



DRAFT

GENERATING FACILITY INTERCONNECTION AGREEMENT (CONTINUOUS EXPORT)

This Generating Facility Interconnection Agreement (“GFIA”) is entered into by and between _____ (“Electricity Producer” or “EP”) and San Diego Gas & Electric Company (“SDG&E”). The EP and SDG&E are sometimes also referred to in this GFIA jointly as “Parties” or individually as “Party.”

In consideration of the mutual promises and obligations stated in this GFIA and its attachments, the Parties agree as follows:

1. SCOPE AND PURPOSE

This GFIA provides for EP to interconnect and operate a Generating Facility (described below) in parallel with SDG&E’s Distribution System to 1) deliver to SDG&E on a non-compensated basis or 2) sell energy produced by such Generating Facility directly to SDG&E pursuant to _____ dated _____.

2. SUMMARY AND DESCRIPTION OF EP’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 EP’s Generating Facility and loads are interconnected with SDG&E’s Distribution System, is attached to and made a part of this GFIA as Appendix A.

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

2.3 SDG&E’s customer electric service account number: _____. (Assigned by SDG&E)

2.4 Name and address used by SDG&E to locate the electric service account used to interconnect the Generating Facility with SDG&E’s Distribution System:

2.5 The Gross Nameplate Rating of the Generating Facility: _____ kW

2.6 The Net Nameplate Rating of the Generating Facility: _____ kW

2.7 The expected annual energy production of the Generating Facility is: _____ kWh

2.8 For the purpose of securing the Competition Transition Charge (“CTC”) exemption available under Section 372 of the California Public Utilities (“PU”) Code, EP hereby declares that the Generating Facility does does not meet the requirements for “Cogeneration” as such term is used in Section 216.6 of the PU Code.

2.9 The Generating Facility’s expected date of Initial Operation is: _____.
The expected date of Initial Operation shall be within two years of the date of this GFIA.

3. DOCUMENTS INCLUDED; DEFINED TERMS

3.1 This GFIA includes the following exhibits that are specifically incorporated herein and made a part of this GFIA by this reference:

Appendix A - Description of Generating Facility and Single-Line Diagram

Appendix B - Copy of SDG&E's Electric Rule 2 and Rule 21

Appendix C – Copy of interconnection facilities financing and operation agreement

3.2 When initially capitalized, whether in the singular or in the plural, the terms used herein shall have the meanings assigned to them either in this GFIA or in Rule 21 of SDG&E's tariffs.

4. TERM AND TERMINATION

4.1 This GFIA shall become effective as of the last date entered in Section 17, below. The term of the GFIA 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 GFIA; or

(b) The _____ dated _____ terminates for any reason.

4.2 SDG&E may elect to terminate this GFIA for one or more of the following additional reasons:

(a) A change in applicable rules, tariffs, and regulations, as approved or directed by the CPUC, or a change in any local, state or federal law, statute or regulation, either of which materially alters or otherwise affects SDG&E's ability or obligation to perform SDG&E's duties under this GFIA; or,

(b) EP fails to take all corrective actions specified in SDG&E's Notice that EP's Generating Facility is out of compliance with the terms of this GFIA within the time frame set forth in such Notice; or,

(c) EP abandons the Generating Facility. SDG&E shall deem the Generating Facility to be abandoned if SDG&E determines, in its sole opinion, the Generating Facility is non-operational and EP does not provide a substantive response to SDG&E's Notice of its intent to terminate this Agreement as a result of EP's apparent abandonment of the Generating Facility affirming EP's intent and ability to continue to operate the Generating Facility.

4.3 Any agreement attached to and incorporated into this GFIA shall terminate concurrently with this GFIA unless the Parties have agreed otherwise in writing.

5. GENERATING FACILITY OPERATION AND CERTIFICATION REQUIREMENTS

5.1 EP is responsible for operating the Generating Facility in compliance with all of SDG&E's tariffs, including but not limited to SDG&E's Rule 21, and any other regulations and laws governing the Interconnection of the Generating Facility.

5.2 EP shall not deliver reactive power to SDG&E's Distribution System unless the Parties have agreed otherwise in writing.

5.3 The Generating Facility shall be operated with all of EP's Protective Functions in service whenever the Generating Facility is operated in parallel with SDG&E's Distribution System. Any deviation from these requirements may occur only when the Parties have agreed to such deviations in writing.

6. INTERCONNECTION FACILITIES

- 6.1 EP and/or SDG&E, as appropriate, shall provide Interconnection Facilities that adequately protect SDG&E's Distribution System, personnel, and other persons from damage or injury, which may be caused by the operation of EP's Generating Facility.
- 6.2 EP shall be solely responsible for the costs, design, purchase, construction, operation, and maintenance of the Interconnection Facilities that EP owns.
- 6.3 If the provisions of SDG&E's Rule 21, or any other tariff approved by the Commission, require SDG&E to own and operate a portion of the Interconnection Facilities, EP and SDG&E shall promptly execute an agreement that establishes and allocates responsibility for the design, installation, operation, maintenance, and ownership of the Interconnection Facilities.

7. LIMITATION OF LIABILITY/INDEMNITY

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.

As between SDG&E and EP, EP shall be solely responsible for and EP shall indemnify, defend and hold SDG&E, and its current and future parent company, subsidiaries, affiliates and their respective directors, officers, shareholders, employees, agents, representatives, successors and assigns harmless from and against any and all claims, actions, suits, proceedings, losses, liabilities, penalties, fines, damages, cost or expenses including without limitation, reasonable attorneys fees (including fees and disbursements of in-house and outside counsel) of any kind whatsoever resulting from (a) injuries to or death of any and all individuals, including, without limitation, members of the general public, or any employee, agent, independent contractor or consultant or affiliate of either SDG&E or EP, arising out of or connected in any manner with EP's performance of services, or (b) damage to and/or destruction of property of SDG&E or EP arising out of or connected in any manner with EP's performance of services, or (c) third party claims of any kind, whether based on negligence, strict liability, or otherwise, arising out of or connected in any manner to EP's or any of its subcontractors acts or omissions in breach of this Agreement.. This indemnification obligation shall not apply to the extent that injuries, death, loss, damage or destruction is caused by either the willful misconduct by SDG&E or SDG&E's sole negligence.

8. INSURANCE

- 8.1 In connection with EP's performance of its duties and obligations under this GFIA, EP shall maintain, during the term of the GFIA, 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 EP'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 EP'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 EP'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 EP's Generating Facility is ten (10) kW or less and EP's Generating Facility is connected to an account receiving residential service from SDG&E.

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

- 8.2 The general liability insurance required in Section 8.1 shall, by endorsement to the policy or policies, (a) include SDG&E, its affiliates/parent companies and their respective officers, directors, employees, agents, representatives, successors and assigns as an additional insured; (b) contain a severability of interest clause or cross-liability clause; (c) provide that SDG&E shall not by reason of its inclusion as an additional insured incur liability to the insurance carrier for payment of premium for such insurance; and (d) provide for thirty (30) calendar days' written notice to SDG&E prior to cancellation, termination, alteration, or material change of such insurance.
- 8.3 If EP's Generating Facility is connected to an account receiving residential service from SDG&E and the requirement of Section 8.2(a) prevents EP from obtaining the insurance required in Section 8.1, then upon EP's written Notice to SDG&E in accordance with Section 9.1, the requirements of Section 8.2(a) shall be waived.
- 8.4 Evidence of the insurance required in Section 8.2 shall state that coverage provided is primary and is not in excess to or contributing with any insurance or self-insurance maintained by SDG&E.
- 8.5 EP shall furnish the required insurance certificates and endorsements to SDG&E prior to Initial Operation of the Generating Facility. Thereafter, SDG&E shall have the right to periodically inspect or obtain a copy of the original policy or policies of insurance.
- 8.6 If EP is self-insured with an established record of self-insurance, EP may comply with the following in lieu of Sections 8.1 through 8.4:
 - (a) EP shall provide to SDG&E, at least thirty (30) calendar days prior to the date of Initial Operation, evidence of an acceptable plan to self-insure to a level of coverage equivalent to that required under Section 8.1.
 - (b) If EP ceases to self-insure to the level required hereunder, or if EP are unable to provide continuing evidence of EP's ability to self-insure, EP agrees to immediately obtain the coverage required under Section 8.1.
- 8.7 All insurance certificates, statements of self insurance, endorsements, cancellations, terminations, alterations, and material changes of such insurance shall be issued and submitted to the following:

San Diego Gas & Electric Company

9. NOTICES

- 9.1 Any written notice, demand, or request required or authorized in connection with this GFIA ("Notice") shall be deemed properly given if delivered in person or sent by first class mail, postage prepaid, to the person specified below:

If to SDG&E: **San Diego Gas & Electric Company**

Phone: **(619) 696 - 2000**
 FAX: _____

If to EP:

Phone: _____
 FAX: _____

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

- 9.3 The Parties may also designate operating representatives to conduct the daily communications, which may be necessary or convenient for the administration of this GFIA. Such designations, including names, addresses, and phone numbers may be communicated or revised by one Party's Notice to the other.

10. ISO DECLARED EMERGENCIES

EP shall comply with all ISO protocols, including but not limited to the following: if the ISO declares a Stage 2 or Stage 3 System Emergency, as defined in the ISO Tariff and Protocols, SDG&E may dispatch EP to operate the Generating Facility and EP shall make all commercially reasonable efforts to comply with such request within the physical limitations of the Generating Facility.

11. REVIEW OF RECORDS AND DATA

11.1 SDG&E shall have the right to review and obtain copies of EP's operations and maintenance records, logs, or other information such as, unit availability, maintenance outages, and circuit breaker operation requiring manual reset, relay targets and unusual events pertaining to EP's Generating Facility or its Interconnection with SDG&E's Distribution System.

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

12. ASSIGNMENT

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

13. NON-WAIVER

None of the provisions of this GFIA 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 GFIA or to take advantage of any of its rights hereunder shall not be construed as a waiver of any such provisions or the relinquishment of any such rights for the future, but the same shall continue and remain in full force and effect.

14. GOVERNING LAW, JURISDICTION OF CPUC, INCLUSION OF SDG&E's TARIFFS AND RULES

14.1 This GFIA 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.

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

14.3 The interconnection and services provided under this GFIA shall at all times be subject to the terms and conditions set forth in the tariff schedules and rules applicable to the electric service provided by SDG&E, which tariff schedules and rules are hereby incorporated into this GFIA by this reference.

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

15. AMENDMENT AND MODIFICATION

This GFIA can only be amended or modified in writing and signed by both Parties.

16. ENTIRE AGREEMENT

This GFIA, including any incorporated tariff schedules and rules, contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter of this GFIA. Each party also represents that in entering into this GFIA, it has not relied on any promise, inducement, representation, warranty, agreement or other statement not set forth in this GFIA or in the incorporated tariff schedules and rules.

17. SIGNATURES

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

“CUSTOMER NAME”

SAN DIEGO GAS & ELECTRIC COMPANY

By: _____
Name: **DRAFT**
Title: _____
Date: _____

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

APPENDIX A

DESCRIPTION OF GENERATING FACILITY AND SINGLE-LINE DIAGRAM

(Supplied by EP)

APPENDIX B

RULES: “2” and “21”

(Provided by SDG&E)

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

APPENDIX C

INTERCONNECTION FACILITIES FINANCING AND OWNERSHIP AGREEMENT

(Provided by SDG&E)