

File No. 180850 Committee Item No. 2
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS
AGENDA PACKET CONTENTS LIST

Committee: Land Use and Transportation Committee Date October 15, 2018

Board of Supervisors Meeting Date _____

Cmte Board

- | | | |
|-------------------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
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OTHER (Use back side if additional space is needed)

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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>DRAFT Small Generator Interconnection Agmt - Burton High School</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>PG&E Generating Facility Interconnection Agmt 072415</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>PG&E Customer Generation Agmt 111717</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>PG&E Generating Facility Interconnection Agmt 072415</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>PG&E Customer Generation Agmt 111717</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>SFMTA Calendar Item No. 10 3081318</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>SFMTA Reso No. 180821-111 082118</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Referral FYI 091918</u> |
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Completed by: Erica Major Date October 12, 2018
Completed by: Erica Major Date _____

1 [Authorizing Agreements - Connection of City Solar Projects with Pacific Gas and Electric
2 Company - Public Utilities Commission]

3 **Ordinance authorizing the Director of Transportation of the Municipal Transportation**
4 **Agency (MTA) and the General Manager of the Public Utilities Commission (PUC) to**
5 **enter into interconnection agreements with Pacific Gas and Electric Company (PG&E)**
6 **for a solar power project at the MTA's Field Operations Facility for a term in excess of**
7 **ten years; authorizing the PUC's General Manager to enter into an interconnection**
8 **agreement for Burton High School for a term in excess of ten years; delegating**
9 **authority to the PUC's General Manager, the MTA's Director of Transportation, and the**
10 **heads of the San Francisco International Airport, Port of San Francisco, Fire**
11 **Department, Police Department, Department of Public Health, Real Estate Division, and**
12 **Recreation and Park Department, or their respective designees, to enter into form**
13 **interconnection agreements for solar projects with PG&E for terms in excess of ten**
14 **years, subject to specified conditions; and authorizing deviations from certain**
15 **otherwise applicable contract requirements in the Administrative Code and the**
16 **Environment Code, as defined herein.**

17 **NOTE:** **Unchanged Code text and uncodified text** are in plain Arial font.
18 **Additions to Codes** are in *single-underline italics Times New Roman font*.
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21 **Board amendment deletions** are in ~~strikethrough Arial font~~.
22 **Asterisks (* * * *)** indicate the omission of unchanged Code
23 subsections or parts of tables.

24 Be it ordained by the People of the City and County of San Francisco:

25 **SECTION 1. FINDINGS.**

(a) In Ordinance No. 81-08, the Board of Supervisors articulated a goal for the City
and County of San Francisco ("City") to use electricity produced by renewable and

1 greenhouse gas-free resources for all City electric needs served by the City's Public Utilities
2 Commission ("PUC") by 2030.

3 (b) As the Board of Supervisors recognized in Ordinance Nos. 71-16 and 221-16,
4 which require renewable energy facilities on certain new building construction, on-site solar
5 projects are a critical component of achieving the City's renewable and greenhouse gas free
6 energy goals. City departments and other PUC power customers have installed and plan to
7 install additional on-site solar projects that will help meet those goals.

8 (c) These solar projects require agreements with Pacific Gas & Electric ("PG&E") to
9 connect to the electrical grid. There are several different types of these agreements, called
10 "interconnection agreements." The particular type of agreement used for a project depends
11 on the details of the project and the applicable PG&E requirements. Some projects require
12 more than one agreement. These interconnection agreements are form agreements
13 approved by either the California Public Utilities Commission or the Federal Energy
14 Regulatory Commission, and are not subject to modification.

15 (d) The Board of Supervisors has approved interconnection agreements between the
16 PUC and PG&E for on-site solar projects in Resolution Nos. 554-07 (San Francisco
17 International Airport Terminal 3), 441-11 (MUNI Woods Motor Coach Facility), 374-12
18 (Alvarado Elementary School), 371-13 (Municipal Transportation Agency building at 700
19 Pennsylvania Avenue), 008-14 (Davies Symphony Hall), and 472-16 (Willie Brown Middle
20 School).

21 (e) In Ordinance No. 144-14, the Board of Supervisors authorized the General
22 Manager of the PUC to enter into an agreement with PG&E for interconnection of a solar
23 project for the North Beach Branch Library at 850 Columbus Ave. The Board of Supervisors
24 also delegated to the General Manager of the PUC authority to execute similar
25 interconnection agreements with PG&E that are necessary to connect City renewable projects

1 to the electrical grid without further Board of Supervisors approval, subject to specified
2 conditions.

3 (f) The term of these interconnection agreements is indefinite, ensuring the facilities
4 will remain connected to the electrical grid for as long as they operate. For this reason, Board
5 of Supervisors approval is required by Charter Section 9.118(b).

6 (g) The cost of these agreements is generally small, ranging from no cost to
7 approximately \$2,500 for some recent agreements.

8 9 **SECTION 2. INTERCONNECTION AGREEMENTS.**

10 (a) PG&E Form Interconnection Agreements for Projects Developed and Owned by
11 PUC Power Customers.

12 (1) PG&E's interconnection agreements for projects developed and owned by
13 PUC customers, including City departments, are Form No. 79-988 (Generating Facility
14 Interconnection Agreement (Third Party Non-Exporting)) ("Third-Party Interconnection
15 Agreement") and Form No. 79-992 (Customer Generation Agreement (Third Party Generator
16 on Premises Non-Exporting)) ("Customer Generation Agreement").

17 (2) The Third-Party Interconnection Agreement is for PUC power customers to
18 execute. The Customer Generation Agreement is for the PUC General Manager to execute.

19 (3) The terms of the Third-Party Interconnection Agreement and the Customer
20 Generation Agreement are of an indefinite duration to ensure that the projects remain
21 interconnected.

22 (4) The City may terminate both the Third-Party Interconnection Agreement and
23 the Customer Generation Agreement for any reason upon 60 days' notice to PG&E.

24 (5) The City Attorney has approved the limitation of liability language set forth in
25 the Third-Party Interconnection Agreement and the Customer Generation Agreement.

1 (6) The City's Risk Manager has approved the insurance language set forth in
2 the Third-Party Interconnection Agreement.

3 (7) The Third-Party Interconnection Agreement and the Customer Generation
4 Agreement do not require the payment of any fees or costs by the City to PG&E.

5 (8) The Third-Party Interconnection Agreement and the Customer Generation
6 Agreement are on file with the Clerk of the Board of Supervisors in File No. 180850, and are
7 hereby declared to be a part of this ordinance as if set forth fully herein.

8 (b) Wholesale Distribution Tariff ("WDT") Interconnection Agreement.

9 (1) City solar projects may also interconnect to PG&E's electrical grid using a
10 WDT Interconnection Agreement.

11 (2) The term of the WDT Interconnection Agreement is a minimum 10 years,
12 with automatic renewal for successive one-year periods thereafter.

13 (3) The WDT Interconnection Agreement is subject to termination by the City for
14 any reason upon 20 days' notice to PG&E.

15 (4) The City Attorney has approved the limitation of liability language set forth in
16 the WDT Interconnection Agreement.

17 (5) The PUC Risk Manager has approved the insurance language set forth in
18 the WDT Interconnection Agreement.

19 (6) The WDT Interconnection Agreement is on file with the Clerk of the Board of
20 Supervisors in File No. 180850, and is hereby declared to be a part of this ordinance as if set
21 forth fully herein.

1 **SECTION 3. WAIVER OF CERTAIN CONTRACT-RELATED REQUIREMENTS IN THE**
2 **ADMINISTRATIVE CODE AND THE ENVIRONMENT CODE FOR WDT**
3 **INTERCONNECTION AGREEMENTS.**

4 (a) The WDT Interconnection Agreement does not contain standard City contract
5 provisions. Since the WDT Interconnection Agreement is a form agreement approved by the
6 Federal Energy Regulatory Commission, it cannot be modified to add standard City contract
7 provisions. The WDT Interconnection Agreement is necessary and beneficial to the City
8 because it allows on-site solar projects developed by the PUC and its customers to connect to
9 the electrical grid. The costs to the City of the WDT Interconnection Agreement are minimal;
10 recent WDT Interconnection Agreements resulted in costs of approximately \$2,500. The City
11 may terminate the agreement for any reason if the City chooses.

12 (b) For the reasons specified in subsection (a) above, the Board of Supervisors hereby
13 grants waivers of the following standard contract requirements and finds such waivers to be
14 reasonable and in the public interest:

- 15 (1) Implementing the MacBride Principles (Admin. Code Chapter 12F);
16 (2) Increased participation by small and micro local businesses in City contracts
17 (Admin. Code Chapter 14B);
18 (3) The competitive bidding requirements (Admin. Code Section 21.1);
19 (4) First source hiring requirements (Admin. Code Chapter 83); and
20 (5) The tropical hardwood and virgin redwood ban (Environ. Code Chapter 8).

21 (c) The Board of Supervisors also waives the otherwise applicable requirement to
22 include in said agreements references to the following Municipal Code provisions and finds
23 such waivers to be reasonable and in the public interest:

- 24 (1) Public access to meetings and records of non-profit organizations (Admin.
25 Code Section 12L);

1 (2) Sweatfree contracting (Admin. Code Section 12U.4); and

2 (3) Food service waste reduction (Environ. Code Section 1605).

3
4 **SECTION 4. GRANT OF AUTHORITY TO ENTER INTO INTERCONNECTION**
5 **AGREEMENTS WITH PG&E.**

6 (a) MTA Third Party Interconnection Agreement with PG&E.

7 (1) The San Francisco Municipal Transportation Agency ("MTA") has developed
8 and will own and operate a solar project at its Field Operations Facility located at 1508
9 Bancroft. The project is part of Public Works Contract 8024A, which was awarded to
10 construct improvements at the Field Operations Facility ("Bancroft Improvement Project").
11 The project is fully funded through SFMTA Operating funds. On August 21, 2018, the MTA's
12 Board of Directors adopted a Resolution authorizing the General Manager of the MTA to enter
13 into a Third Party Interconnection Agreement with PG&E for interconnection of the Field
14 Operations Facility solar project located at 1508 Bancroft Avenue (Resolution No. 180821-
15 111). The MTA's Board Resolution and supporting material are on file with the Clerk of the
16 Board of Supervisors in File No. 180850, and are hereby declared to be a part of this
17 ordinance as if set forth fully herein.

18 On October 18, 2016, the MTA determined (Case Number 2016-014593ENV)
19 that the Bancroft Improvement Project is exempt from the California Environmental Quality Act
20 ("CEQA") as defined in Title 14 of the California Code of Regulations Section 15301. There
21 have been no material changes to the project since this CEQA determination. A copy of the
22 CEQA determination is on file with the Secretary to the MTA Board of Directors, and may be
23 found in the records of the Planning Department at 1650 Mission Street in San Francisco, and
24 is incorporated herein by reference.

1 (2) The Board of Supervisors authorizes the General Manager of the MTA to
2 enter into a Third Party Interconnection Agreement with PG&E for interconnection of the Field
3 Operations Facility solar project located at 1508 Bancroft Avenue, substantially in the form of
4 the agreement on file with the Clerk of the Board of Supervisors in File No. 180850, with such
5 changes or modifications, including modifications to the exhibits, as may be acceptable to the
6 General Manager of the MTA and the City Attorney and which do not materially increase the
7 obligations and liabilities of the City.

8 (b) PUC Customer Generation Agreement with PG&E.

9 The Board of Supervisors authorizes the General Manager of the PUC to enter into a
10 Customer Generation Agreement with PG&E for the MTA Field Operations Facility located at
11 1508 Bancroft, substantially in the form of the Agreement on file with the Clerk of the Board of
12 Supervisors in File No. 180850, with such changes or modifications, including modifications to
13 the exhibits, as may be acceptable to the General Manager of the PUC and the City Attorney
14 and which do not materially increase the obligations and liabilities of the City.

15 (c) PUC WDT Interconnection Agreement with PG&E.

16 (1) The PUC has installed and will operate and maintain a 150 kW rooftop solar
17 electric system at Burton High School, located at 400 Mansell Street. Funding for the Burton
18 High project was included in the PUC's budget.

19 (2) On January 19, 2016, the City's Planning Department determined (Case
20 Number 2016-000761ENV) that the Burton High School solar project is exempt from CEQA as
21 defined in Title 14 of the California Code of Regulations Section 15301. There have been no
22 material changes to the project since this CEQA determination. A copy of the CEQA
23 determination may be found in the records of the Planning Department at 1650 Mission Street
24 in San Francisco, and is incorporated herein by reference.

1 (3) The Board of Supervisors authorizes the General Manager of the PUC to
2 enter into a WDT Interconnection Agreement with PG&E for interconnection of the project at
3 Burton High at 400 Mansell Street, substantially in the form of the agreement on file with the
4 Clerk of the Board of Supervisors in File No. 180850, with such changes or modifications,
5 including modifications to the exhibits, as may be acceptable to the General Manager of the
6 PUC and the City Attorney and which do not materially increase the obligations and liabilities
7 of the City.
8

9 **SECTION 5. DELEGATION OF AUTHORITY UNDER CHARTER SECTION 9.118(b).**

10 The Board of Supervisors authorizes: 1) The Director of Transportation of the MTA and
11 the heads of the San Francisco International Airport, Port of San Francisco, Fire Department,
12 Police Department, Department of Public Health, Real Estate Division, and Recreation and
13 Parks Department, or their respective designees, to enter into Third-Party Interconnection
14 Agreements or other similar interconnection agreements with PG&E, and 2) the General
15 Manager of the PUC to execute Customer Generation Agreements and WDT Interconnection
16 Agreements or other similar interconnection agreements with PG&E. The various
17 authorizations in this paragraph are subject to the following conditions:

18 (a) The agreements would not require Board of Supervisors approval except pursuant
19 to Charter Section 9.118(b) for terms exceeding 10 years;

20 (b) The agreements are necessary to connect solar projects to the electrical grid;

21 (c) If necessary, the solar projects associated with the agreements and any fees or
22 costs associated with the agreements have been included in the department's capital plan or
23 budget or have otherwise been approved by the department;
24
25

Major, Erica (BOS)

From: Scarpulla, John <JScarpulla@sfgwater.org>
Sent: Wednesday, September 26, 2018 4:33 PM
To: Major, Erica (BOS)
Subject: RE: WDT Interconnection Agmt - (180850) Agreements - Connection of City Solar Projects with Pacific Gas and Electric Company - Public Utilities Commission

Thanks!!

John Scarpulla
SFPUC – Policy & Government Affairs
jscarpulla@sfgwater.org | 415-934-5782

Please note that I will be out of the country from October 3-17. Please contact Chris Whitmore at Cwhitmore@sfgwater.org during those dates.

From: Major, Erica (BOS) [<mailto:erica.major@sfgov.org>]
Sent: Wednesday, September 26, 2018 4:18 PM
To: Scarpulla, John <JScarpulla@sfgwater.org>
Subject: RE: WDT Interconnection Agmt - (180850) Agreements - Connection of City Solar Projects with Pacific Gas and Electric Company - Public Utilities Commission

Great, I'll note it in the file thanks!

ERICA MAJOR
Assistant Clerk
Board of Supervisors
1 Dr. Carlton B. Goodlett Place, City Hall, Room 244 San Francisco, CA 94102
Phone: (415) 554-4441 | Fax: (415) 554-5163
Erica.Major@sfgov.org | www.sfbos.org

 Click [here](#) to complete a Board of Supervisors Customer Service Satisfaction form.

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From: Scarpulla, John [<mailto:JScarpulla@sfgwater.org>]
Sent: Wednesday, September 26, 2018 3:41 PM
To: Major, Erica (BOS) <erica.major@sfgov.org>
Subject: FW: WDT Interconnection Agmt - (180850) Agreements - Connection of City Solar Projects with Pacific Gas and Electric Company - Public Utilities Commission

Hi Erica,

So, according to my colleague, the DRAFT Small Generator Interconnection Agmt - Burton High School *is the WDT Interconnection Agreement*. I've attached it to this email. Hope this helps!

Best,
John

John Scarpulla
SFPUC – Policy & Government Affairs
jscarpulla@sfgwater.org | 415-934-5782

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From: Seidel, Jamie
Sent: Wednesday, September 26, 2018 3:34 PM
To: Scarpulla, John <JScarpulla@sfgwater.org>; HONG, SUZY (CAT) <Suzy.Hong@sfcityatty.org>; MUELLER, THERESA (CAT) <Theresa.Mueller@sfcityatty.org>
Subject: RE: WDT Interconnection Agmt - (180850) Agreements - Connection of City Solar Projects with Pacific Gas and Electric Company - Public Utilities Commission

Hi John:

Sorry for any confusion, the DRAFT Small Generator Interconnection Agmt - Burton High School *is the WDT Interconnection Agreement*.

Jamie Seidel
Manager
Distributed Energy Resources -- Projects | Power Enterprise
San Francisco Water, Power, & Sewer
San Francisco Public Utilities Commission
525 Golden Gate Avenue – 7th Floor
San Francisco, CA 94102
415.554.1537 (t)



From: Scarpulla, John
Sent: Wednesday, September 26, 2018 2:53 PM
To: Seidel, Jamie <JSeidel@sfgwater.org>; HONG, SUZY (CAT) <Suzy.Hong@sfcityatty.org>; MUELLER, THERESA (CAT) <Theresa.Mueller@sfcityatty.org>
Subject: FW: WDT Interconnection Agmt - (180850) Agreements - Connection of City Solar Projects with Pacific Gas and Electric Company - Public Utilities Commission

Hi all,

Please see below from the Clerk. Please either provide me the WDT Interconnection Agreement or let me know how I should respond.

Thanks!

Best,
John

John Scarpulla
SFPUC – Policy & Government Affairs
jscarpulla@sfgov.org | 415-934-5782

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From: Major, Erica (BOS) [<mailto:erica.major@sfgov.org>]

Sent: Wednesday, September 26, 2018 1:55 PM

To: Scarpulla, John <JScarpulla@sfgov.org>

Subject: WDT Interconnection Agmt - (180850) Agreements - Connection of City Solar Projects with Pacific Gas and Electric Company - Public Utilities Commission

Hi John,

Is there a separate agreement for the WDT Interconnection Agmt that isn't a part of what is listed below? I have these Agmt's for the file, but I don't see one for WDT. Could you send along in PDF if there is or clarify please. Thanks!

- ✓ DRAFT Small Generator Interconnection Agmt - Burton High School
- ✓ PG&E Generating Facility Interconnection Agmt 072415
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Page 4, Line 8

(b) Wholesale Distribution Tariff ("WDT") Interconnection Agreement.

Page 4, Lines 19-21

(6) The WDT Interconnection Agreement is on file with the Clerk of the Board of Supervisors in File No. _____, and is hereby declared to be a part of this ordinance as if set forth fully herein.

ERICA MAJOR

Assistant Clerk

Board of Supervisors

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20 Supervisors in File No. _____, and is hereby declared to be a part of this ordinance as if set
21 forth fully herein.

1 **SECTION 3. WAIVER OF CERTAIN CONTRACT-RELATED REQUIREMENTS IN THE**
2 **ADMINISTRATIVE CODE AND THE ENVIRONMENT CODE FOR WDT**
3 **INTERCONNECTION AGREEMENTS.**

4 (a) The WDT Interconnection Agreement does not contain standard City contract
5 provisions. Since the WDT Interconnection Agreement is a form agreement approved by the
6 Federal Energy Regulatory Commission, it cannot be modified to add standard City contract
7 provisions. The WDT Interconnection Agreement is necessary and beneficial to the City
8 because it allows on-site solar projects developed by the PUC and its customers to connect to
9 the electrical grid. The costs to the City of the WDT Interconnection Agreement are minimal;
10 recent WDT Interconnection Agreements resulted in costs of approximately \$2,500. The City
11 may terminate the agreement for any reason if the City chooses.

12 (b) For the reasons specified in subsection (a) above, the Board of Supervisors hereby
13 grants waivers of the following standard contract requirements and finds such waivers to be
14 reasonable and in the public interest:

- 15 (1) Implementing the MacBride Principles (Admin. Code Chapter 12F);
16 (2) Increased participation by small and micro local businesses in City contracts
17 (Admin. Code Chapter 14B);
18 (3) The competitive bidding requirements (Admin. Code Section 21.1);
19 (4) First source hiring requirements (Admin. Code Chapter 83); and
20 (5) The tropical hardwood and virgin redwood ban (Environ. Code Chapter 8).

21 (c) The Board of Supervisors also waives the otherwise applicable requirement to
22 include in said agreements references to the following Municipal Code provisions and finds
23 such waivers to be reasonable and in the public interest:

- 24 (1) Public access to meetings and records of non-profit organizations (Admin.
25 Code Section 12L);

- (2) Sweatfree contracting (Admin. Code Section 12U.4); and
- (3) Food service waste reduction (Environ. Code Section 1605).

SECTION 4. GRANT OF AUTHORITY TO ENTER INTO INTERCONNECTION AGREEMENTS WITH PG&E.

(a) MTA Third Party Interconnection Agreement with PG&E.

(1) The San Francisco Municipal Transportation Agency (“MTA”) has developed and will own and operate a solar project at its Field Operations Facility located at 1508 Bancroft. The project is part of Public Works Contract 8024A, which was awarded to construct improvements at the Field Operations Facility (“Bancroft Improvement Project”). The project is fully funded through SFMTA Operating funds. On August 21, 2018, the MTA’s Board of Directors adopted a Resolution authorizing the General Manager of the MTA to enter into a Third Party Interconnection Agreement with PG&E for interconnection of the Field Operations Facility solar project located at 1508 Bancroft Avenue (Resolution No. 180821-111). The MTA’s Board Resolution and supporting material are on file with the Clerk of the Board of Supervisors in File No. _____, and are hereby declared to be a part of this ordinance as if set forth fully herein.

On October 18, 2016, the MTA determined (Case Number 2016-014593ENV) that the Bancroft Improvement Project is exempt from the California Environmental Quality Act (“CEQA”) as defined in Title 14 of the California Code of Regulations Section 15301. There have been no material changes to the project since this CEQA determination. A copy of the CEQA determination is on file with the Secretary to the MTA Board of Directors, and may be found in the records of the Planning Department at 1650 Mission Street in San Francisco, and is incorporated herein by reference.

1 (2) The Board of Supervisors authorizes the General Manager of the MTA to
2 enter into a Third Party Interconnection Agreement with PG&E for interconnection of the Field
3 Operations Facility solar project located at 1508 Bancroft Avenue, substantially in the form of
4 the agreement on file with the Clerk of the Board of Supervisors in File No. _____, with
5 such changes or modifications, including modifications to the exhibits, as may be acceptable
6 to the General Manager of the MTA and the City Attorney and which do not materially
7 increase the obligations and liabilities of the City.

8 (b) PUC Customer Generation Agreement with PG&E.

9 The Board of Supervisors authorizes the General Manager of the PUC to enter into a
10 Customer Generation Agreement with PG&E for the MTA Field Operations Facility located at
11 1508 Bancroft, substantially in the form of the Agreement on file with the Clerk of the Board of
12 Supervisors in File No. _____, with such changes or modifications, including modifications
13 to the exhibits, as may be acceptable to the General Manager of the PUC and the City
14 Attorney and which do not materially increase the obligations and liabilities of the City.

15 (c) PUC WDT Interconnection Agreement with PG&E.

16 (1) The PUC has installed and will operate and maintain a 150 kW rooftop solar
17 electric system at Burton High School, located at 400 Mansell Street. Funding for the Burton
18 High project was included in the PUC's budget.

19 (2) On January 19, 2016, the City's Planning Department determined (Case
20 Number 2016-000761ENV) that the Burton High School solar project is exempt from CEQA as
21 defined in Title 14 of the California Code of Regulations Section 15301. There have been no
22 material changes to the project since this CEQA determination. A copy of the CEQA
23 determination may be found in the records of the Planning Department at 1650 Mission Street
24 in San Francisco, and is incorporated herein by reference.

1 (3) The Board of Supervisors authorizes the General Manager of the PUC to
2 enter into a WDT Interconnection Agreement with PG&E for interconnection of the project at
3 Burton High at 400 Mansell Street, substantially in the form of the agreement on file with the
4 Clerk of the Board of Supervisors in File No. _____, with such changes or modifications,
5 including modifications to the exhibits, as may be acceptable to the General Manager of the
6 PUC and the City Attorney and which do not materially increase the obligations and liabilities
7 of the City.

8
9 **SECTION 5. DELEGATION OF AUTHORITY UNDER CHARTER SECTION 9.118(b).**

10 The Board of Supervisors authorizes: 1) The Director of Transportation of the MTA and
11 the heads of the San Francisco International Airport, Port of San Francisco, Fire Department,
12 Police Department, Department of Public Health, Real Estate Division, and Recreation and
13 Parks Department, or their respective designees, to enter into Third-Party Interconnection
14 Agreements or other similar interconnection agreements with PG&E, and 2) the General
15 Manager of the PUC to execute Customer Generation Agreements and WDT Interconnection
16 Agreements or other similar interconnection agreements with PG&E. The various
17 authorizations in this paragraph are subject to the following conditions:

18 (a) The agreements would not require Board of Supervisors approval except pursuant
19 to Charter Section 9.118(b) for terms exceeding 10 years;

20 (b) The agreements are necessary to connect solar projects to the electrical grid;

21 (c) If necessary, the solar projects associated with the agreements and any fees or
22 costs associated with the agreements have been included in the department's capital plan or
23 budget or have otherwise been approved by the department;

LEGISLATIVE DIGEST

[Authorizing Agreements - Connection of City Solar Projects with Pacific Gas and Electric Company - Public Utilities Commission]

Ordinance authorizing the Director of Transportation of the Municipal Transportation Agency (MTA) and the General Manager of the Public Utilities Commission (PUC) to enter into interconnection agreements with Pacific Gas and Electric Company (PG&E) for a solar power project at the MTA's Field Operations Facility for a term in excess of 10 years; authorizing the PUC's General Manager to enter into an interconnection agreement for Burton High School for a term in excess of 10 years; delegating authority to the PUC's General Manager, the MTA's Director of Transportation, and the heads of the San Francisco International Airport, Port of San Francisco, Fire Department, Police Department, Department of Public Health, Real Estate Division, and Recreation and Parks Department, or their respective designees, to enter into form interconnection agreements for solar projects with PG&E for terms in excess of 10 years, subject to specified conditions; and authorizing deviations from certain otherwise applicable contract requirements in the Administrative Code and the Environment Code, as defined herein.

Existing Law

Section 9.118(b) of the Charter requires approval by the Board of Supervisors for agreements with an expected term longer than ten years or requiring expenditures of 10 million dollars or more.

The San Francisco municipal codes contain many contracting requirements for the procurement of goods and services. In certain instances, the Board of Supervisors may exempt contracts from these requirements via ordinance.

Amendments to Current Law

This ordinance would not amend current law.

Background Information

The City requires renewable energy facilities on certain new building construction and has a goal to use electricity produced by renewable and greenhouse gas-free resources for all City electric needs served by the City's Public Utilities Commission ("PUC") by 2030. On-site, rooftop solar projects are critical to meeting these City goals and requirements. These solar projects require various different agreements (called interconnection agreements) with Pacific Gas & Electric ("PG&E") in order to connect to the electrical grid. These agreements have

terms of longer than ten years so require approval by the Board of Supervisors under Section 9.118(b) of the Charter. The Board of Supervisors has approved interconnection agreements for numerous solar projects in the past.

This ordinance would grant approval for the Municipal Transit Agency (“MTA”) and the PUC to enter into interconnection agreements with PG&E for two solar projects.

The ordinance would also delegate the Board of Supervisors’ authority under Charter section 9.118(b) to allow MTA, PUC, and other City departments to enter into interconnection agreements with PG&E that exceed ten years.

The ordinance makes this delegation of authority subject to several conditions specified in section 5, including the following: the agreements are necessary to connect solar projects to the grid, the solar projects and any fees and costs associated with the agreements (which are minimal) have been approved by the City department, and environmental review is not required or has been completed, including any necessary mitigation measures.

Finally, this ordinance would grant approval for PUC to enter into agreements that deviate from the City’s standard contracts. The ordinance would allow the General Manager of the PUC to waive certain City contracting requirements since it is not feasible to include those requirements in these agreements.

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SMALL GENERATOR INTERCONNECTION AGREEMENT (SGIA)

(For Generating Facilities No Larger Than 20 MW)

BETWEEN

PACIFIC GAS AND ELECTRIC COMPANY

AND

SAN FRANCISCO PUBLIC UTILITIES COMMISSION

For Project:

**Burton High School PV
1731-WD**

**San Francisco, CA 94131
City and County of San Francisco**

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[Attachment 1](#) – Glossary of Terms

[Attachment 2](#) – Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment

[Attachment 3](#) – One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades

[Attachment 4](#) – Milestones

[Attachment 5](#) – Additional Operating Requirements for the Distribution Provider's Distribution and Transmission Systems and Affected Systems Needed to Support the Interconnection Customer's Needs

[Attachment 6](#) – Distribution Provider's Description of its Upgrades and Best Estimate of Upgrade Costs

This Interconnection Agreement ("Agreement") is made and entered into this _____ day of _____, 20__ by **PACIFIC GAS AND ELECTRIC COMPANY** ("Distribution Provider"), and **SAN FRANCISCO PUBLIC UTILITIES COMMISSION** ("Interconnection Customer"), each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties."

Distribution Provider Information

Pacific Gas and Electric Company
Attention: Electric Grid Interconnection - Contract Management
245 Market Street
Mail Code N7L
San Francisco, California 94105-1702
Phone: (415) 972-5394
Email: EGIContractMgmt@pge.com

Interconnection Customer Information

San Francisco Public Utilities Commission
Attention: Craig Smith
525 Golden Gate Ave.
San Francisco, CA 94102
Phone: (415) 554-1812
Email: clsmith@sfwater.org

Interconnection Customer Application No: **PG&E Project ID# 50S3439, Queue# 1731-WD**. In consideration of the mutual covenants set forth herein, the Parties agree as follows:

Article 1. Scope and Limitations of Agreement

- 1.1 This Agreement shall be used for all Small Generating Facility Interconnection Requests submitted under the Small Generator Interconnection Procedures (SGIP) or Generator Interconnection Procedures (GIP) except for those submitted under the 10 kW Inverter Process contained in SGIP Attachment 5.
- 1.2 This Agreement governs the terms and conditions under which the Interconnection Customer's Small Generating Facility will interconnect with, and operate in parallel with, the Distribution Provider's Distribution System.
- 1.3 This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity.
- 1.4 Nothing in this Agreement is intended to affect any other agreement between the Distribution Provider and the Interconnection Customer.

1.5 Responsibilities of the Parties

- 1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.
- 1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, in accordance with this Agreement, and with Good Utility Practice.
- 1.5.3 The Distribution Provider shall construct, operate, and maintain its Distribution System, Transmission System and Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.
- 1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Distribution Provider or Affected Systems. The Interconnection Customer shall comply with the Distribution Provider's Interconnection Handbook. In the event of a conflict between the terms of this SGIA and the terms of the Distribution Provider's Interconnection Handbook, the terms in this SGIA shall govern.
- 1.5.5 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership. The Distribution Provider and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Distribution Provider's Distribution and Transmission Systems, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.
- 1.5.6 The Distribution Provider shall coordinate with all Affected Systems to support the interconnection.
- 1.5.7 The Interconnection Customer shall ensure "frequency ride through" capability and "voltage ride through" capability of its Small Generating Facility in accordance with the standards and requirements described in the PG&E Transmission Interconnection Handbook (TIH) and the Distribution Interconnection Handbook (DIH). The Interconnection Customer shall enable these capabilities such that its Small Generating Facility shall not disconnect automatically or instantaneously from the system or

equipment of the Distribution Provider and any Affected Systems for a defined under-frequency or over-frequency condition, or an under-voltage or over-voltage condition, as tested pursuant to Article 2.1 of this Agreement. The defined conditions shall be in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis. The Small Generating Facility's protective equipment settings shall comply with the Distribution Provider's automatic load-shed program. The Distribution Provider shall review the protective equipment settings to confirm compliance with the automatic load-shed program. The term "ride through" as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of the Distribution Provider and any Affected Systems during system disturbances within a range of conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis. The term "frequency ride through" as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of the Distribution Provider and any Affected Systems during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis. The term "voltage ride through" as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of the Distribution Provider and any Affected Systems during system disturbances within a range of under-voltage and over-voltage conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis.

1.6 Parallel Operation Obligations

Once the Small Generating Facility has been authorized by the Distribution Provider to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Small Generating Facility in the applicable control area, including, but not limited to; 1) the rules and procedures concerning the operation of generation set forth in the Tariff or by the applicable system operator(s) for the Distribution Provider's Distribution and Transmission Systems and; 2) the Operating Requirements set forth in Attachment 5 of this Agreement.

1.7 Metering

The Interconnection Customer shall be responsible for the Distribution Provider's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments 2 and 3 of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

1.8 Reactive Power and Primary Frequency Response

1.8.1 Power Factor Design Criteria

1.8.1.1 Synchronous Generation. The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a

power factor within the range of 0.95 leading to 0.95 lagging, unless the Distribution Provider has established different requirements that apply to all similarly situated synchronous generators in the control area on a comparable basis.

- 1.8.1.2 Non-Synchronous Generation The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Distribution Provider has established a different power factor range that applies to all similarly situated non-synchronous generators in the control area on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two. This requirement shall only apply to newly interconnecting nonsynchronous generators that have not yet executed a Facilities Study Agreement as of the effective date of the Final Rule establishing this requirement (Order No. 827).

1.8.2 Deleted.

1.8.3 Deleted

1.8.4 Primary Frequency Response.

Interconnection Customer shall ensure the primary frequency response capability of its Small Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term "functioning governor or equivalent controls" as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Small Generating Facility's real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ± 0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved NERC Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Small Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Small Generating Facility's real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Small Generating Facility's real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency

deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Transmission Provider that the primary frequency response capability of the Small Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Small Generating Facility with the Transmission System, Interconnection Customer shall operate the Small Generating Facility consistent with the provisions specified in Sections 1.8.4.1 and 1.8.4.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Small Generating Facilities.

1.8.4.1 Governor or Equivalent Controls. Whenever the Small Generating Facility is operated in parallel with the Transmission System, Interconnection Customer shall operate the Small Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with Transmission Provider and/or the relevant balancing authority, set the deadband parameter to: (1) a maximum of ± 0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to Transmission Provider and/or the relevant balancing authority upon request. If Interconnection Customer needs to operate the Small Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Transmission Provider and the relevant balancing authority, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Small Generating Facility's governor or equivalent controls to a minimum whenever the Small Generating Facility is operated in parallel with the Transmission System.

1.8.4.2 Timely and Sustained Response. Interconnection Customer shall ensure that the Small Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Small Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to,

ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Small Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A Commission-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

1.8.4.3 Exemptions. Small Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Sections 1.8.4, 1.8.4.1, and 1.8.4.2 of this Agreement. Small Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Section 1.8.4, but shall be otherwise exempt from the operating requirements in Sections 1.8.4, 1.8.4.1, 1.8.4.2, and 1.8.4.4 of this Agreement.

1.8.4.4 Electric Storage Resources. Interconnection Customer interconnecting an electric storage resource shall establish an operating range in Attachment 5 of its SGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Sections 1.8.4, 1.8.4.1, 1.8.4.2 and 1.8.4.3 of this Agreement. Attachment 5 shall specify whether the operating range is static or dynamic, and shall consider: (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by Transmission Provider and Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Attachment 5 must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Section 1.8.4.2 of this Agreement when it is online and dispatched to inject electricity to the Transmission System and/or receive electricity from the Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the Transmission System and/or dispatched to receive electricity from the Transmission System. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its

deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

- 1.9 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement.

Article 2. Inspection, Testing, Authorization, and Right of Access

2.1 Equipment Testing and Inspection

2.1.1 The Interconnection Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify the Distribution Provider of such activities no fewer than five Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Distribution Provider may, at its own expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the Distribution Provider a written test report when such testing and inspection is completed.

2.1.2 The Distribution Provider shall provide the Interconnection Customer written acknowledgment that it has received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Distribution Provider of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Small Generating Facility.

2.2 Authorization Required Prior to Parallel Operation

2.2.1 The Distribution Provider shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, the Distribution Provider shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Distribution Provider shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.

2.2.2 The Interconnection Customer shall not operate its Small Generating Facility in parallel with the Distribution Provider's Distribution System without prior written authorization of the Distribution Provider. The Distribution Provider will provide such authorization once the Distribution Provider receives notification that the Interconnection Customer has complied with all applicable parallel operation

requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3 Right of Access

2.3.1 Upon reasonable notice, the Distribution Provider may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Small Generating Facility (including any required testing), startup, and operation for a period of up to three Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the Distribution Provider at least five Business Days prior to conducting any on-site verification testing of the Small Generating Facility.

2.3.2 Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Distribution Provider shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.

2.3.3 Each Party shall be responsible for its own costs associated with following this article.

Article 3. Effective Date, Term, Termination, and Disconnection

3.1 Effective Date

This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by the FERC. The Distribution Provider shall promptly file this Agreement with the FERC upon execution, if required.

3.2 Term of Agreement

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of ten years from the Effective Date or such other longer period as the Interconnection Customer may request and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article 3.3 of this Agreement.

3.3 Termination

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this Agreement (if required), which notice has been accepted for filing by FERC.

3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving the Distribution Provider 20 Business Days written notice.

3.3.2 Either Party may terminate this Agreement after Default pursuant to article 7.6.

3.3.3 Upon termination of this Agreement, the Small Generating Facility will be disconnected from the Distribution Provider's Distribution System. The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.

3.3.4 The provisions of this article shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

3.4.1 Emergency Conditions -- "Emergency Condition" shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the Distribution Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Distribution System, the Distribution Provider's Interconnection Facilities any Affected Systems; or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or the Interconnection Customer's Interconnection Facilities. Under Emergency Conditions, the Distribution Provider may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. The Distribution Provider shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Small Generating Facility. The Interconnection Customer shall notify the Distribution Provider promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Distribution Provider's Distribution System or other Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of both Parties' facilities and operations, its anticipated duration, and the necessary corrective action.

3.4.2 Routine Maintenance, Construction, and Repair

The Distribution Provider may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small Generating Facility from the Distribution Provider's Distribution System when necessary for routine maintenance, construction, and repairs on the Distribution Provider's Distribution System and/or Transmission System. The Distribution Provider shall provide the Interconnection Customer with five Business Days notice prior to such interruption. The Distribution Provider shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.

3.4.3 Forced Outages

During any forced outage, the Distribution Provider may suspend interconnection service to effect immediate repairs on the Distribution Provider's Distribution

System and/or Transmission System. The Distribution Provider shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Distribution Provider shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

3.4.4 Adverse Operating Effects

The Distribution Provider shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to the Distribution Provider's Distribution System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, the Distribution Provider may disconnect the Small Generating Facility. The Distribution Provider shall provide the Interconnection Customer with five Business Day notice of such disconnection, unless the provisions of article 3.4.1 apply.

3.4.5 Modification of the Small Generating Facility

The Interconnection Customer must receive written authorization from the Distribution Provider before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the Distribution System and/or Transmission System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without the Distribution Provider's prior written authorization, the latter shall have the right to temporarily disconnect the Small Generating Facility.

3.4.6 Reconnection

The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, and/or the Distribution Provider's Distribution System or Transmission System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1 Interconnection Facilities

4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. The Distribution Provider shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, and the Distribution Provider.

4.1.2 The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating,

maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Distribution Provider's Interconnection Facilities.

4.2 Distribution Upgrades

The Distribution Provider shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If the Distribution Provider and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Distribution Upgrades, including overheads, as well as costs associated with operating, maintaining, repairing, and replacing Distribution Provider's Distribution Upgrades shall be directly assigned to the Interconnection Customer.

Article 5. Cost Responsibility for Network Upgrades

5.1 Applicability

No portion of this Article 5 shall apply unless the interconnection of the Small Generating Facility requires Network Upgrades.

5.2 Network Upgrades

The Distribution Provider or the Transmission Owner shall design, procure, construct, install, and own the Network Upgrades described in Attachment 6 of this Agreement. If the Distribution Provider and the Interconnection Customer agree, the Interconnection Customer may construct Network Upgrades that are located on land owned by the Interconnection Customer. Unless the Distribution Provider elects to pay for Network Upgrades, the actual cost of the Network Upgrades, including overheads, shall be borne by the Interconnection Customer unless Article 5.2.1 directs otherwise.

5.2.1 Repayment of Amounts Advanced for Network Upgrades

To the extent the CAISO Tariff, Section 12.3.2 of Appendix Y and Section 14.3.2 of Appendix DD, and successor tariffs provides for cash repayment or Congestion Revenue Rights to the Interconnection Customer for contribution to the cost of Network Upgrades, the Interconnection Customer shall be entitled to a cash repayment of Congestion Revenue Rights, equal to the total amount paid to the Distribution Provider and Affected System operator, if any, for Network Upgrades, including any tax gross-up or other tax-related payments associated with the Network Upgrades, and not otherwise refunded to the Interconnection Customer.

Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. 35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. The Interconnection Customer may assign such repayment rights to any person.

5.2.1.1 If the Interconnection Customer is entitled to a cash repayment pursuant to Article 5.2.1, the Interconnection Customer, the Distribution Provider, and Affected System operator may adopt any alternative

payment schedule that is mutually agreeable so long as the Distribution Provider and Affected System operator take one of the following actions no later than five years from the Commercial Operation Date: (1) return to the Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that the Distribution Provider or Affected System operator(s) will continue to provide payments to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the commercial operation date.

- 5.2.1.2 If the Small Generating Facility fails to achieve commercial operation, but it or another generating facility is later constructed and requires use of the Network Upgrades, the Distribution Provider and Affected System operator shall at that time reimburse the Interconnection Customer for the amounts advanced for the Network Upgrades if the Interconnection Customer is entitled to a cash repayment pursuant to Article 5.2.1. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the generating facility, if different, is responsible for identifying the entity to which reimbursement must be made.

5.3 Special Provisions for Affected Systems

Unless the Distribution Provider provides, under this Agreement, for the repayment of amounts advanced to Affected System operator(s) for Network Upgrades, the Interconnection Customer and Affected System operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to Affected System operator as well as the repayment by Affected System operator.

5.4 Rights Under Other Agreements

Notwithstanding any other provision of this Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that the Interconnection Customer shall be entitled to, now or in the future, under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Small Generating Facility.

Article 6. Billing, Payment, Milestones, and Financial Security

6.1 Billing and Payment Procedures and Final Accounting

- 6.1.1 The Distribution Provider shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties. The Interconnection Customer shall pay each

bill within 30 calendar days of receipt, or as otherwise agreed to by the Parties.

6.1.2 Within six months of completing the construction and installation of the Distribution Provider's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, the Distribution Provider shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the Distribution Provider for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Distribution Provider shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Distribution Provider within 30 calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Distribution Provider shall refund to the Interconnection Customer an amount equal to the difference within 30 calendar days of the final accounting report.

6.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than an Uncontrollable Force Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) requesting appropriate amendments to Attachment 4. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless (1) it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

6.3 Financial Security Arrangements

The Interconnection Customer shall provide the Distribution Provider an Interconnection Financial Security by the earliest date of either (i) no later than the financial security posting milestone date negotiated in Attachment 4 of this Agreement, (ii) no later than 180 Calendar Days after the effective date of this agreement, or (iii) at least twenty (20) Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Distribution Provider's Interconnection Facilities and Upgrades. The Interconnection Customer shall provide the Distribution Provider, at the Interconnection Customer's option, a guarantee, letter of credit, escrow agreement or other form of security that is reasonably acceptable to the Distribution Provider and is consistent with the Uniform Commercial Code of the jurisdiction where the Point of Interconnection is located. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Distribution Provider's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the Distribution Provider under this Agreement during its term. In addition:

6.3.1 The guarantee must be made by an entity that meets the creditworthiness requirements of the Distribution Provider, and contain terms and conditions that

guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.

- 6.3.2 The letter of credit or escrow agreement must be issued by a financial institution or insured reasonably acceptable to the Distribution Provider and must specify a reasonable expiration date.

6.4 Responsibility for any Outstanding Interconnection Study Costs

The Interconnection Customer must complete payment on all outstanding invoiced interconnection study costs no later than the financial security posting milestone date negotiated in Attachment 4 of this Agreement. Study costs not yet invoiced within thirty (30) Calendar Days of that financial security posting deadline must be paid by the Interconnection Customer within thirty (30) Calendar Days of the date of the invoice once they are invoiced to the Interconnection Customer.

Failure to complete payment on these interconnection study invoices by these deadlines will constitute Default on this Agreement by the Interconnection Customer, subject to the terms of Article 7.6 "Default".

Article 7. Assignment, Liability, Indemnity, Uncontrollable Force, Consequential Damages, and Default

7.1 Assignment

This Agreement may be assigned by either Party upon fifteen (15) Business Days prior written notice and opportunity to object by the other Party; provided that:

- 7.1.1 Either Party may assign this Agreement without the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement;
- 7.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the consent of the Distribution Provider, for collateral security purposes to aid in providing financing for the Small Generating Facility, provided that the Interconnection Customer will promptly notify the Distribution Provider of any such assignment.
- 7.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

7.2 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, except as authorized by this Agreement.

7.3 Indemnity

- 7.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in article 7.2.
- 7.3.2 The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.
- 7.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.
- 7.3.4 If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.
- 7.3.5 Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.

7.4 Consequential Damages

Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

7.5 Uncontrollable Force

7.5.1 As used in this article, an Uncontrollable Force shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond the reasonable control of the Distribution Provider or Interconnection Customer which could not be avoided through the exercise of Good Utility Practice. An Uncontrollable Force Event does not include an act of negligence or intentional wrongdoing by the Party claiming Uncontrollable Force."

7.5.2 If an Uncontrollable Force Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Uncontrollable Force Event (Affected Party) shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Uncontrollable Force Event. The notification must specify in reasonable detail the circumstances of the Uncontrollable Force Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Uncontrollable Force Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Uncontrollable Force Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

7.6 Default

7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of an Uncontrollable Force Event as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in article 7.6.2, the defaulting Party shall have 60 calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

7.6.2 If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

Article 8. Insurance

- 8.1 The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in the State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of the Distribution Provider, except that the Interconnection Customer shall show proof of insurance to the Distribution Provider no later than ten Business Days prior to the anticipated commercial operation date. An Interconnection Customer of sufficient credit-worthiness may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.
- 8.2 The Distribution Provider agrees to maintain general liability insurance or self-insurance consistent with the Distribution Provider's commercial practice. Such insurance or self-insurance shall not exclude coverage for the Distribution Provider's liabilities undertaken pursuant to this Agreement.
- 8.3 The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

Article 9. Confidentiality

- 9.1 Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.
- 9.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.
- 9.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.
- 9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.

- 9.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1 b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC. The Party shall notify the other Party to this Agreement when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

Article 10. Disputes

- 10.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.
- 10.2 In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.
- 10.3 If the dispute has not been resolved within two Business Days after receipt of the Notice, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.
- 10.4 The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at <http://www.ferc.gov/legal/adr.asp>.
- 10.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.
- 10.6 If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

Article 11. Taxes

- 11.1 The Parties agree to follow all applicable tax laws and regulations, consistent with FERC policy and Internal Revenue Service requirements.
- 11.2 Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect the Distribution Provider's tax

exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

Article 12. Miscellaneous

12.1 Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of California (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.2 Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties.

12.3 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

12.4 Waiver

12.4.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

12.4.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Distribution Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

12.5 Entire Agreement

This Agreement, including all Attachments, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

12.6 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

12.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

12.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. FERC expects all transmission providers, market participants, and interconnection customers interconnected to electric systems to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10 Environmental Releases

Each Party shall notify the other Party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Small Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

12.11 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

12.11.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Distribution Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the

Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

12.11.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

12.12 Reservation of Rights

The Distribution Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

Article 13. Notices

13.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national courier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:

San Francisco Public Utilities Commission
Attention: Chis Para
525 Golden Gate Ave.
San Francisco, CA 94102
Phone: (415) 554-2410
Email: cparas@sfgwater.org

If to the Distribution Provider:

Pacific Gas and Electric Company
Attention: Electric Grid Interconnection - Contract Management
245 Market Street
Mail Code N7L
San Francisco, California 94105-1702
Phone: (415) 972-5394
Email: EGIContractMgmt@pge.com

13.2 Billing and Payment

Billings and payments shall be sent to the addresses below:

Interconnection Customer:

San Francisco Public Utilities Commission
Attention: Patrick Ho
525 Golden Gate Ave.
San Francisco, CA 94102
Phone: (415) 934-5776
Email: pho@sfwater.org

Distribution Provider:

Pacific Gas and Electric Company
Attention: Electric Grid Interconnection - Contract Management
245 Market Street
Mail Code N7L
San Francisco, California 94105-1702
Phone: (415) 972-5394
Email: EGIContractMgmt@pge.com

13.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below:

If to the Interconnection Customer:

San Francisco Public Utilities Commission
Attention: Chris Paras
525 Golden Gate Ave.
San Francisco, CA 94102
Phone: (415) 554-2410
Email: cparas@sfwater.org

If to the Distribution Provider:

Pacific Gas and Electric Company
Attention: Electric Grid Interconnection - Contract Management
245 Market Street
Mail Code N7L
San Francisco, California 94105-1702
Phone: (415) 972-5394
Email: EGIContractMgmt@pge.com

13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this

Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

San Francisco Public Utilities Commission
Attention: Jamie Seidel
525 Golden Gate Ave.
San Francisco, CA 94102
Phone: (415) 554-1537
Email: jseidel@sfwater.org

Distribution Provider's Operating Representative:

Pacific Gas and Electric Company
Concord Distribution Control Center
1020 Detroit Ave
Concord, CA 94518-2401

Work Management Desk (Planned Clearance Requests)
Attention: San Francisco District (AOR 4 – San Francisco Division)
Phone: 844-743-2100

Real Time Operator Desk (Real Time Operational Issues)
Attention: San Francisco District (AOR 4 – San Francisco Division)
Phone: 844-743-3322

13.5 Changes to the Notice Information

Either Party may change this information by giving five Business Days written notice prior to the effective date of the change.

Article 14. Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

For the Distribution Provider: **Pacific Gas and Electric Company**

Signature: _____

Name: John Dufrane

Title: Wholesale Supervisor, Electric Grid Interconnection

Date: _____

For the Interconnection Customer: **San Francisco Public Utilities Commission**

Signature: _____

Name: Harian L. Kelly, Jr.

Title: General Manager

Date: _____

Glossary of Terms

Adverse System Impact -- A potential or actual negative effect due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System -- An electric system other than the Distribution Provider's Distribution System that may be affected by the proposed interconnection, including but not limited to the Transmission System.

Affected System Operator -- The entity that operates an Affected System.

Affiliate -- With respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

Applicable Laws and Regulations -- All duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council -- The reliability council applicable to the Distribution System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards -- The requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Distribution System to which the Generating Facility is directly interconnected, including the requirements pursuant to Section 215 of the Federal Power Act.

Area Deliverability Constraint -- A transmission system operating limit, that would constrain the deliverability of a substantial number of generators if the CAISO were to assign full capacity or partial capacity deliverability status to additional generating facilities in one or more specified geographic or electrical areas of the CAISO Controlled Grid in a total amount that is greater than the TP Deliverability for those areas. May also be a transmission system operating limit that constrains a quantity of generation in a local area of the grid that is larger than the generation amount identified in the applicable Transmission Planning Process (TPP) portfolio for the entire portfolio area. May also be a transmission system operating limit that constrains all or most of the same generation already constrained by a previously identified Area Deliverability Constraint.

Area Delivery Network Upgrade (ADNU) -- A transmission upgrade or addition identified by the CAISO to relieve an Area Deliverability Constraint.

Base Case -- The data including, but not limited to, base power flow, short circuit and stability data bases, underlying load, generation, and transmission facility assumptions, contingency lists, including relevant special protection systems, and transmission diagrams used to perform the Interconnection Studies. The Base Case may include Critical Energy Infrastructure Information (as that term is defined by FERC). The Base Case shall include transmission facilities as approved by the Distribution Provider or CAISO, as applicable, and Distribution Upgrades and Network Upgrades associated with generating facilities in (iv) below and generating facilities that (i) are directly interconnected to the Distribution System or CAISO Grid; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending request to interconnect to the Distribution System or an Affected System; or (iv) are not interconnected to the Distribution System or CAISO Grid, but are subject to a fully executed generator interconnection agreement (or its equivalent predecessor agreement) or for which an

unexecuted generator interconnection agreement (or its equivalent predecessor agreement) has been requested to be filed with FERC.

Breach -- The failure of a Party to perform or observe any material term or condition of the GIA.

Breaching Party -- A Party that is in Breach of the GIA.

Business Day -- Monday through Friday, excluding Federal Holidays and the Friday after Thanksgiving.

Calendar Day -- Any day including Saturday, Sunday or a Federal Holiday.

CAISO -- California Independent System Operator Corporation. See also ISO.

Clustering -- The process whereby a group of Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study.

Commercial Operation -- The status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date -- The date on which an Electric Generating Unit at a Generating Facility has received final written Permission to Operate from the Distribution Provider for operation of the generation facilities in parallel with the utility.

Confidential Information -- Any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Construction Activities -- Actions by the Distribution Provider that result in irrevocable financial commitments for the purchase of major electrical equipment or land for Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades assigned to the Interconnection Customer that occur after receipt of all appropriate governmental approvals needed for the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades.

Control Area -- An electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by an Applicable Reliability Council.

CPUC -- California Public Utilities Commission.

Default -- The failure of a breaching Party to cure its Breach under the Small Generator Interconnection Agreement.

Deliverability -- (1) The annual Net Qualifying Capacity of a Generating Facility, as verified through a Deliverability assessment and measured in MW, which specifies the amount of resource adequacy capacity the Generating Facility is eligible to provide. (2) The annual Maximum Import Capability of an intertie, which specifies the amount of resource adequacy capacity, measured in MW, that Load-serving Entities collectively can procure from imports at that intertie to meet their resource adequacy requirements.

Deliverability Assessment -- An evaluation of the On-Peak Deliverability Assessment set forth in GIP Section 5.8.3, and the Off-Peak Deliverability Assessment set forth in GIP Section 5.8.3 to determine if a Generating Facility or a group of Generating Facilities could provide Energy to the CAISO Controlled Grid

and be delivered to the aggregate of Load on the CAISO Controlled Grid at Peak Load, under a variety of severely stressed conditions.

Deliverability Status -- An attribute of a Generating Facility that is requested by an Interconnection Customer for the Generating Facility, assigned by the CAISO to the Generating Facility through the GIP, GIDAP, or other process specified in the CAISO tariff, and that affects the maximum Net Qualifying Capacity to which the Generating Facility could be entitled.

Delivery Network Upgrades -- The transmission facilities at or beyond the point where the Distribution Provider's Distribution System interconnects to the ISO Grid, other than Reliability Network Upgrades, identified in the Interconnection Studies to relieve constraints on the ISO Grid. Delivery Network Upgrades may be further classified as Local Delivery Network Upgrades or Area Delivery Network Upgrades.

Dispute Resolution -- The procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution Owner -- The entity that owns, leases, or otherwise possesses an interest in the portion of the Distribution System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.

Distribution Provider -- The public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission or wholesale distribution service under the Tariff. The term Distribution Provider should be read to include the Distribution Owner when the Distribution Owner is separate from the Distribution Provider.

Distribution Provider's Interconnection Facilities -- All facilities and equipment owned, controlled, or operated by the Distribution Provider from the Point of Change of Ownership to the Point of Interconnection as identified in the GIA, including any modifications, additions or upgrades to such facilities and equipment. Distribution Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Distribution Service -- The wholesale distribution service provided under the Tariff.

Distribution System -- Those non-ISO transmission and distribution facilities owned, controlled and operated by the Distribution Provider that are used to provide distribution service under the Tariff, which facilities and equipment are used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

Distribution Upgrades -- The additions, modifications, and upgrades to the Distribution Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the service necessary to effect the Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date -- The date on which the GIA becomes effective upon execution by the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.

Electric Generating Unit -- An individual electric generator and its associated plant and apparatus whose electrical output is capable of being separately identified and metered.

Emergency Condition -- A condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Distribution Provider, is

imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Distribution Provider's Distribution System, Distribution Provider's Interconnection Facilities or the electric systems of others to which the Distribution Provider's Distribution System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a nondiscriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by the GIA to possess black start capability.

Energy-Only Deliverability Status -- A condition elected by an Interconnection Customer for a Generating Facility interconnected to Distribution System, the result of which is that the Interconnection Customer is responsible only for the costs of Reliability Network Upgrades and is not responsible for the costs of Delivery Network Upgrades, but the Generating Facility will be deemed to have a Net Qualifying Capacity (as defined in the ISO Tariff) of zero and, therefore, cannot be considered to be a Resource Adequacy Resource (as defined in the ISO Tariff).

Engineering & Procurement (E&P) Agreement -- An agreement that authorizes the Distribution Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law -- The applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act -- The Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

FERC -- The Federal Energy Regulatory Commission (Commission) or its successor.

Full Capacity Deliverability Status (FCDS) -- The condition whereby a Generating Facility interconnected with the Distribution System, under coincident ISO Control Area peak demand and a variety of severely stressed system conditions, can deliver the Generating Facility's full output to the aggregate of load on the ISO Grid, consistent with the ISO's reliability criteria and procedures and the ISO's On-Peak Deliverability Assessment.

Generating Facility -- The Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities. A Small Generating Facility is one that has maximum capacity of 20 MW or less. A Large Generating Facility is one that has a maximum capacity of more than 20 MW.

Generating Facility Capacity -- The net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple Electric Generating Units.

Generator Interconnection Agreement (GIA) -- Either the Small Generator Interconnection Agreement (SGIA), which is Attachment F to the Wholesale Distribution Tariff, unless the proposed interconnection is for a generating facility larger than 20 MW, in which case references to interconnection agreement are to the Large Generator Interconnection Agreement (LGIA), which is Attachment H to the Wholesale Distribution Tariff.

Generator Interconnection and Deliverability Allocation Procedures (GIDAP) -- See ISO's Generator Interconnection and Deliverability Allocation Procedures (ISO Tariff GIDAP)

Generator Interconnection Procedures (GIP) -- See the definition for either ISO's Tariff Generator Interconnection Procedures (ISO Tariff GIP), or Wholesale Distribution Tariff Generator Interconnection Procedures (WDT GIP).

Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority – Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Interconnection Customer, the Interconnection Provider, or any Affiliate thereof.

Initial Synchronization Date -- The date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date -- The date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Distribution Provider's Interconnection Facilities to obtain back feed power.

Interconnection Customer – Any entity, including the Distribution Provider, the Distribution Owner, the Transmission Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with the Distribution Provider's Distribution System.

Interconnection Customer's Interconnection Facilities – All facilities and equipment, as identified in the GIA, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Distribution Provider's Distribution System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities – The Distribution Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to the Distribution Provider's Distribution System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Interconnection Financial Security -- The financial instrument(s) submitted by the Interconnection Customer to the Distribution Provider prior to the start of any Construction Activities as a security for the Distribution Provider against the estimated costs of the Construction Activities described in the Generator Interconnection Agreement. The Interconnection Customer may post the Interconnection Financial Security using any of the financial instruments listed in the WDT GIP.

Interconnection Handbook - A handbook, developed by the Distribution Provider and posted on the Distribution Provider's website or otherwise made available by the Distribution Provider, describing the technical and operational requirements for wholesale generators and loads connected to the Distribution System, as such handbook may be modified or superseded from time to time. In the event of a conflict between the terms of this SGIA and the terms of the Distribution Provider's Interconnection Handbook, the terms in this SGIA shall govern.

Interconnection Request – The Interconnection Customer's request, in accordance with the Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the Distribution Provider's Distribution System.

Interconnection Service -- The service provided by the Distribution Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Distribution Provider's Distribution System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the GIA and, if applicable, the Distribution Provider's Tariff.

IRS -- The Internal Revenue Service.

ISO -- The California Independent System Operator Corporation, a state chartered, nonprofit, corporation that controls certain transmission facilities of all Participating Transmission Owners and dispatches certain generating units and loads. See also CAISO.

ISO Grid -- The system of transmission lines and associated facilities of the Participating Transmission Owners that have been placed under the ISO's Operational Control.

ISO's Generator Interconnection and Deliverability Allocation Procedures (ISO Tariff GIDAP) -- The procedures included in the ISO Tariff to interconnect a Generating Facility directly to the ISO Grid, as such procedures may be modified from time to time, and accepted by the Commission. See also GIDAP.

ISO's Generator Interconnection Procedures (ISO Tariff GIP) -- The procedures included in the ISO Tariff to interconnect a Generating Facility directly to the ISO Grid, as such procedures may be modified from time to time, and accepted by the Commission. See also GIP.

Large Generating Facility -- A Generating Facility having a Generating Facility Capacity of more than 20 MW.

Local Deliverability Constraint -- A transmission system operating limit modeled in the GIDAP study process that would be exceeded if the CAISO were to assign Full Capacity Deliverability Status or Partial Capacity Deliverability Status to one or more additional Generating Facilities interconnecting to the CAISO Controlled Grid in a specific local area, and that is not an Area Deliverability Constraint.

Local Delivery Network Upgrade (LDNU) -- A transmission upgrade or addition identified by the CAISO in the GIDAP Interconnection Study Process to relieve a Local Deliverability Constraint.

Loss -- Any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under the GIA on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

Material Modification -- A modification that has a material impact on the cost or timing of any Interconnection Request, or any other valid interconnection request to the Distribution Provider or the ISO with a later queue priority date.

Metering Equipment -- All metering equipment installed or to be installed at the Generating Facility pursuant to the GIA at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

NERC -- The North American Electric Reliability Council or its successor organization.

Network Upgrades – Additions, modifications, and upgrades to the Distribution Provider's Transmission System required at or beyond the point at which the Distribution System connects to the Distribution Provider's Transmission System to accommodate the interconnection of the Small Generating Facility to the Distribution Provider's Distribution System. Network Upgrades do not include Distribution Upgrades. See also: **Area Delivery Network Upgrades; Delivery Network Upgrades; Local Delivery Network Upgrades; and Reliability Network Upgrades.**

Notice of Dispute -- A written notice of a dispute or claim that arises out of or in connection with the GIA or its performance.

Operating Requirements – Any operating and technical requirements that may be applicable due to Regional Transmission Organization, California Independent System Operator, control area, or the Distribution Provider's requirements, including those set forth in the Small Generator Interconnection Agreement.

Participating Transmission Owner -- An entity which (i) owns, operates, and maintains transmission lines and associated facilities and/or has entitlements to use certain transmission lines and associated facilities; and (ii) has transferred to the ISO operational control of such facilities and/or entitlements to be made part of the ISO Grid.

Party or Parties – The Distribution Provider, Distribution Owner, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Change of Ownership -- The point set forth in the GIA where the Interconnection Customer's Interconnection Facilities connect to the Distribution Provider's Interconnection Facilities.

Point of Interconnection – The point set forth in the GIA where the Interconnection Facilities connect with the Distribution Provider's Distribution System.

Pre-Construction Activities -- The actions by the Distribution Provider, other than those required by an Engineering and Procurement Agreement under Section 8 of the GIP, undertaken prior to Construction Activities in order to prepare for the construction of the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades assigned to the Interconnection Customer, including, but not limited to, preliminary engineering, permitting activities, environmental analysis, or other activities specifically needed to obtain governmental approvals for the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades.

Qualifying Capacity -- The maximum Resource Adequacy Capacity that a Resource Adequacy Resource may be eligible to provide. The criteria and methodology for calculating the Qualifying Capacity of resources may be established by the CPUC or other applicable Local Regulatory Authority and provided to the CAISO. A resource's eligibility to provide Resource Adequacy Capacity may be reduced below its Qualifying Capacity through the CAISO's assessment of Net Qualifying Capacity.

Queue Position – The order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Distribution Provider and is represented by a unique identifying code assigned to each Interconnection Request that is deemed complete.

Reasonable Efforts – With respect to an action required to be attempted or taken by a Party under the Small Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Reliability Network Upgrades -- The transmission facilities at or beyond the point where the Distribution Provider's Distribution System interconnects to the ISO Grid, necessary to interconnect one or more Generating Facility(ies) safely and reliably to the ISO Grid, which would not have been necessary but for

the interconnection of one or more Generating Facility(ies), including Network Upgrades necessary to remedy short circuit or stability problems, or thermal overloads. Reliability Network Upgrades shall only be deemed necessary for thermal overloads, occurring under any system condition, where such thermal overloads cannot be adequately mitigated through the ISO's congestion management, operating procedures, or special protection systems based on the characteristics of the Generating Facilities included in the Interconnection Studies, limitations on market models, systems, or information, or other factors specifically identified in the Interconnection Studies. Reliability Network Upgrades also include, consistent with the Applicable Reliability Council's practice and Applicable Reliability Standards, the facilities necessary to mitigate any adverse impact the Generating Facility's interconnection may have on a path's Applicable Reliability Council rating.

Resource Adequacy (RA) -- A mandatory planning and procurement process to ensure adequate resources to serve all customers in real time. The program requires that Load Serving Entities (LSEs) meet a Planning Reserve Margin for their obligations. The program provides deliverability criteria that each LSE must meet, as well as system and local capacity requirements. Rules are provided for "counting" resources towards meeting resource adequacy obligations. The resources that are counted for RA purposes must make themselves available to the California ISO for the capacity for which they were counted. The ISO's Interim Reliability Requirements Program and the resource adequacy under MRTU tariff provisions are intended to complement the State of California's efforts to implement resource adequacy programs.

Site Control -- Documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between Interconnection Customer and the entity having the right to sell, lease or grant Interconnection Customer the right to possess or occupy a site for such purpose (see also: Site Exclusivity).

Site Exclusivity -- The third option to prove Site Control and applies only in instances when the Interconnection Customer has a business (private) or government agency (public) relationship with the project site's deed holder.

- (1) For private land, Site Exclusivity shall mean documentation reasonably demonstrating legal authorization from the land owner showing the Interconnection Customer has either (a) Ownership of, a leasehold interest in, or a right to develop property upon which the Generating Facility will be located consisting of a minimum of 50% of the acreage reasonably necessary to accommodate the Generating Facility; or (b) an option to purchase or acquire a leasehold interest in property upon which the Generating Facility will be located consisting of a minimum of 50% of the acreage reasonably necessary to accommodate the Generating Facility.
- (2) For public land, including that controlled or managed by any federal, state or local agency, Site Exclusivity shall mean documentation from the governing public agency providing a final, non-appealable permit, license, or other exclusive legal right to use the property for the purpose of generating electric power and in acreage reasonably necessary to accommodate the Generating Facility. Such documentation showing exclusive right to use public land under the management of a Local, State, or Federal agency shall be in a form specified by that agency.

Smart Inverter —A Generating Facility's inverter that performs functions that when activated can autonomously contribute to grid support during excursions from normal operating voltage and frequency system conditions by providing dynamic reactive/real power support, voltage and frequency ride-through, ramp rate controls, communication systems with ability to accept external commands and other functions.

Small Generating Facility – An Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities, that has a generating capacity of 20 megawatts (MW) or less.

Stand Alone Network Upgrades -- Network Upgrades that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Distribution Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in an Appendix to the GIA.

System Protection Facilities -- The equipment, including necessary protection signal communications equipment, required to protect (1) the Distribution Provider's Distribution System, the ISO Controlled Grid, and Affected Systems from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Distribution Provider's Distribution System, the ISO Controlled Grid or on other delivery systems or other generating systems to which the Distribution Provider's Distribution System and Transmission System is directly connected.

Tariff -- The Distribution Provider's Wholesale Distribution Tariff through which open access distribution service and Interconnection Service are offered, as filed with the FERC, and as amended or supplemented from time to time, or any successor tariff.

Transmission System -- Those facilities owned by the Distribution Provider that have been placed under the ISO's operational control and are part of the ISO Grid.

Trial Operation -- The period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation. Also known as Permission to Parallel for Test Purposes.

Uncontrollable Force -- Any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond the reasonable control of the Distribution Provider or Interconnection Customer which could not be avoided through the exercise of Good Utility Practice. An Uncontrollable Force event does not include acts of negligence or intentional wrongdoing by the Party claiming Uncontrollable Force.

Upgrades -- The required additions and modifications to the Distribution Provider's Distribution System, at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

Wholesale Distribution Tariff Generator Interconnection Procedures (WDT GIP) -- The procedures included in the Distribution Provider's Wholesale Distribution Tariff (WDT) to interconnect a Generating Facility directly to the Distribution Provider's Distribution System, as such procedures may be modified from time to time, and accepted by the Commission.

**Description and Costs of the Small Generating Facility,
Interconnection Facilities and Metering Equipment**

The San Francisco Public Utilities Commission (SFPUC) SF Water Department, an Interconnection Customer (IC), has submitted an Interconnection Request under the provisions of FERC’s Generator Interconnection Procedures with Pacific Gas and Electric Company’s (PG&E) distribution system for its proposed Burton High School solar photovoltaic project. The maximum net output to PG&E’s distribution system will be 142 kW of photovoltaic generation connecting to Bank 1 of the San Francisco H substation via the 12kV feeder 02-210-1106. This project is located at 400 Mansell Street, San Francisco, CA 94131. This Project has been assigned the Distribution queue number of 1731-WD.

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer, the Distribution Provider, Distribution Owner or the Transmission Owner. The Distribution Provider will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

Actual costs incurred by the Interconnection Customer to install these Interconnection Facilities will be trued up with the Interconnection Customer once this project has achieved commercial operation, per Article 6.1 of this agreement. The Interconnection Customer will be responsible for payment of all actual costs incurred to install these facilities, and any additional facilities identified as necessary during the engineering, design, or construction phases. Should additional facilities be deemed necessary for the interconnection of this facility, Distribution Provider will identify these additional facilities as soon as possible in the construction phase, and will coordinate with the Interconnection Customer on the additional costs and timing needed to implement them. As needed, the costs of ownership for these Interconnection Facilities also will be updated once this project has achieved commercial operation.

Project Information

Project Name:	Burton High School PV
Number of Generators:	Four hundred thirty-two (432) solar modules
Manufacturer Model Name & Number:	SunPower Model E20-327-COM
Number of Inverters:	Five (5)
Manufacturer Model Name & Number:	SMA America Model STP30000TL-US-10
Total Output:	142 kW (142 kVA at 100% power factor)
Transformer Data:	PG&E Transformer 1 – 300 kVA 12 kV / 0.48 kV Delta / Wye-grounded Z = 2.33%
PG&E Grid Voltage at Interconnection:	12 kV

Distribution Information

Substation Name	SF H
Substation Bank	SF H Bank 1
Feeder Number	02-210-1106
FLISR Automation Circuit?	Yes
Primary Feeder Voltage at Sub	12.47 kV
Primary Voltage at POI	12 kV
Primary Line Configuration at POI	3-phase, 4-wire distribution circuit
Maximum Symmetrical Short Circuit near POI @ 12 kV	3,951 Amps
Thévenin System Impedance @ 12 kV	$Z_1 = 0.4721 + j 1.6931 \Omega$ $Z_0 = 0.9730 + j 5.6130 \Omega$

Interconnection Facilities

The estimated costs associated with the Interconnection Facilities required to interconnect the project to Distribution Provider's Distribution System.

Interconnection Facilities (Subject to Cost-of-Ownership)	Costs
PG&E secondary revenue metering (Net Generator Output Meter, NGOM)	\$5,000
Customer to install PG&E-approved, visible, lockable, gang-operated AC Disconnect	N/A
Total -- Interconnection Facility Costs (Subject to Cost-of-Ownership)	\$5,000
ITCC Tax ¹	

¹ Not subject to ITCC (Income Tax Calculation Component) on contribution. ITCC is exempt for wholesale generators that meet the IRS Safe Harbor Provisions. PG&E currently does not require the Interconnection Customer to provide security to cover the potential tax liability on the Interconnection Facilities, Distribution Upgrades, and Network Upgrades per the IRS Safe Harbor Provisions (IRS Notice 88-129). PG&E reserves the right to require, on a nondiscriminatory basis, the Interconnection Customer to provide such security, in a form reasonably acceptable to PG&E as indicated in Article 11 of the SGIA, an amount up to the cost consequences of any current tax liability. Upon request and within sixty (60) Calendar Days' notice, the Interconnection Customer shall provide PG&E such ITCC security or ITCC payment in the event that Safe Harbor Provisions have not been met, in the form requested by PG&E.

One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades

Figure 3-1 One-Line Conceptual Diagram of Burton HS PV (Q# 1731-WD)

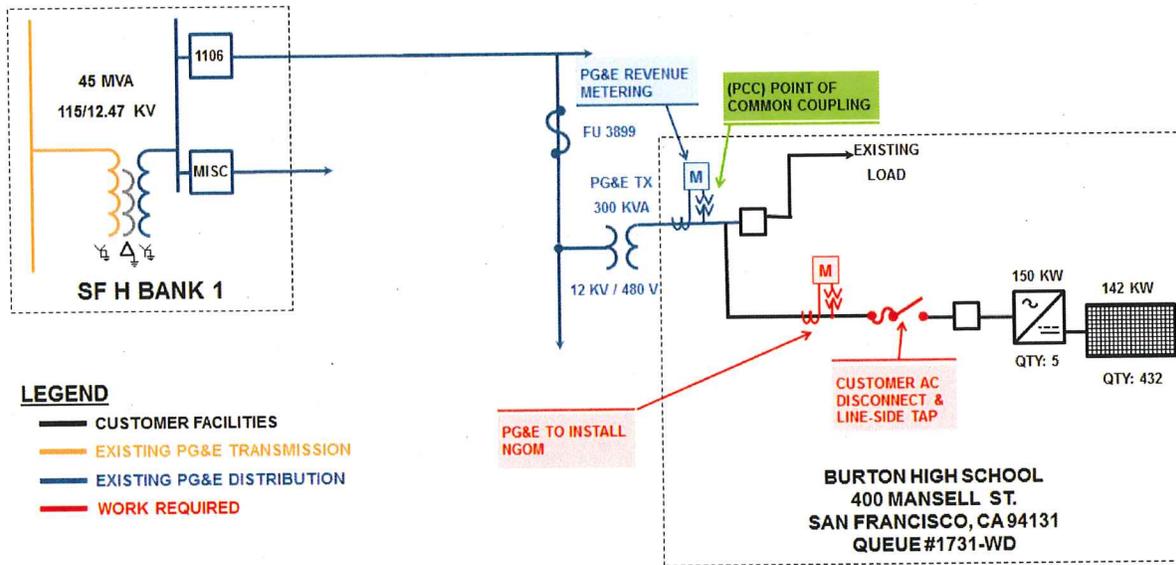
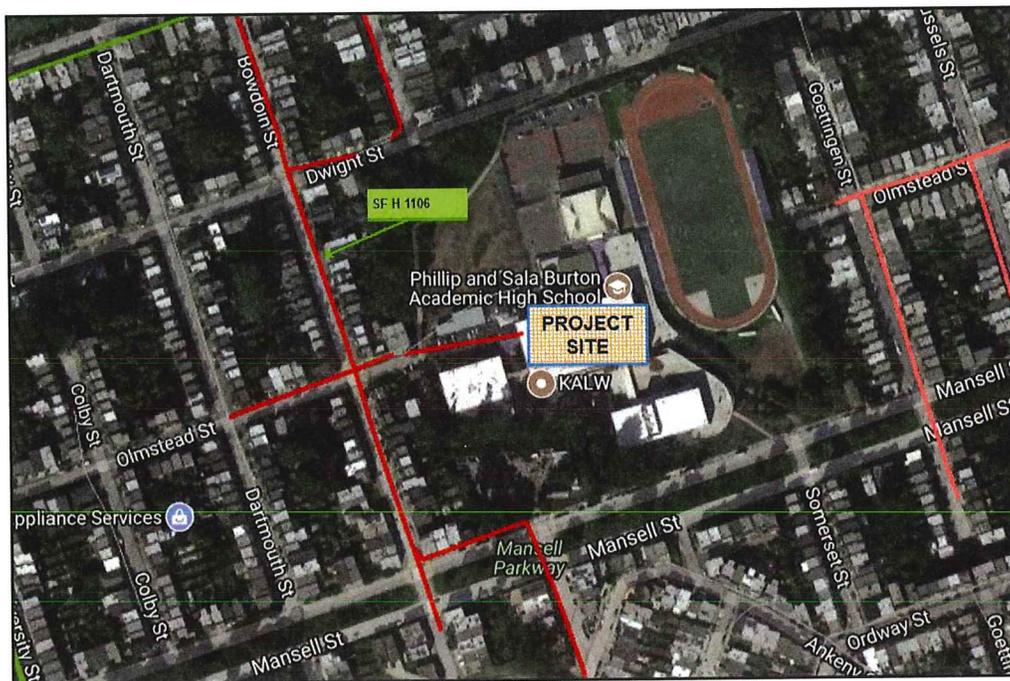


Figure 3-2 Vicinity Map of Burton HS PV (Q# 1731-WD)



Milestones

In-Service Date: May 10, 2019

Critical milestones and responsibility as agreed to by the Parties:

	Milestone	Date	Responsible Party
1	Financial Security Posting Due Date	December 14, 2018	Interconnection Customer
2	Submit electronic initial design package <i>(including but not limited to equipment list, 70% final SLD, site map and site plan)</i>	January 18, 2019	Interconnection Customer
3	Project kick-off meeting/conference call	February 8, 2019	Distribution Provider & Interconnection Customer
4	Completion of the Interconnection Facilities, Distribution Upgrades, and Network Upgrade facilities	May 3, 2019	Distribution Provider & Interconnection Customer
5	In-Service Date (back-feed power)	May 10, 2019	Distribution Provider & Interconnection Customer
6	Pre-parallel Inspection and Testing	May 17, 2019	Distribution Provider & Interconnection Customer
7	Provide written approval to Interconnection Customer for the operation of the facilities (PTO) and Commercial Operation Date (COD)	May 24, 2019	Distribution Provider

Note: Supplemental Billing and Payment Provisions:

In accordance with Article 6.3 of this project's SGIA, the financial security posting(s) must be completed by the Interconnection Customer before the Distribution Provider may begin any capital work. The Interconnection Customer may negotiate a milestone date to post the financial security(-ies) up to 180 Calendar Days (CD) after the execution of this SGIA. This negotiated date is shown in the milestones table above. If the financial security posting(s) is/are not completed by the date shown in the table above, a notice of default will be issued to the Interconnection Customer in accordance with Article 7.6 of this SGIA.

Billing Procedures for Actual Costs:

Per Article 6.1.1 of this project's SGIA, PG&E will bill the Interconnection Customer on a monthly basis for actual labor and/or material costs incurred during the prior month.

**Additional Operating Requirements for the Distribution Provider's Distribution System,
Transmission System and Affected Systems Needed to Support
the Interconnection Customer's Needs**

5.1 General Operating Requirements

The Distribution Provider shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the Distribution Provider's Distribution System.

At a minimum, the Interconnection Customer agrees to construct and interconnect the facility described in this agreement with the PG&E system in accordance with the standards and requirements described in the PG&E Transmission Interconnection Handbook (TIH) and the Distribution Interconnection Handbook (DIH).

5.2 Deliverability Status

The Interconnection Customer has elected for this Small Generating Facility to have Energy Only Deliverability Status, as defined in the CAISO Tariff. As a result, this Small Generating Facility was studied for Energy Only Deliverability Status by the Distribution Provider. Per the results of those studies, the Interconnection Customer and the Distribution Provider acknowledge and understand that the Participating Small Generating Facility will have Energy Only Deliverability Status.

Distribution Provider's Description of its Upgrades and Best Estimate of Upgrade Costs

The Distribution Provider shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Distribution Provider shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.

Actual costs incurred by the Interconnection Customer to install these Distribution Upgrades and Network Upgrades will be trued up with the Interconnection Customer once this project has achieved commercial operation, per Article 6.1 of this agreement. The Interconnection Customer will be responsible for payment of all actual costs incurred to install these facilities, and any additional facilities identified as necessary during the engineering, design, or construction phases. Should additional upgrades be deemed necessary for the interconnection of this facility, Distribution Provider will identify these additional upgrades as soon as possible in the construction phase, and will coordinate with the Interconnection Customer on the additional costs and timing needed to implement them. As needed, the costs of ownership for these Interconnection Facilities also will be updated once this project has achieved commercial operation.

Reliability Network Upgrades will be reimbursed pursuant to Article 5.2.1 of this SGIA.

Distribution Upgrades

The estimated costs associated with the system upgrades required to interconnect the project to the Distribution Provider's Distribution System.

Distribution Upgrades: None

Reliability Network Upgrades

The estimated costs associated with the system upgrades required to interconnect the project to the Distribution Provider's Transmission System. In accordance with Article 5.2.1 of this Agreement, Reliability Network Upgrades reimbursement is capped at \$ 8,520 (maximum of \$60,000 per MW of generating capacity). To the extent that such reimbursement does not cover all costs of the RNUs, the IC shall receive Congestion Revenue Rights ("CRRs") for the portion of the RNUs that are not covered by the above reimbursement.

Reliability Network Upgrades: None

Total Project Costs

Cost Category	Amount Subject to COO (\$)	Amount NOT Subject to COO (\$)	Total Cost Category Amount (\$)
Interconnection Facilities Costs (Attachment 2)	\$ 5,000	N/A	\$ 5,000
Deliverability-related RNU (Attachment 5)	N/A	\$ 0	\$ 0
Delivery Network Upgrades (Attachment 5)	N/A	\$ 0	\$ 0
Distribution Upgrade Costs (Attachment 6)	\$ 0	N/A	\$ 0
Reliability Network Upgrade Costs (Attachment 6)	N/A	\$ 0	\$ 0
Total Project Costs (\$)	\$ 5,000	\$ 0	\$ 5,000

Total Cost-of-Ownership Charges for Project:

The Interconnection Customer has elected the following by placing a check mark against it for Cost-of-Ownership for the applicable Interconnection Facilities and/or Distribution Upgrades. The Cost-of-Ownership will commence upon the In-Service Date per Article 4.1.2.

A. **Monthly Cost-of-Ownership Charge**

$\$ 5,000 \times 0.48\%^2$ (current percentage rate) = $\$ 24.00$

Total Monthly Cost-of-Ownership Charge	\$ 24.00
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B. **Equivalent One-Time Charge** (in lieu of recurring Monthly Cost-of-Ownership Charge)

$\$ 24.00 / \text{month} \times 12 \text{ months} \times 14.2$ (present worth factor³) = $\$ 4,089.60$

Total Equivalent One-Time Charge	\$ 4,089.60
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² The COST-OF-OWNERSHIP Charge for Interconnections provided under this Agreement is determined in accordance with PG&E's applicable percentage rates calculated using PG&E's most recent distribution owner revenue requirement on file with and accepted by FERC. PG&E currently charges the following COST-OF-OWNERSHIP rates for distribution facilities: Customer financed, Distribution-level Rate of 0.48% monthly.

³ The Present Worth Factor (PWF), which is also known as the perpetuity factor, is used under this agreement to determine the equivalent One-Time Payment. This financial factor is the reciprocal of the after-tax Rate of Return on Rate Base (ROR). The after-tax ROR is calculated by the Economic and Project Analysis Department and is based on CPUC decisions, which establish the Return on Rate Base.



Electric Sample Form No. 79-988
Generating Facility Interconnection Agreement (Third Party Non-Exporting)

Please Refer to Attached
Sample Form

Advice Letter No: 4674-E
Decision No.

Issued by
Steven Malnigt
Senior Vice President
Regulatory Affairs

Date Filed	July 24, 2015
Effective	August 23, 2015
Resolution No.	



GENERATING FACILITY INTERCONNECTION AGREEMENT

3rd PARTY NON-EXPORTING

This *Generating Facility Interconnection Agreement (3rd Party Non-Exporting)* (Agreement) is entered into by and between City and County of San Francisco, a local government (Producer), and Pacific Gas and Electric Company (PG&E), a California corporation. Producer 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, PURPOSE, AND RELATED AGREEMENT

- 1.1 This Agreement, in conjunction with the *Customer Generation Agreement (3rd Party Generator on Premises, Non-Exporting)* (Form 79-992) identified in Section 1.2 and attached as Appendix E, provides for Producer to interconnect and operate a Generating Facility in parallel with PG&E's Distribution System to serve the electrical loads at the location identified in Section 2.2. This Agreement does not provide for Producer to deliver electric power to PG&E's Distribution System, nor does this Agreement constitute an agreement by PG&E to provide retail electrical service to Producer. Such arrangements must be made separately between PG&E and Producer.
- 1.2 The Generating Facility shall be interconnected with PG&E's Distribution System consistent with, and pursuant to, the *Customer Generation Agreement (3rd Party Generator on Premises, Non-Exporting)* between PG&E and City and County of San Francisco, (Customer) its successors or assigns dated (TBD) _____, (*Customer Agreement*).

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 Customer's loads are interconnected with PG&E's Distribution System, are attached to and made a part of this Agreement.
- 2.2 Name and address used by PG&E to locate the Customer's Electric Service Account(s) used to interconnect the Generating Facility with PG&E's Distribution System:

City and County of San Francisco _
 1508 Bancroft Avenue
 San Francisco, CA 94124 _



GENERATING FACILITY INTERCONNECTION AGREEMENT 3rd PARTY NON-EXPORTING

- 2.3 The Gross Nameplate Rating of the Generating Facility is 124 kW.
- 2.4 The Net Nameplate Rating of the Generating Facility is 124 kW.
- 2.5 The annual energy production of the Generating Facility is expected to be 175,000 kWh.
- 2.6 The Generating Facility's expected date of Initial Operation is July 1, 2018. The expected date of Initial Operation shall be within two years of the date of this Agreement.
- 2.7 For the purpose of securing certain tariff charge exemptions available under the California Public Utilities Code (PU Code), Producer hereby declares that the Generating Facility:
- (a) does / does not meet the requirements for Cogeneration as such term is used in Section 216.6 of the PU Code.
 - (b) does / does not meet the requirements for Distributed Energy Resource Generation as such term is used in Section 353.1 of the PU Code.

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
(Supplied by Producer).
- Appendix B - A Copy of *PG&E's Agreement for Installation of Allocation of Special Facilities for Parallel Operation of Nonutility-Owned Generation and/or Electrical Standby Service* (Form 79-280, *Special Facility Agreement*) (If applicable, and formed by the parties).
- Appendix C - Producer's warranty that the Generating Facility meets the requirements for a Cogeneration facility pursuant to Section 216.6 of the Public Utilities Code *(when applicable).*
- Appendix D - Producer's warranty that the Generating Facility meets the requirements for Distributed Energy Resources Generation as defined in Section 353.1 of the Public Utilities Code *(When applicable).*
- Appendix E - *Customer Generation Agreement (3rd Party Generator on Premises, Non-Exporting)* (Form 79-992).

4. TERM AND TERMINATION



GENERATING FACILITY INTERCONNECTION AGREEMENT 3rd PARTY NON-EXPORTING

- 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.
 - (b) Unless otherwise agreed in writing by the Parties, at 12:01 A.M. on the 31st day following the date the *Customer Agreement* is terminated unless such *Customer Agreement* is assigned to another party or replaced by a subsequent agreement. The Parties shall cooperate in obtaining an assignment or replacement agreement.
 - (c) At 12:01 A.M. on the 61st day after Producer or PG&E provides written Notice pursuant to Section 9 of this Agreement to the other Party of Producer or PG&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. PG&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 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) Unless otherwise agreed in writing by the Parties, Producer fails to take all corrective actions specified in PG&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 2.6 of this Agreement as the Generating Facility's expected date of Initial Operation; or,
 - (d) Producer 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 non-operational and Producer does not provide a substantive response to PG&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, PG&E shall have the right to unilaterally file an application to terminate this Agreement with the Commission pursuant to the Commission's rules and regulations.



GENERATING FACILITY INTERCONNECTION AGREEMENT 3rd PARTY NON-EXPORTING

- 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 PG&E's tariffs, including but not limited to PG&E's Electric Rule 21, and any other regulations and laws governing the interconnection of the Generating Facility.
- 5.2 The electric power produced by Producer's Generating Facility shall be used solely to serve electrical loads connected to the electric service account that PG&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 PU Code.
- 5.3 Producer shall regulate the electric power output of Producer's Generating Facility so as to prevent the flow of electric energy from the Generating Facility to PG&E's electric system. Unless otherwise agreed upon in writing by the Parties, this Agreement does not provide for, nor otherwise require PG&E to receive, purchase, transmit, distribute, or store the electrical power produced by Producer's Generating Facility.
- 5.4 The Generating Facility shall be operated with all of Producer's Protective Functions in service whenever the Generating Facility is operated in parallel with PG&E's Distribution System. Any deviation from these requirements may occur only when the Parties have agreed to such deviations in writing.
- 5.5 Producer shall not operate the Generation Facility in parallel with PG&E's Distribution System unless the *Customer Agreement* is in effect. If the *Customer Agreement* identified in Section 1.2 is terminated, Producer agrees to cease operating the Generating Facility in parallel with PG&E's Distribution System.

6. INTERCONNECTION FACILITIES

- 6.1 Producer and/or PG&E, as appropriate, shall provide Interconnection Facilities that adequately protect PG&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.



GENERATING FACILITY INTERCONNECTION AGREEMENT 3rd PARTY NON-EXPORTING

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

7. LIMITATION OF 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 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.
- 7.2 PG&E shall not be liable to Producer in any manner, whether in tort or contract or under any other theory, for loss or damages of any kind sustained by Producer resulting from termination of *the Customer Agreement* provided such termination is consistent with the terms of the *Customer Agreement*.

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 PG&E.

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



GENERATING FACILITY INTERCONNECTION AGREEMENT 3rd PARTY NON-EXPORTING

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 PG&E as an additional insured; (b) contain a severability of interest clause or cross-liability clause; (c) provide that PG&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 PG&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 PG&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 PG&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 PG&E.
- 8.5 Producer agrees to furnish the required certificates and endorsements to PG&E prior to Initial Operation. PG&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 PG&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.



**GENERATING FACILITY
INTERCONNECTION AGREEMENT
3rd PARTY NON-EXPORTING**

- 8.7 All insurance certificates, statements of self insurance, endorsements, cancellations, terminations, alterations, and material changes of such 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

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 PG&E:

P.O. Box 770000, Mail Code B7L
San Francisco, CA 94177

If to Producer:

SFMTA Sign and Meter Shop Improvements
1508 Bancroft Avenue
San Francisco, CA 94124

- 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 PG&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 PG&E's Distribution System.



GENERATING FACILITY INTERCONNECTION AGREEMENT 3rd PARTY NON-EXPORTING

Producer authorizes PG&E to release to the California Energy Commission (CEC) and/or the California Public Utilities Commission (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 PG&E's written consent. Any assignment or delegation Producer makes without PG&E's written consent shall not be valid. PG&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 PG&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 PG&E. Copies of such tariffs are available at www.PGE.com or by request to PG&E and are incorporated into this Agreement by this reference.
- 13.4 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 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



GENERATING FACILITY INTERCONNECTION AGREEMENT 3rd PARTY NON-EXPORTING

Agreement or in PG&E's Rule 1 or Electric Rule 21, Section C. If any term is defined in both Rule 1 and Electric Rule 21, the definition in Electric Rule 21 shall prevail.

14. AMENDMENTS AND MODIFICATION

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

15. ENTIRE AGREEMENT

This Agreement and the Customer Agreement referenced in Section 1.2, including any incorporated tariffs, 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, the Customer Agreement or in the incorporated tariffs.

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.

City and County of San Francisco

PACIFIC GAS AND ELECTRIC COMPANY

(Company Name)

(Signature)

(Signature)

Ed Reiskin

(Print Name)

(Print Name)

General Manager

(Title)

(Title)

(Date)

(Date)



**GENERATING FACILITY
INTERCONNECTION AGREEMENT
3rd PARTY NON-EXPORTING**

APPENDIX A

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

(Supplied by Producer)



**GENERATING FACILITY
INTERCONNECTION AGREEMENT
3rd PARTY NON-EXPORTING**

APPENDIX B

A Copy of PG&E's:

***Agreement for Installation or Allocation of Special Facilities for Parallel
Operation of Nonutility-Owned Generation and/or Electrical Standby Service***

Form 79-280, *Special Facility Agreement*

(if applicable, and formed by the Parties)



**GENERATING FACILITY
INTERCONNECTION AGREEMENT
3rd PARTY NON-EXPORTING**

APPENDIX C
(When applicable)

PRODUCER'S WARRANTY THAT THE GENERATING FACILITY IS A "COGENERATION FACILITY" PURSUANT TO SECTION 216.6 OF THE CALIFORNIA PUBLIC UTILITIES CODE

For the purpose of securing the Competition Transition Charge exemption available under Section 372 of the California Public Utilities Code (PU Code), Producer hereby declares that the Generating Facility meets the requirements for Cogeneration as such term is used in Section 216.6 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 PG&E with Notice of such change pursuant to Section 9.1 of the Agreement. If at any time during the term of this Agreement PG&E determines in its sole discretion that Producer's Generating Facility may no longer meet the Cogeneration Requirements, PG&E may require Producer to provide evidence that the Generating Facility continues to meet the Cogeneration Requirements within 15 business days of PG&E's request for such evidence. Additionally, PG&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 Cogeneration Requirements. If PG&E determines in its sole judgment that Producer either failed to provide evidence in a timely manner or that it provided insufficient evidence that its Generating Facility continues to meet the Cogeneration Requirements, then the Cogeneration status of the Generating Facility shall be deemed ineffective until such time as Producer again demonstrates to PG&E's reasonable satisfaction that the Generating Facility meets the requirements for a Cogeneration facility (the Cogeneration Status Change).

PG&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 PG&E determines in its sole discretion that the Generating Facility first ceased to meet the Cogeneration Requirements. PG&E shall invoice the Producer's electric Service Account through which the Generating Facility is Interconnected with PG&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 PG&E pursuant to the terms of this warranty, shall be paid to PG&E within 30 days of Producer's receipt of such invoice.



**GENERATING FACILITY
INTERCONNECTION AGREEMENT
3rd PARTY NON-EXPORTING**

APPENDIX D
(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 California Public Utilities Code (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 PG&E with Notice of such change pursuant to Section 9.1 of the Agreement. If at any time during the term of this Agreement PG&E determines in its sole discretion that Producer's Generating Facility may no longer meet the DERG Requirements, PG&E may require Producer to provide evidence that the Generating Facility continues to meet the DERG Requirements within 15 business days of PG&E's request for such evidence. Additionally, PG&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 PG&E determines in its sole judgment that Producer either failed to provide evidence in a timely manner or that it provided insufficient evidence that its Generating Facility continues to meet the 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 PG&E's reasonable satisfaction that the Generating Facility meets the requirements for a Distributed Energy Resources Generation facility (the DERG Status Change).

PG&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 PG&E determines in its sole discretion that the Generating Facility first ceased to meet the DERG Requirements. PG&E shall invoice the Producer electric Service Account through which the Generating Facility is Interconnected with PG&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 PG&E pursuant to the terms of this warranty, shall be paid to PG&E within 30 days of Producer's receipt of such invoice.



**GENERATING FACILITY
INTERCONNECTION AGREEMENT
3rd PARTY NON-EXPORTING**

APPENDIX E

**CUSTOMER GENERATION AGREEMENT
(3RD PARTY GENERATOR ON PREMISES)
(NON-EXPORTING)**



**Electric Sample Form No. 79-992
Customer Generation Agreement
(Third Party Generator on Premises Non-Exporting)**

Sheet 1

**Please Refer to Attached
Sample Form**

Advice 5185-E
Decision

Issued by
Robert S. Kenney
Vice President, Regulatory Affairs

Date Filed November 17, 2017
Effective November 17, 2017
Resolution _____



CUSTOMER GENERATION AGREEMENT
**(3rd PARTY GENERATOR ON PREMISES,
NON-EXPORTING)**

This *Customer Generation Agreement (3rd Party Generator on Premises, Non-Exporting)* (Agreement) is entered into by and between the City and County of San Francisco, a local government (Customer), and Pacific Gas and Electric Company (PG&E), a California Corporation. Customer 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, PURPOSE, AND RELATED AGREEMENTS

This Agreement, in conjunction with the *Generating Facility Interconnection Agreement (3rd Party Non-Exporting)* (Form 79-988), identified in Section 2.2 and attached as Appendix A, allows the Producer (as identified in Section 2.2) to utilize Customer's electrical facilities to interconnect and operate the Generating Facility in parallel with PG&E's Distribution System. The purpose of the Generating Facility is to serve the Customer's electrical loads at the location identified in Section 2.1.

2. SUMMARY AND DESCRIPTION OF THE PARTIES AND LOCATION OF GENERATING FACILITY

2.1 The name and address used by PG&E to locate the Customer or electric service account where the Generating Facility interconnects with PG&E's Distribution System is:

City and County of San Francisco

1508 Bancroft Avenue

San Francisco, CA 94124

2.2 The Generating Facility shall be Interconnected with PG&E's Distribution System pursuant to the *Generating Facility Interconnection Agreement (3rd Party Non-Exporting)* between PG&E and the City and County of San Francisco's SFMTA its successors or assigns (Producer) dated (TBD)_____ (Producer Agreement).



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2.3 Producer's contact information:

SFMTA Sign & Meter Shop Improvement

1508 Bancroft Avenue

San Francisco, CA 94124

3. CUSTOMER ACKNOWLEDGEMENTS AND OBLIGATIONS

- 3.1 Customer acknowledges that it has authorized the Generating Facility to be installed and operated by Producer in accordance with PG&E's Electric Rule 21 on or adjacent to Customer's premises. Such Generating Facility shall be used to serve all or a portion of Customer's electrical loads associated with the electric service provided by PG&E at the location identified in Section 2.1, above, and any other purpose permitted under the *Producer Agreement*. Customer shall be solely responsible for the terms of any agreement between it and Producer.
- 3.2 Customer shall be solely responsible for any charges incurred under PG&E's electric service tariffs for the services provided to Customer by PG&E. Customer acknowledges that it is the sole end-use consumer of such tariffed services. This Agreement does not constitute an agreement by PG&E to provide any tariffed service to Producer.
- 3.3 Customer acknowledges the Generating Facility shall be operated in compliance with all PG&E tariffs, including but not limited to PG&E's Electric Rule 21, and any other regulations and laws governing the interconnection of the Generating Facility. Customer further acknowledges that it has been made aware of the charges and conditions related to the operation of the Generating Facility including, but not limited to Standby Tariff, Preliminary Statement "BB" Non-Bypassable Charges Tariff, and Electric Rule 2, and that the performance or lack of performance of the Generating Facility may affect the rates and charges billed by PG&E for the electric power delivered to Customer. Copies of such tariffs are available at www.PGE.com or by request to PG&E.
- 3.4 Any amounts to be paid, or refunded to, PG&E for the services received by Customer as a result of the Producer failing to operate the Generating Facility in accordance with the terms of the representations and warranties made under the *Producer Agreement* shall be paid to PG&E in accordance with PG&E's electric tariffs.



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- 3.5 Customer shall make the Generating Facility reasonably accessible to PG&E's personnel, contractors or agents to perform PG&E's duties under Electric Rule 21.
- 3.6 Smart Inverters - For Customer applications received on or after September 9, 2017, the Customer certifies that their inverter-based Generating Facilities fully comply with Section Hh of Rule 21, including configuration of protective settings and default settings, in accordance with the specifications therein.

Distribution Provider may require a field verification of the Customer's inverter. Customer further agrees to cooperate fully with any such request and make their inverter available to the Distribution Provider for such verification. Customer understands that in the event the inverter is not set in accordance with Section Hh of Rule 21, Customer will need to cease operation of generating facility until verification is confirmed by Distribution Provider.

(Solar inverter models and firmware versions that comply with Rule 21 Section Hh can be found at:

<http://www.qosolarcalifornia.org/equipment/inverters.php>.)

Verification of compliance with such requirements shall be provided by the Customer upon request by PG&E in accordance with PG&E's Electric Rule 21.

An "existing inverter" is defined as an inverter that is a component of an existing Generating Facility that meets one or more of the following conditions:

- (a) it is already approved by PG&E for interconnection prior to September 9, 2017,
- (b) the Customer has submitted the interconnection application prior to September 9, 2017,
- (c) the Customer provides evidence of having applied for an electrical permit for the Generating Facility installation that is dated prior to September 9, 2017 and submitted a complete interconnection application¹ no later than March 31, 2018, or

¹ A complete application consists all of the following without deficiencies:

1. A completed Interconnection Application including all supporting documents and



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- (d) the Customer provides evidence of a final inspection clearance from the governmental authority having jurisdiction over the Generating Facility prior to September 9, 2017.

All "existing inverters" are not required to be Smart Inverters and are only subject to Section H of Rule 21. Customer replacing an "existing inverter" certifies it is being replaced with either:

- (i) inverter equipment that complies with Section Hh of Rule 21, (encouraged); or
- (ii) a conventional inverter that is of the same size and equivalent ability to that of the inverter being replaced, as allowed in Rule 21 Section H.3.d.ii.

4. TERMS AND TERMINATION

- 4.1 This Agreement shall become effective as of the last date entered in Section 13 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 Customer's electric service account through which the Generating Facility is interconnected to PG&E's Distribution System is closed or terminated.
 - (c) Unless otherwise agreed in writing by the Parties, at 12:01 A.M. on the 31st day following the date the Producer Agreement is terminated, unless the responsibility for such Producer Agreement is assigned to or replaced by a subsequent Producer. The Parties shall cooperate in obtaining an assignment or replacement agreement.
 - (d) At 12:01 A.M. on the 61st day after Customer or PG&E provides written Notice pursuant to Section 6 below to the other Party of the Customer or PG&E's intent to terminate this Agreement.

-
- required payments,
 - 2. A completed signed Interconnection Agreement,
 - 3. Evidence of the Customer final inspection clearance from the governmental authority having jurisdiction over the generating system.



CUSTOMER GENERATION AGREEMENT
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NON-EXPORTING)

- 4.2 Customer may elect to terminate this Agreement pursuant to the terms of Section 4.1(d) for any reason. PG&E may elect to terminate this Agreement pursuant to the terms of Section 4.1(d) for one or more of the following reasons:
- (a) A change in PG&E's applicable tariffs, 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) Unless otherwise agreed in writing by the Parties, Customer fails to take all corrective actions specified in PG&E's Notice provided in accordance with Section 6 that Customer is out of compliance with the terms of this Agreement within the time frame set forth in such Notice.

5. LIMITATION OF LIABILITY

- 5.1 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 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.
- 5.2 PG&E shall not be liable to Customer in any manner, whether in tort or contract or under any other theory, for loss or damages of any kind sustained by Customer resulting from termination of the *Producer Agreement* between Producer and PG&E, provided such termination is consistent with the terms of the *Producer Agreement*.

6. NOTICES

- 6.1 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: [Contact information to be supplied]



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If to Customer:

Jamie Seidel
SFPUC Power Enterprise
525 Golden Gate Avenue
San Francisco, CA 94102

- 6.2 A Party may change its address for Notices at any time by providing the other Party Notice of the change in accordance with Section 6.1.
- 6.3 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.

7. RELEASE OF DATA

Customer authorizes PG&E to release to the California Energy Commission (CEC) and/or the California Public Utilities Commission (Commission) information regarding the Generating Facility, including Customer's name and location, and the size, location and operational characteristics of the Generating Facility, as may be requested from time to time pursuant to the CEC's or Commission's rules and regulations.

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

9. 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.



**CUSTOMER GENERATION AGREEMENT
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NON-EXPORTING)**

**10. GOVERNING LAW, JURISDICTION OF COMMISSION, INCLUSION OF
PG&E's TARIFFS, DEFINED TERMS**

- 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 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 PG&E. Copies of such tariffs are available at www.PGE.com or by request to PG&E and are incorporated into this Agreement by this reference.
- 10.4 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 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 PG&E's Rule 1 or Electric Rule 21 Section C. If any term is defined in both Rule 1 and Electric Rule 21, the definition in Electric Rule 21 shall prevail.

11. AMENDMENTS AND MODIFICATION

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



**CUSTOMER GENERATION AGREEMENT
(3rd PARTY GENERATOR ON PREMISES,
NON-EXPORTING)**

12. ENTIRE AGREEMENT

This Agreement, and the *Producer Agreement*, including any incorporated tariffs, contain 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, the *Producer Agreement*, or in the incorporated tariffs.

13. 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.

<u>City and County of San Francisco</u> <i>(Company Name)</i>	<u>PACIFIC GAS AND ELECTRIC COMPANY</u>
_____ <i>(Signature)</i>	_____ <i>(Signature)</i>
<u>Harlan L. Kelly, Jr.</u> <i>(Print Name)</i>	_____ <i>(Print Name)</i>
<u>General Manager</u> <i>(Title)</i>	_____ <i>(Title)</i>
_____ <i>(Date)</i>	_____ <i>(Date)</i>



*Pacific Gas and
Electric Company*[®]

CUSTOMER GENERATION AGREEMENT
**(3rd PARTY GENERATOR ON PREMISES,
NON-EXPORTING)**

APPENDIX A

Generating Facility Interconnection Agreement
(3rd Party Non-Exporting)

BETWEEN

**PRODUCER AND PACIFIC GAS AND ELECTRIC
COMPANY**



Electric Sample Form No. 79-988
Generating Facility Interconnection Agreement (Third Party Non-Exporting)

Please Refer to Attached
Sample Form

Advice Letter No: 4674-E
Decision No.

Issued by
Steven Malnight
Senior Vice President
Regulatory Affairs

Date Filed July 24, 2015
Effective August 23, 2015
Resolution No. _____



GENERATING FACILITY INTERCONNECTION AGREEMENT 3rd PARTY NON-EXPORTING

This Generating Facility Interconnection Agreement (3rd Party Non-Exporting) (Agreement) is entered into by and between _____ a _____ (Producer), and Pacific Gas and Electric Company (PG&E), a California corporation. Producer 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, PURPOSE, AND RELATED AGREEMENT

- 1.1 This Agreement, in conjunction with the Customer Generation Agreement (3rd Party Generator on Premises, Non-Exporting) (Form 79-992) identified in Section 1.2 and attached as Appendix E, provides for Producer to interconnect and operate a Generating Facility in parallel with PG&E's Distribution System to serve the electrical loads at the location identified in Section 2.2. This Agreement does not provide for Producer to deliver electric power to PG&E's Distribution System, nor does this Agreement constitute an agreement by PG&E to provide retail electrical service to Producer. Such arrangements must be made separately between PG&E and Producer.
1.2 The Generating Facility shall be interconnected with PG&E's Distribution System consistent with, and pursuant to, the Customer Generation Agreement (3rd Party Generator on Premises, Non-Exporting) between PG&E and _____ (Customer) its successors or assigns dated _____ (Customer Agreement).

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 Customer's loads are interconnected with PG&E's Distribution System, are attached to and made a part of this Agreement.
2.2 Name and address used by PG&E to locate the Customer's Electric Service Account(s) used to interconnect the Generating Facility with PG&E's Distribution System:

Three horizontal lines for providing name and address information.



GENERATING FACILITY INTERCONNECTION AGREEMENT 3rd PARTY NON-EXPORTING

- 2.3 The Gross Nameplate Rating of the Generating Facility is _____ kW.
- 2.4 The Net Nameplate Rating of the Generating Facility is _____ kW.
- 2.5 The annual energy production of the Generating Facility is expected to be _____ kWh.
- 2.6 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.
- 2.7 For the purpose of securing certain tariff charge exemptions available under the California Public Utilities Code (PU Code), Producer hereby declares that the Generating Facility:
- (a) does / does not meet the requirements for Cogeneration as such term is used in Section 216.6 of the PU Code.
 - (b) does / does not meet the requirements for Distributed Energy Resource Generation as such term is used in Section 353.1 of the PU Code.

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
(Supplied by Producer).

Appendix B - A Copy of PG&E's Agreement for Installation of Allocation of Special Facilities for Parallel Operation of Nonutility-Owned Generation and/or Electrical Standby Service (Form 79-280, Special Facility Agreement) (If applicable, and formed by the parties).

Appendix C - Producer's warranty that the Generating Facility meets the requirements for a Cogeneration facility pursuant to Section 216.6 of the Public Utilities Code (when applicable).

Appendix D - Producer's warranty that the Generating Facility meets the requirements for Distributed Energy Resources Generation as defined in Section 353.1 of the Public Utilities Code (When applicable).

Appendix E - Customer Generation Agreement (3rd Party Generator on Premises, Non-Exporting) (Form 79-992).

4. TERM AND TERMINATION



GENERATING FACILITY INTERCONNECTION AGREEMENT

3rd PARTY NON-EXPORTING

- 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.
 - (b) Unless otherwise agreed in writing by the Parties, at 12:01 A.M. on the 31st day following the date the *Customer Agreement* is terminated unless such *Customer Agreement* is assigned to another party or replaced by a subsequent agreement. The Parties shall cooperate in obtaining an assignment or replacement agreement.
 - (c) At 12:01 A.M. on the 61st day after Producer or PG&E provides written Notice pursuant to Section 9 of this Agreement to the other Party of Producer or PG&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. PG&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 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) Unless otherwise agreed in writing by the Parties, Producer fails to take all corrective actions specified in PG&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 2.6 of this Agreement as the Generating Facility's expected date of Initial Operation; or,
 - (d) Producer 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 non-operational and Producer does not provide a substantive response to PG&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, PG&E shall have the right to unilaterally file an application to terminate this Agreement with the Commission pursuant to the Commission's rules and regulations.



GENERATING FACILITY INTERCONNECTION AGREEMENT 3rd PARTY NON-EXPORTING

- 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 PG&E's tariffs, including but not limited to PG&E's Electric Rule 21, and any other regulations and laws governing the interconnection of the Generating Facility.
- 5.2 The electric power produced by Producer's Generating Facility shall be used solely to serve electrical loads connected to the electric service account that PG&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 PU Code.
- 5.3 Producer shall regulate the electric power output of Producer's Generating Facility so as to prevent the flow of electric energy from the Generating Facility to PG&E's electric system. Unless otherwise agreed upon in writing by the Parties, this Agreement does not provide for, nor otherwise require PG&E to receive, purchase, transmit, distribute, or store the electrical power produced by Producer's Generating Facility.
- 5.4 The Generating Facility shall be operated with all of Producer's Protective Functions in service whenever the Generating Facility is operated in parallel with PG&E's Distribution System. Any deviation from these requirements may occur only when the Parties have agreed to such deviations in writing.
- 5.5 Producer shall not operate the Generation Facility in parallel with PG&E's Distribution System unless the *Customer Agreement* is in effect. If the *Customer Agreement* identified in Section 1.2 is terminated, Producer agrees to cease operating the Generating Facility in parallel with PG&E's Distribution System.

6. INTERCONNECTION FACILITIES

- 6.1 Producer and/or PG&E, as appropriate, shall provide Interconnection Facilities that adequately protect PG&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.



GENERATING FACILITY INTERCONNECTION AGREEMENT 3rd PARTY NON-EXPORTING

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

7. LIMITATION OF 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 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.
- 7.2 PG&E shall not be liable to Producer in any manner, whether in tort or contract or under any other theory, for loss or damages of any kind sustained by Producer resulting from termination of *the Customer Agreement* provided such termination is consistent with the terms of the *Customer Agreement*.

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 PG&E.

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



GENERATING FACILITY INTERCONNECTION AGREEMENT 3rd PARTY NON-EXPORTING

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 PG&E as an additional insured; (b) contain a severability of interest clause or cross-liability clause; (c) provide that PG&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 PG&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 PG&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 PG&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 PG&E.
- 8.5 Producer agrees to furnish the required certificates and endorsements to PG&E prior to Initial Operation. PG&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 PG&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.



**GENERATING FACILITY
INTERCONNECTION AGREEMENT
3rd PARTY NON-EXPORTING**

- 8.7 All insurance certificates, statements of self insurance, endorsements, cancellations, terminations, alterations, and material changes of such 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

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 PG&E: [Contact information to be supplied]

If to Producer: [Contact information to be supplied]

- 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 PG&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 PG&E's Distribution System.



GENERATING FACILITY INTERCONNECTION AGREEMENT 3rd PARTY NON-EXPORTING

Producer authorizes PG&E to release to the California Energy Commission (CEC) and/or the California Public Utilities Commission (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 PG&E's written consent. Any assignment or delegation Producer makes without PG&E's written consent shall not be valid. PG&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 PG&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 PG&E. Copies of such tariffs are available at www.PGE.com or by request to PG&E and are incorporated into this Agreement by this reference.
- 13.4 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 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



GENERATING FACILITY INTERCONNECTION AGREEMENT 3rd PARTY NON-EXPORTING

Agreement or in PG&E's Rule 1 or Electric Rule 21, Section C. If any term is defined in both Rule 1 and Electric Rule 21, the definition in Electric Rule 21 shall prevail.

14. AMENDMENTS AND MODIFICATION

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

15. ENTIRE AGREEMENT

This Agreement and the Customer Agreement referenced in Section 1.2, including any incorporated tariffs, 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, the Customer Agreement or in the incorporated tariffs.

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.

Signature lines for Pacific Gas and Electric Company, including fields for Company Name, Signature, Print Name, Title, and Date.

**GENERATING FACILITY
INTERCONNECTION AGREEMENT
3rd PARTY NON-EXPORTING**

APPENDIX A

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

(Supplied by Producer)



**GENERATING FACILITY
INTERCONNECTION AGREEMENT
3rd PARTY NON-EXPORTING**

APPENDIX B

A Copy of PG&E's:

***Agreement for Installation or Allocation of Special Facilities for Parallel
Operation of Nonutility-Owned Generation and/or Electrical Standby Service***

Form 79-280, *Special Facility Agreement*

(if applicable, and formed by the Parties)



**GENERATING FACILITY
INTERCONNECTION AGREEMENT
3rd PARTY NON-EXPORTING**

APPENDIX C
(When applicable)

PRODUCER'S WARRANTY THAT THE GENERATING FACILITY IS A "COGENERATION FACILITY" PURSUANT TO SECTION 216.6 OF THE CALIFORNIA PUBLIC UTILITIES CODE

For the purpose of securing the Competition Transition Charge exemption available under Section 372 of the California Public Utilities Code (PU Code), Producer hereby declares that the Generating Facility meets the requirements for Cogeneration as such term is used in Section 216.6 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 PG&E with Notice of such change pursuant to Section 9.1 of the Agreement. If at any time during the term of this Agreement PG&E determines in its sole discretion that Producer's Generating Facility may no longer meet the Cogeneration Requirements, PG&E may require Producer to provide evidence that the Generating Facility continues to meet the Cogeneration Requirements within 15 business days of PG&E's request for such evidence. Additionally, PG&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 Cogeneration Requirements. If PG&E determines in its sole judgment that Producer either failed to provide evidence in a timely manner or that it provided insufficient evidence that its Generating Facility continues to meet the Cogeneration Requirements, then the Cogeneration status of the Generating Facility shall be deemed ineffective until such time as Producer again demonstrates to PG&E's reasonable satisfaction that the Generating Facility meets the requirements for a Cogeneration facility (the Cogeneration Status Change).

PG&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 PG&E determines in its sole discretion that the Generating Facility first ceased to meet the Cogeneration Requirements. PG&E shall invoice the Producer's electric Service Account through which the Generating Facility is Interconnected with PG&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 PG&E pursuant to the terms of this warranty, shall be paid to PG&E within 30 days of Producer's receipt of such invoice.



**GENERATING FACILITY
INTERCONNECTION AGREEMENT
3rd PARTY NON-EXPORTING**

APPENDIX D
(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 California Public Utilities Code (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 PG&E with Notice of such change pursuant to Section 9.1 of the Agreement. If at any time during the term of this Agreement PG&E determines in its sole discretion that Producer's Generating Facility may no longer meet the DERG Requirements, PG&E may require Producer to provide evidence that the Generating Facility continues to meet the DERG Requirements within 15 business days of PG&E's request for such evidence. Additionally, PG&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 PG&E determines in its sole judgment that Producer either failed to provide evidence in a timely manner or that it provided insufficient evidence that its Generating Facility continues to meet the 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 PG&E's reasonable satisfaction that the Generating Facility meets the requirements for a Distributed Energy Resources Generation facility (the DERG Status Change).

PG&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 PG&E determines in its sole discretion that the Generating Facility first ceased to meet the DERG Requirements. PG&E shall invoice the Producer electric Service Account through which the Generating Facility is Interconnected with PG&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 PG&E pursuant to the terms of this warranty, shall be paid to PG&E within 30 days of Producer's receipt of such invoice.



**GENERATING FACILITY
INTERCONNECTION AGREEMENT
3rd PARTY NON-EXPORTING**

APPENDIX E

**CUSTOMER GENERATION AGREEMENT
(3RD PARTY GENERATOR ON PREMISES)
(NON-EXPORTING)**



Electric Sample Form No. 79-992
Customer Generation Agreement
(Third Party Generator on Premises Non-Exporting)

Sheet 1

**Please Refer to Attached
Sample Form**



CUSTOMER GENERATION AGREEMENT (3rd PARTY GENERATOR ON PREMISES, NON-EXPORTING)

This Customer Generation Agreement (3rd Party Generator on Premises, Non-Exporting) (Agreement) is entered into by and between _____ a _____ (Customer), and Pacific Gas and Electric Company (PG&E), a California Corporation. Customer 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, PURPOSE, AND RELATED AGREEMENTS

This Agreement, in conjunction with the Generating Facility Interconnection Agreement (3rd Party Non-Exporting (Form 79-988), identified in Section 2.2 and attached as Appendix A, allows the Producer (as identified in Section 2.2) to utilize Customer's electrical facilities to interconnect and operate the Generating Facility in parallel with PG&E's Distribution System. The purpose of the Generating Facility is to serve the Customer's electrical loads at the location identified in Section 2.1.

2. SUMMARY AND DESCRIPTION OF THE PARTIES AND LOCATION OF GENERATING FACILITY

2.1 The name and address used by PG&E to locate the Customer or electric service account where the Generating Facility interconnects with PG&E's Distribution System is:

2.2 The Generating Facility shall be Interconnected with PG&E's Distribution System pursuant to the Generating Facility Interconnection Agreement (3rd Party Non-Exporting) between PG&E and _____ its successors or assigns (Producer) dated _____ (Producer Agreement).



CUSTOMER GENERATION AGREEMENT
**(3rd PARTY GENERATOR ON PREMISES,
NON-EXPORTING)**

2.3 Producer's contact information:

3. CUSTOMER ACKNOWLEDGEMENTS AND OBLIGATIONS

- 3.1 Customer acknowledges that it has authorized the Generating Facility to be installed and operated by Producer in accordance with PG&E's Electric Rule 21 on or adjacent to Customer's premises. Such Generating Facility shall be used to serve all or a portion of Customer's electrical loads associated with the electric service provided by PG&E at the location identified in Section 2.1, above, and any other purpose permitted under the *Producer Agreement*. Customer shall be solely responsible for the terms of any agreement between it and Producer.
- 3.2 Customer shall be solely responsible for any charges incurred under PG&E's electric service tariffs for the services provided to Customer by PG&E. Customer acknowledges that it is the sole end-use consumer of such tariffed services. This Agreement does not constitute an agreement by PG&E to provide any tariffed service to Producer.
- 3.3 Customer acknowledges the Generating Facility shall be operated in compliance with all PG&E tariffs, including but not limited to PG&E's Electric Rule 21, and any other regulations and laws governing the interconnection of the Generating Facility. Customer further acknowledges that it has been made aware of the charges and conditions related to the operation of the Generating Facility including, but not limited to Standby Tariff, Preliminary Statement "BB" Non-Bypassable Charges Tariff, and Electric Rule 2, and that the performance or lack of performance of the Generating Facility may affect the rates and charges billed by PG&E for the electric power delivered to Customer. Copies of such tariffs are available at www.PGE.com or by request to PG&E.
- 3.4 Any amounts to be paid, or refunded to, PG&E for the services received by Customer as a result of the Producer failing to operate the Generating Facility in accordance with the terms of the representations and warranties made under the *Producer Agreement* shall be paid to PG&E in accordance with PG&E's electric tariffs.



CUSTOMER GENERATION AGREEMENT
**(3rd PARTY GENERATOR ON PREMISES,
NON-EXPORTING)**

- 3.5 Customer shall make the Generating Facility reasonably accessible to PG&E's personnel, contractors or agents to perform PG&E's duties under Electric Rule 21.
- 3.6 Smart Inverters - For Customer applications received on or after September 9, 2017, the Customer certifies that their inverter-based Generating Facilities fully comply with Section Hh of Rule 21, including configuration of protective settings and default settings, in accordance with the specifications therein.

Distribution Provider may require a field verification of the Customer's inverter. Customer further agrees to cooperate fully with any such request and make their inverter available to the Distribution Provider for such verification. Customer understands that in the event the inverter is not set in accordance with Section Hh of Rule 21, Customer will need to cease operation of generating facility until verification is confirmed by Distribution Provider.

(Solar inverter models and firmware versions that comply with Rule 21 Section Hh can be found at:
<http://www.gosolarcalifornia.org/equipment/inverters.php>.)

Verification of compliance with such requirements shall be provided by the Customer upon request by PG&E in accordance with PG&E's Electric Rule 21.

An "existing inverter" is defined as an inverter that is a component of an existing Generating Facility that meets one or more of the following conditions:

- (a) it is already approved by PG&E for interconnection prior to September 9, 2017,
- (b) the Customer has submitted the interconnection application prior to September 9, 2017,
- (c) the Customer provides evidence of having applied for an electrical permit for the Generating Facility installation that is dated prior to September 9, 2017 and submitted a complete interconnection application¹ no later than March 31, 2018, or

¹ A complete application consists all of the following without deficiencies:

1. A completed Interconnection Application including all supporting documents and



CUSTOMER GENERATION AGREEMENT
**(3rd PARTY GENERATOR ON PREMISES,
NON-EXPORTING)**

- (d) the Customer provides evidence of a final inspection clearance from the governmental authority having jurisdiction over the Generating Facility prior to September 9, 2017.

All “existing inverters” are not required to be Smart Inverters and are only subject to Section H of Rule 21. Customer replacing an “existing inverter” certifies it is being replaced with either:

- (i) inverter equipment that complies with Section Hh of Rule 21, (encouraged); or
- (ii) a conventional inverter that is of the same size and equivalent ability to that of the inverter being replaced, as allowed in Rule 21 Section H.3.d.ii.

4. TERMS AND TERMINATION

4.1 This Agreement shall become effective as of the last date entered in Section 13 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 Customer’s electric service account through which the Generating Facility is interconnected to PG&E’s Distribution System is closed or terminated.
- (c) Unless otherwise agreed in writing by the Parties, at 12:01 A.M. on the 31st day following the date the Producer Agreement is terminated, unless the responsibility for such Producer Agreement is assigned to or replaced by a subsequent Producer. The Parties shall cooperate in obtaining an assignment or replacement agreement.
- (d) At 12:01 A.M. on the 61st day after Customer or PG&E provides written Notice pursuant to Section 6 below to the other Party of the Customer or PG&E’s intent to terminate this Agreement.

-
- required payments,
 - 2. A completed signed Interconnection Agreement,
 - 3. Evidence of the Customer final inspection clearance from the governmental authority having jurisdiction over the generating system.



**CUSTOMER GENERATION AGREEMENT
(3rd PARTY GENERATOR ON PREMISES,
NON-EXPORTING)**

- 4.2 Customer may elect to terminate this Agreement pursuant to the terms of Section 4.1(d) for any reason. PG&E may elect to terminate this Agreement pursuant to the terms of Section 4.1(d) for one or more of the following reasons:
- (a) A change in PG&E's applicable tariffs, 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) Unless otherwise agreed in writing by the Parties, Customer fails to take all corrective actions specified in PG&E's Notice provided in accordance with Section 6 that Customer is out of compliance with the terms of this Agreement within the time frame set forth in such Notice.

5. LIMITATION OF LIABILITY

- 5.1 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 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.
- 5.2 PG&E shall not be liable to Customer in any manner, whether in tort or contract or under any other theory, for loss or damages of any kind sustained by Customer resulting from termination of the *Producer Agreement* between Producer and PG&E, provided such termination is consistent with the terms of the *Producer Agreement*.

6. NOTICES

- 6.1 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: [Contact information to be supplied]



**CUSTOMER GENERATION AGREEMENT
(3rd PARTY GENERATOR ON PREMISES,
NON-EXPORTING)**

If to Customer: [Contact information to be supplied]

- 6.2 A Party may change its address for Notices at any time by providing the other Party Notice of the change in accordance with Section 6.1.
- 6.3 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.

7. RELEASE OF DATA

Customer authorizes PG&E to release to the California Energy Commission (CEC) and/or the California Public Utilities Commission (Commission) information regarding the Generating Facility, including Customer's name and location, and the size, location and operational characteristics of the Generating Facility, as may be requested from time to time pursuant to the CEC's or Commission's rules and regulations.

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

9. 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.



CUSTOMER GENERATION AGREEMENT
**(3rd PARTY GENERATOR ON PREMISES,
NON-EXPORTING)**

10. GOVERNING LAW, JURISDICTION OF COMMISSION, INCLUSION OF PG&E's TARIFFS, DEFINED TERMS

- 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 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 PG&E. Copies of such tariffs are available at www.PGE.com or by request to PG&E and are incorporated into this Agreement by this reference.
- 10.4 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 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 PG&E's Rule 1 or Electric Rule 21 Section C. If any term is defined in both Rule 1 and Electric Rule 21, the definition in Electric Rule 21 shall prevail.

11. AMENDMENTS AND MODIFICATION

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



CUSTOMER GENERATION AGREEMENT (3rd PARTY GENERATOR ON PREMISES, NON-EXPORTING)

12. ENTIRE AGREEMENT

This Agreement, and the Producer Agreement, including any incorporated tariffs, contain 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, the Producer Agreement, or in the incorporated tariffs.

13. 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.

Signature lines for both parties, with 'PACIFIC GAS AND ELECTRIC COMPANY' header on the right. Fields include Company Name, Signature, Print Name, Title, and Date.



CUSTOMER GENERATION AGREEMENT
**(3rd PARTY GENERATOR ON PREMISES,
NON-EXPORTING)**

APPENDIX A

Generating Facility Interconnection Agreement
(3rd Party Non-Exporting)

BETWEEN

**PRODUCER AND PACIFIC GAS AND ELECTRIC
COMPANY**

THIS PRINT COVERS CALENDAR ITEM NO.: 10.3

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Capital Programs and Construction

BRIEF DESCRIPTION:

Authorizing the Director of Transportation to execute a long-term Generating Facility Interconnection Agreement (3rd Party Non-Exporting) with Pacific Gas and Electric Company (PG&E) for a solar power installation at the SFMTA Field Operations Facility at 1508 Bancroft Avenue; urging the Board of Supervisors to approve an ordinance submitted by the San Francisco Public Utilities Commission authorizing departments to enter into such agreements directly, without further approval by the Board of Supervisors; and subject to approval, and compliance with the conditions, of such an ordinance, the SFMTA Board authorizes the Director of Transportation to execute similar long-term Interconnection Agreements for other SFMTA facilities in the future.

SUMMARY:

- On February 27, 2017, on behalf of the SFMTA, San Francisco Public Works (SFPW) awarded Contract 8024A to Chiang C. M. Construction, to construct improvements at the SFMTA Facility at 1508 Bancroft Avenue.
- The Contract 8024A scope includes upgrading two existing freight elevators, improving building lighting and HVAC systems, adding insulation to the building envelope to meet California Building Code energy efficiency requirements, and installing a solar panel system on the roof.
- In order to activate the solar panel system, it must be connected to the existing PG&E power distribution system, for which the SFMTA must enter into a Generating Facility Interconnection Agreement (Interconnection Agreement) PG&E.
- In conjunction with the SFMTA Interconnection Agreement, the San Francisco Public Utilities Commission (SFPUC) will enter into a long-term Customer Generation Agreement with PG&E and plans to go to the Board of Supervisors for authority for SFPUC and other City departments, including the SFMTA, to enter into Interconnection Agreements with PG&E in the future.

ENCLOSURES:

1. SFMTAB Resolution
2. PG&E Generating Facility Interconnection Agreement Form 79-988

APPROVALS:

DIRECTOR



SECRETARY



DATE

8/13/2018

8/13/2018

ASSIGNED SFMTAB CALENDAR DATE: August 21, 2018

PAGE 2.

PURPOSE

The purpose of this calendar item is to authorize the Director of Transportation to execute a long-term Generating Facility Interconnection Agreement (3rd Party Non-Exporting) with PG&E for a solar power installation at the SFMTA Field Operations Facility at 1508 Bancroft Avenue; to urge the Board of Supervisors to approve an ordinance authorizing departments to enter into such agreements directly, without further approval by the Board of Supervisors; and subject to approval, and compliance with the conditions, of such an ordinance, authorizing the Director of Transportation to execute similar long-term Interconnection Agreements for other SFMTA facilities in the future.

STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES

This action supports the following goals and objectives in the SFMTA Strategic Plan Principles:

Goal 3: Improve the quality of life and environment in San Francisco and the region.

Objective 3.4: Provide environmental stewardship to improve air quality, enhance resource efficiency, and address climate change.

Goal 4: Create a workplace that delivers outstanding service.

Objective 4.2: Improve the safety, security, and functionality of SFMTA work environments.

This action supports the following principle in the SFMTA Transit First Policy Principles:

10. The City and County shall encourage innovative solutions to meet public transportation needs wherever possible and where the provision of such service will not adversely affect the service provided by the Municipal Railway.

DESCRIPTION

The SFMTA facility at 1508 Bancroft Avenue is a two-story, 90,000-square-foot pre-engineered metal building used by SFMTA's Sustainable Streets Division (SSD) Field Operations for shop, office and storage space. 130 employees of SSD's parking meter, sign, paint, and metal shops are all housed at the Bancroft facility. Though some tenant improvements were made to the facility when it was purchased by the SFMTA in 2012, several operational deficiencies require upgrades in order to provide an efficient, comfortable, and safe working environment for SFMTA staff.

The Project scope includes upgrading two existing freight elevators, improving building lighting and mechanical air ventilation, heating and cooling systems, and adding insulation to the building envelope to meet California Building Code energy efficiency requirements.

PAGE 3.

The Project scope also includes the addition of a new solar panel system on the roof, to support the City's goal of improving energy efficiency and overall sustainability of City facilities. The solar panel system will consist of 380 panels that will generate 175,000 kilowatts per year, supplying a significant portion of the electrical power for the Bancroft facility.

On February 27, 2017, on behalf of the SFMTA, San Francisco Public Works awarded Contract 8024A to Chiang C. M. Construction, to construct improvements at 1508 Bancroft Avenue, in the amount of \$4,935,813, and for a term of 360 days.

In order to activate the solar panel system, it must be connected to the existing PG&E power distribution system, and the City must enter into a Generating Facility Interconnection Agreement (3rd Party Non-Exporting) (hereafter, Interconnection Agreement(s)) with PG&E.

The SFPUC traditionally asks the Board of Supervisors for authority to enter into long-term Interconnection Agreements with PG&E, on behalf of itself and other City departments. For the Bancroft facility, SFPUC, as the City's electric utility, will enter into a separate Customer Generation Agreement with PG&E in conjunction with the SFMTA agreement.

For future City-owned solar power generation projects, in order to streamline the interconnection approval process, the SFPUC will also go to the Board of Supervisors with an ordinance seeking authority for City departments to enter into Interconnection Agreements with PG&E, directly, without further approval by the Board of Supervisors. The ordinance, which is still being drafted, may require departments to satisfy the following conditions prior to entering into an Interconnection Agreement:

- Except pursuant to San Francisco Charter Section 9.118(b) (contracts over ten years), the Interconnection Agreements would not otherwise require Board of Supervisors approval.
- The Interconnection Agreements are necessary to connect solar projects to the electrical grid.
- The renewable generation projects have been included in the department's capital plan and/or budget or have otherwise been approved by the City department.
- The Interconnection Agreements do not require the payment of any fees or costs by the City to PG&E unless such fees or costs have been included in the department's capital plan and/or budget or have otherwise been approved by the City department.
- Environmental review of the renewable generation projects is not required or has been completed and any necessary mitigation measures have been put in place.
- The City Attorney and the General Manager of the relevant City department or body determines that the Interconnection Agreements are for the same purpose as and substantially in the form as the Interconnection Agreements on file with the Clerk of the Board of Supervisors, and that the Interconnection Agreements do not materially increase the obligations and liabilities nor decrease the rights of the City.

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STAKEHOLDER ENGAGEMENT

As the work in the Bancroft facility does not impact transit service, public outreach has been limited to notifying residential and commercial neighbors adjacent to the construction site of intermittent and temporary parking and sidewalk closure impacts.

The solar panels are installed on the roof of the facility and do not have any negative impact to any neighbor's sightlines or sunlight. The panels will also not generate any noise issues.

SFMTA management and staff were consulted during the development of the project and are supportive of the solar panels as a way improve the energy efficiency of the facility, reduce facility energy costs, and contribute to the city-wide goal of increasing use of sustainable energy sources.

ALTERNATIVES CONSIDERED

Because of poor lighting, inadequate air circulation and lack of thermal insulation protection from heat and cold, working conditions at Bancroft facility have had a negative impact on staff morale, productivity and safety. Making improvements to remedy these deficiencies was considered the only option.

Installing solar panels improves the energy efficiency of SFMTA facilities and enhances the Agency's ability to withstand future energy demands. Not proceeding with authorizing the Interconnection Agreement would render the solar panel system unusable and prevent these benefits from being realized by the Agency.

FUNDING IMPACT

Public Works Contract 8024A is fully funded through SFMTA FY2019 Operating funds.

The PG&E Interconnection Agreement has no fees associated with it and will have no funding impact.

ENVIRONMENTAL REVIEW

The 1508 Bancroft Improvement Project was subject to the California Environmental Quality Act (CEQA). Title 14 of the California Code of Regulations Section 15301 provides an exemption from environmental review for the operation, repair, maintenance, or minor alteration of existing public or private structures, including interior or exterior alterations.

On October 18, 2016, the SFMTA determined (Case Number 2016-014593ENV) that the 1508 Bancroft Improvement Project is exempt from CEQA as defined in Title 14 of the California Code of Regulations Section 15301. There have been no material changes to the Project since this CEQA determination.

PAGE 5.

A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors, and may be found in the records of the Planning Department at 1650 Mission Street in San Francisco, and is incorporated herein by reference.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

Approval by the San Francisco Public Utilities Commission and the Board of Supervisors will be required.

The City Attorney's Office has reviewed this calendar item.

RECOMMENDATION

Staff recommends that the SFMTA Board of Directors authorize the Director of Transportation to execute a long-term Generating Facility Interconnection Agreement (3rd Party Non-Exporting) with PG&E for a solar power installation at the SFMTA Field Operations Facility at 1508 Bancroft Avenue; urge the Board of Supervisors to approve an ordinance authorizing departments to enter into such agreements directly, without further approval by the Board of Supervisors; and subject to approval, and compliance with the conditions, of such an ordinance, the authorize the Director of Transportation to execute similar long-term Interconnection Agreements for other SFMTA facilities in the future.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, On February 27, 2017, on behalf of the SFMTA, San Francisco Public Works awarded Contract 8024A to Chiang C. M. Construction, Inc., to construct improvements at the SFMTA Facility at 1508 Bancroft Avenue; the improvements included upgrading two existing freight elevators, improving building lighting and HVAC systems, adding insulation to the building envelope to meet California Building Code energy efficiency requirements, and installing a solar panel system on the roof; and,

WHEREAS, In order to activate the solar panel system, it must be connected to the existing PG&E power distribution system, for which the SFMTA must enter into a Generating Facility Interconnection Agreement (3rd Party Non-Exporting) with PG&E; and,

WHEREAS, In conjunction with the SFMTA interconnection agreement, the SF Public Utilities Commission (SFPUC) will enter into a long-term third-party generation agreement with PG&E, and plans to go to the Board of Supervisors for authority to enter into such agreements on behalf of itself and other City departments, including the SFMTA; and,

WHEREAS, On October 18, 2016, the SFMTA determined (Case Number 2016-014593ENV) that the 1508 Bancroft Improvement Project is exempt from CEQA as defined in Title 14 of the California Code of Regulations Section 15301; and,

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors, and may be found in the records of the Planning Department at 1650 Mission Street in San Francisco, and is incorporated herein by reference; now, therefore, be it

RESOLVED, That the SFMTA Board of Directors authorizes the Director of Transportation to execute a long-term Generating Facility Interconnection Agreement (3rd Party Non-Exporting) with Pacific Gas and Electric Company for a solar power installation at the SFMTA Field Operations Facility at 1508 Bancroft Avenue; and be it further

RESOLVED, That the SFMTA Board urges the Board of Supervisors to approve an ordinance submitted by the SFPUC authorizing departments to enter into such agreements directly, without further approval by the Board of Supervisors; and be it further

RESOLVED, That subject to approval, and compliance with the conditions, of such an ordinance, the SFMTA Board authorizes the Director of Transportation to execute similar long-term Interconnection Agreements for other SFMTA facilities in the future.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of August 21, 2018.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency



Electric Sample Form No. 79-988
Generating Facility Interconnection Agreement (Third Party Non-Exporting)

Please Refer to Attached
Sample Form

Advice Letter No: 4674-E
Decision No.

Issued by
Steven Malnight
Senior Vice President
Regulatory Affairs

Date Filed
Effective
Resolution No.

July 24, 2015
August 23, 2015



GENERATING FACILITY INTERCONNECTION AGREEMENT

3rd PARTY NON-EXPORTING

This *Generating Facility Interconnection Agreement (3rd Party Non-Exporting)* (Agreement) is entered into by and between City and County of San Francisco, a local government (Producer), and Pacific Gas and Electric Company (PG&E), a California corporation. Producer 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, PURPOSE, AND RELATED AGREEMENT

1.1 This Agreement, in conjunction with the *Customer Generation Agreement (3rd Party Generator on Premises, Non-Exporting)* (Form 79-992) identified in Section 1.2 and attached as Appendix E, provides for Producer to interconnect and operate a Generating Facility in parallel with PG&E's Distribution System to serve the electrical loads at the location identified in Section 2.2. This Agreement does not provide for Producer to deliver electric power to PG&E's Distribution System, nor does this Agreement constitute an agreement by PG&E to provide retail electrical service to Producer. Such arrangements must be made separately between PG&E and Producer.

1.2 The Generating Facility shall be interconnected with PG&E's Distribution System consistent with, and pursuant to, the *Customer Generation Agreement (3rd Party Generator on Premises, Non-Exporting)* between PG&E and City and County of San Francisco, (Customer) its successors or assigns dated (TBD) _____, (*Customer Agreement*).

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 Customer's loads are interconnected with PG&E's Distribution System, are attached to and made a part of this Agreement.

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

City and County of San Francisco
1508 Bancroft Avenue
San Francisco, CA 94124 _



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- 2.3 The Gross Nameplate Rating of the Generating Facility is 124 kW.
- 2.4 The Net Nameplate Rating of the Generating Facility is 124 kW.
- 2.5 The annual energy production of the Generating Facility is expected to be 175,000 kWh.
- 2.6 The Generating Facility's expected date of Initial Operation is July 1, 2018. The expected date of Initial Operation shall be within two years of the date of this Agreement.
- 2.7 For the purpose of securing certain tariff charge exemptions available under the California Public Utilities Code (PU Code), Producer hereby declares that the Generating Facility:
- (a) does / does not meet the requirements for Cogeneration as such term is used in Section 216.6 of the PU Code.
- (b) does / does not meet the requirements for Distributed Energy Resource Generation as such term is used in Section 353.1 of the PU Code.

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
(Supplied by Producer).
- Appendix-B A Copy of PG&E's Agreement for Installation of Allocation of Special Facilities for Parallel Operation of Nonutility-Owned Generation and/or Electrical Standby Service (Form 79-280, Special Facility Agreement) (If applicable, and formed by the parties).
- Appendix-C Producer's warranty that the Generating Facility meets the requirements for a Cogeneration facility pursuant to Section 216.6 of the Public Utilities Code (when applicable).
- Appendix-D Producer's warranty that the Generating Facility meets the requirements for Distributed Energy Resources Generation as defined in Section 353.1 of the Public Utilities Code (When applicable).
- Appendix-E Customer Generation Agreement (3rd Party Generator on Premises, Non-Exporting) (Form 79-992).

4. TERM AND TERMINATION



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- 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.
 - (b) Unless otherwise agreed in writing by the Parties, at 12:01 A.M. on the 31st day following the date the *Customer Agreement* is terminated unless such *Customer Agreement* is assigned to another party or replaced by a subsequent agreement. The Parties shall cooperate obtaining an assignment or replacement agreement.
 - (c) At 12:01 A.M. on the 61st day after Producer or PG&E provides written Notice pursuant to Section 9 of this Agreement to the other Party of Producer or PG&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. PG&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 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) Unless otherwise agreed in writing by the Parties, Producer fails to take all corrective actions specified in PG&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 2.6 of this Agreement as the Generating Facility's expected date of Initial Operation; or,
 - (d) Producer 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 non-operational and Producer does not provide a substantive response to PG&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, PG&E shall have the right to unilaterally file an application to terminate this Agreement with the Commission pursuant to the Commission's rules and regulations.



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- 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 PG&E's tariffs, including but not limited to PG&E's Electric Rule 21, and any other regulations and laws governing the interconnection of the Generating Facility.
- 5.2 The electric power produced by Producer's Generating Facility shall be used solely to serve electrical loads connected to the electric service account that PG&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 PU Code.
- 5.3 Producer shall regulate the electric power output of Producer's Generating Facility so as to prevent the flow of electric energy from the Generating Facility to PG&E's electric system. Unless otherwise agreed upon in writing by the Parties, this Agreement does not provide for, nor otherwise require PG&E to receive, purchase, transmit, distribute, or store the electrical power produced by Producer's Generating Facility.
- 5.4 The Generating Facility shall be operated with all of Producer's Protective Functions in service whenever the Generating Facility is operated in parallel with PG&E's Distribution System. Any deviation from these requirements may occur only when the Parties have agreed to such deviations in writing.
- 5.5 Producer shall not operate the Generation Facility in parallel with PG&E's Distribution System unless the *Customer Agreement* is in effect. If the *Customer Agreement* identified in Section 1.2 is terminated, Producer agrees to cease operating the Generating Facility in parallel with PG&E's Distribution System.

6. INTERCONNECTION FACILITIES

- 6.1 Producer and/or PG&E, as appropriate, shall provide Interconnection Facilities that adequately protect PG&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.



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

7. LIMITATION OF 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 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.
- 7.2 PG&E shall not be liable to Producer in any manner, whether in tort or contract or under any other theory, for loss or damages of any kind sustained by Producer resulting from termination of *the Customer Agreement* provided such termination is consistent with the terms of the *Customer Agreement*.

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 PG&E.

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



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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 PG&E as an additional insured; (b) contain a severability of interest clause or cross-liability clause; (c) provide that PG&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 PG&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 PG&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 PG&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 PG&E.
- 8.5 Producer agrees to furnish the required certificates and endorsements to PG&E prior to Initial Operation. PG&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 PG&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.



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- 8.7 All insurance certificates, statements of self insurance, endorsements, cancellations, terminations, alterations, and material changes of such 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

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 PG&E:

P.O. Box 770000, Mail Code B7L San
Francisco, CA 94177

If to Producer:

SFMTA Sign and Meter Shop
1508 Bancroft Avenue
San Francisco, CA 94124

- 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 PG&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 PG&E's Distribution System.



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Producer authorizes PG&E to release to the California Energy Commission (CEC) and/or the California Public Utilities Commission (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 PG&E's written consent. Any assignment or delegation Producer makes without PG&E's written consent shall not be valid. PG&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 PG&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 PG&E. Copies of such tariffs are available at www.PGE.com or by request to PG&E and are incorporated into this Agreement by this reference.
- 13.4 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 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



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Agreement or in PG&E's Rule 1 or Electric Rule 21, Section C. If any term is defined in both Rule 1 and Electric Rule 21, the definition in Electric Rule 21 shall prevail.

14. AMENDMENTS AND MODIFICATION

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

15. ENTIRE AGREEMENT

This Agreement and the Customer Agreement referenced in Section 1.2, including any incorporated tariffs, 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, the Customer Agreement or in the incorporated tariffs.

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.

City and County of San Francisco PACIFIC GAS AND ELECTRIC COMPANY (Company Name) (Company Name)

(Signature) (Signature)

Ed Reiskin (Print Name) (Print Name)

SFMTA Director of Transportation (Title) (Title)

(Date) (Date)

San Francisco Municipal Transportation Agency Board of Directors Resolution No. Adopted: Attest:

Secretary, SFMTA Board of Directors



**GENERATING FACILITY
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APPENDIX A

DESCRIPTION OF GENERATING FACILITY

AND SINGLE-LINE DIAGRAM

(Supplied by Producer)



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APPENDIX B

A Copy of PG&E's:

***Agreement for Installation or Allocation of Special Facilities for Parallel Operation of
Nonutility-Owned Generation and/or Electrical Standby Service***

Form 79-280, Special Facility Agreement

(if applicable, and formed by the Parties)

**GENERATING FACILITY
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APPENDIX C
(When applicable)

**PRODUCER'S WARRANTY THAT THE GENERATING FACILITY IS A "COGENERATION FACILITY" PURSUANT
TO SECTION 216.6 OF THE CALIFORNIA PUBLIC UTILITIES CODE**

For the purpose of securing the Competition Transition Charge exemption available under Section 372 of the California Public Utilities Code (PU Code), Producer hereby declares that the Generating Facility meets the requirements for Cogeneration as such term is used in Section 216.6 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 PG&E with Notice of such change pursuant to Section 9.1 of the Agreement. If at any time during the term of this Agreement PG&E determines in its sole discretion that Producer's Generating Facility may no longer meet the Cogeneration Requirements, PG&E may require Producer to provide evidence that the Generating Facility continues to meet the Cogeneration Requirements within 15 business days of PG&E's request for such evidence. Additionally, PG&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 Cogeneration Requirements. If PG&E determines in its sole judgment that Producer either failed to provide evidence in a timely manner or that it provided insufficient evidence that its Generating Facility continues to meet the Cogeneration Requirements, then the Cogeneration status of the Generating Facility shall be deemed ineffective until such time as Producer again demonstrates to PG&E's reasonable satisfaction that the Generating Facility meets the requirements for a Cogeneration facility (the Cogeneration Status Change).

PG&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 PG&E determines in its sole discretion that the Generating Facility first ceased to meet the Cogeneration Requirements.

PG&E shall invoice the Producer's electric Service Account through which the Generating Facility is Interconnected with PG&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 PG&E pursuant to the terms of this warranty, shall be paid to PG&E within 30 days of Producer's receipt of such invoice.

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APPENDIX D

(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 California Public Utilities Code (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 PG&E with Notice of such change pursuant to Section 9.1 of the Agreement. If at any time during the term of this Agreement PG&E determines in its sole discretion that Producer's Generating Facility may no longer meet the DERG Requirements, PG&E may require Producer to provide evidence that the Generating Facility continues to meet the DERG Requirements within 15 business days of PG&E's request for such evidence. Additionally, PG&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 PG&E determines in its sole judgment that Producer either failed to provide evidence in a timely manner or that it provided insufficient evidence that its Generating Facility continues to meet the 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 PG&E's reasonable satisfaction that the Generating Facility meets the requirements for a Distributed Energy Resources Generation facility (the DERG Status Change).

PG&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 PG&E determines in its sole discretion that the Generating Facility first ceased to meet the DERG Requirements. PG&E shall invoice the Producer electric Service Account through which the Generating Facility is Interconnected with PG&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 PG&E pursuant to the terms of this warranty, shall be paid to PG&E within 30 days of Producer's receipt of such invoice.



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APPENDIX E

CUSTOMER GENERATION AGREEMENT
(3RD PARTY GENERATOR ON PREMISES) (NON-EXPORTING)

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. 180821-111

WHEREAS, On February 27, 2017, on behalf of the SFMTA, San Francisco Public Works awarded Contract 8024A to Chiang C. M. Construction, Inc., to construct improvements at the SFMTA Facility at 1508 Bancroft Avenue; the improvements included upgrading two existing freight elevators, improving building lighting and HVAC systems, adding insulation to the building envelope to meet California Building Code energy efficiency requirements, and installing a solar panel system on the roof; and,

WHEREAS, In order to activate the solar panel system, it must be connected to the existing PG&E power distribution system, for which the SFMTA must enter into a Generating Facility Interconnection Agreement (3rd Party Non-Exporting) with PG&E; and,

WHEREAS, In conjunction with the SFMTA interconnection agreement, the SF Public Utilities Commission (SFPUC) will enter into a long-term third-party generation agreement with PG&E, and plans to go to the Board of Supervisors for authority to enter into such agreements on behalf of itself and other City departments, including the SFMTA; and,

WHEREAS, On October 18, 2016, the SFMTA determined (Case Number 2016-014593ENV) that the 1508 Bancroft Improvement Project is exempt from CEQA as defined in Title 14 of the California Code of Regulations Section 15301; and,

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors, and may be found in the records of the Planning Department at 1650 Mission Street in San Francisco, and is incorporated herein by reference; now, therefore, be it

RESOLVED, That the SFMTA Board of Directors authorizes the Director of Transportation to execute a long-term Generating Facility Interconnection Agreement (3rd Party Non-Exporting) with Pacific Gas and Electric Company for a solar power installation at the SFMTA Field Operations Facility at 1508 Bancroft Avenue; and be it further

RESOLVED, That the SFMTA Board urges the Board of Supervisors to approve an ordinance submitted by the SFPUC authorizing departments to enter into such agreements directly, without further approval by the Board of Supervisors; and be it further

RESOLVED, That subject to approval, and compliance with the conditions, of such an ordinance, the SFMTA Board authorizes the Director of Transportation to execute similar long-term Interconnection Agreements for other SFMTA facilities in the future.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of August 21, 2018.



Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Ed Reiskin, Executive Director, Municipal Transportation Agency
Harlan Kelly, Jr., General Manager, Public Utilities Commission
Ivar C. Satero, Airport Director, Airport Department
Elaine Forbes, Executive Director, Port Department
Joanne Hayes-White, Chief, Fire Department
William Scott, Police Chief, Police Department
Greg Wagner, Acting Director, Department of Public Health
Andrico Penick, Acting Director, Real Estate Division
Phil Ginsburg, General Manager, Recreation and Parks Department

FROM: Erica Major, Assistant Clerk
Land Use and Transportation Committee

DATE: September 19, 2018

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Public Utilities Commission on September 11, 2018:

File No. 180850

Ordinance authorizing the Director of Transportation of the Municipal Transportation Agency (MTA) and the General Manager of the Public Utilities Commission (PUC) to enter into interconnection agreements with Pacific Gas and Electric Company (PG&E) for a solar power project at the MTA's Field Operations Facility for a term in excess of ten years; authorizing the PUC's General Manager to enter into an interconnection agreement for Burton High School for a term in excess of ten years; delegating authority to the PUC's General Manager, the MTA's Director of Transportation, and the heads of the San Francisco International Airport, Port of San Francisco, Fire Department, Police Department, Department of Public Health, Real Estate Division, and Recreation and Park Department, or their respective designees, to enter into form interconnection agreements for solar projects with PG&E for terms in excess of ten years, subject to specified conditions; and authorizing deviations from certain otherwise applicable contract requirements in the Administrative Code and the Environment Code, as defined herein.

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: erica.major@sfgov.org.

- c: Janet Martinsen, Municipal Transportation Agency
- Kate Breen, Municipal Transportation Agency
- Dillon Auyoung, Municipal Transportation Agency
- Juliet Ellis, Public Utilities Commission
- Donna Hood, Public Utilities Commission
- John Scarpulla, Public Utilities Commission
- Cathy Widener, Airport Department
- Daley Dunham, Port Department
- Kelly Alves, Fire Department
- Rowena Carr, Police Department
- Asja Steeves, Police Department
- Sergeant Rachael Kilshaw, Police Department
- Dr. Naveena Bobba, Department of Public Health
- Sneha Patil, Department of Public Health
- Sarah Madland, Recreation and Parks Department



San Francisco Water Power Sewer

Services of the San Francisco Public Utilities Commission

525 Golden Gate Avenue, 13th Floor
San Francisco, CA 94102
T 415.554.3155
F 415.554.3161
TTY 415.554.3488

TO: Angela Calvillo, Clerk of the Board
FROM: John Scarpulla, Policy and Government Affairs
DATE: August 31, 2018
SUBJECT: Authorizing Agreements - Connection of City Solar Projects with Pacific Gas and Electric Company - Public Utilities Commission

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2018 AUG 31 AM 11:23
BY [initials]

Attached please find an original and one copy of a proposed ordinance authorizing the Director of Transportation of the Municipal Transportation Agency (MTA) and the General Manager of the Public Utilities Commission (PUC) to enter into interconnection agreements with Pacific Gas and Electric Company (PG&E) for a solar power project at the MTA's Field Operations Facility for a term in excess of 10 years; authorizing the PUC's General Manager to enter into an interconnection agreement for Burton High School for a term in excess of 10 years; delegating authority to the PUC's General Manager, the MTA's Director of Transportation, and the heads of the San Francisco International Airport, Port of San Francisco, Fire Department, Police Department, Department of Public Health, Real Estate Division, and Recreation and Parks Department, or their respective designees, to enter into form interconnection agreements for solar projects with PG&E for terms in excess of 10 years, subject to specified conditions; and authorizing deviations from certain otherwise applicable contract requirements in the Administrative Code and the Environment Code.

The following is a list of accompanying documents (2 sets):

1. Board of Supervisors Ordinance ✓
2. Board of Supervisors Legislative Digest ✓
3. PG&E Generating Facility Interconnection Agreement – Form No. 79-988 (Completed) ✓
4. PG&E Customer Generation Agreement – Form No. 79-992 (Completed) ✓
5. PG&E Generating Facility Interconnection Agreement – Form No. 79-988 (Blank) ✓
6. PG&E Customer Generation Agreement – Form No. 79-992 (Blank) ✓
7. SFMTA Calendar Item No. 10.3 8/13/18
8. SFMTA Resolution No. 180821-111 8/21/18
9. Small Generator Interconnection Agreement – Burton High School ✓

London Breed
Mayor

Ike Kwon
President

Vince Courtney
Vice President

Ann Moller Caen
Commissioner

Francesca Vietor
Commissioner

Anson Moran
Commissioner

Harlan L. Kelly, Jr.
General Manager

Please contact John Scarpulla at (415) 934-5782 if you need additional information on these items.

OUR MISSION: To provide our customers with high-quality, efficient and reliable water, power and sewer services in a manner that values environmental and community interests and sustains the resources entrusted to our care.

