Regulatory Affairs

Date Filed Jan 20, 2012

Effective Jan 1, 2012

Resolution No. _____



**SAN DIEGO GAS & ELECTRIC COMPANY
INTERCONNECTION AGREEMENT FOR VIRTUAL NET ENERGY METERING
FOR MULTIFAMILY AFFORDABLE HOUSING (VNM-A)
RENEWABLE ELECTRIC GENERATING FACILITIES**

This Interconnection Agreement for Virtual Net Energy Metering (Agreement) is entered into by and between the Customer Generator (CG) 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 (“Generating Facility”) that generates electricity from a renewable source listed in paragraph (1) of subdivision (a) of Section 25741 of the Public Resources Code in parallel with SDG&E’s Distribution System to the electric service account that SDG&E uses to interconnect CG’s Generating Facility.

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 facilities 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 Nameplate Rating (kW): _____

2.7 Expected maximum monthly energy production of Generating Facility (kWh): _____

2.8 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 it 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 completed applicable interconnection application (Form 142-05203) including all supporting documentation and required payments, this completed and signed 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 2.6 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 facilities, or property of others from damage or interference caused by the Generating Facility, or the absence or failure of properly operating protective devices.

7. INDEMNITY AND LIABILITY

- 7.1 Each Party as indemnitor shall defend, hold harmless, and indemnify the other Party and the directors, officers, employees, and agents of the other Party against and from any and all loss, liability, damage, claim, cost, charge, demand, or expense (including any direct, indirect or consequential loss, liability, damage, claim, cost, charge, demand, or expense, including retained or in-house attorneys' fees) for injury or death to persons, including employees of either Party, and damage to property, including property of either Party, arising out of or in connection with (a) the engineering, design, construction, maintenance, repair, operation, supervision, inspection, testing, protection or ownership of the indemnitor's facilities, or (b) the making of replacements, additions, betterments to, or reconstruction of the indemnitor's facilities. This indemnity shall apply notwithstanding the active or passive negligence of the indemnitee. However, neither Party shall be indemnified hereunder for its loss, liability, damage, claim, cost, charge, demand, or expense resulting from its sole negligence or willful misconduct.
- 7.2 The indemnitor shall, on the other Party's request, defend any suit asserting a claim covered by this indemnity and shall pay for all costs, including reasonable attorney fees, which may be incurred by the other Party in enforcing this indemnity.
- 7.3 The provisions of this Section shall not be construed to relieve any insurer of its obligations to pay any insurance claims in accordance with the provisions of any valid insurance policy.
- 7.4 Except as otherwise provided in Section 7.1, neither Party shall be liable to the other Party for consequential damages incurred by that Party.
- 7.5 Nothing in this Agreement shall create any duty, any standard of care with reference to, or any liability to any person who is not a party to it.

- 7.6 Notwithstanding the provisions of Section 7.1, CG shall be responsible for protecting its Generating Facility from damage by reason of the electrical disturbances of faults caused by the operation, faulty operation, or non-operation of SDG&E's facilities, and SDG&E shall not be liable for any such damage so caused.

8. INSURANCE

If CG's generator meets 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 Public Utilities Commission regarding safety and reliability, the following insurance provisions in Sections 8.1 – 8.3 apply:

- 8.1 To the extent that CG has currently in force all risk property insurance and commercial liability insurance, CG agrees that it will maintain such insurance in force for the duration of this Agreement in no less amounts than those currently in effect. SDG&E shall have the right to inspect or obtain a copy of the original policy or policies of insurance prior to commencing operation.
- 8.2 CG shall meet the standards and rules set forth in Section 13, have the appropriate liability insurance in Section 8.1, and shall not be required to purchase any additional liability insurance.
- 8.3 Such liability insurance shall, by endorsement to the policy or policies, provide for thirty (30) calendar days written notice to SDG&E prior to cancellation, termination, alteration, or material change of such insurance.

For generators that do not meet the interconnection criteria of this section then the following insurance requirements apply:

- 8.4 In connection with CG's performance of its duties and obligations under this Agreement, CG shall maintain, during the term of the 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 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."

- 8.5 The general liability insurance required in Section 8.4 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.
- 8.6 If CG's Generating Facility is connected to an account receiving residential service from SDG&E and the requirement of Section 8.5 (a) prevents CG from obtaining the insurance required in Section 8.4, then upon CG's written Notice to SDG&E in accordance with Section 12.1, the requirements of Section 8.5 (a) shall be waived.
- 8.7 Evidence of the insurance required in Section 8.4 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.
- 8.8 CG shall furnish the required insurance certificates and endorsements to SDG&E prior to Initial Operation of the Generating Facility. Thereafter, SDG&E shall have the right to periodically inspect or obtain a copy of the original policy or policies of insurance.
- 8.9 If CG is self-insured with an established record of self-insurance, CG may comply with the following in lieu of Sections 8.4 through 8.5:
 - (a) CG 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 8.4.
 - (b) If CG ceases to self-insure to the level required hereunder, or if CG is unable to provide continuing evidence of CG's ability to self-insure, CG agrees to immediately obtain the coverage required under Section 8.4.
- 8.10 All insurance certificates, statements of self insurance, endorsements, cancellations, terminations, alterations, and material changes of such insurance shall be issued and submitted to the following:

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

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) and California Public Utilities Commission (CPUC) 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 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.
- 10.2 This Agreement shall, at all times, be subject to such changes or modifications by the CPUC as it may from time to time direct in the exercise of its jurisdiction.
- 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 rate schedules and rules applicable to the electric service provided by SDG&E, which rate schedules and rules are hereby 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 rates, charges, classification, service, tariff or rule or any agreement relating thereto.

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: CUSTOMER GENERATION
Address: 8316 CENTURY PARK CT, CP52F
City: SAN DIEGO, CA 92123
Phone: (858) 636-5585
FAX: (619) 819-4448

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 VNM-A and CG's otherwise applicable rate schedule, available at SDG&E's web-site at <http://sdge.com/rates-regulations/other-regulatory-filings/rates-and-regulations>, 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.

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)(2) 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: Ken Parks
Title: Team Lead, Customer Generation
Date: _____