



INTERCONNECTION & NET ENERGY METERING REQUIREMENTS

Subject: Net Metering and the Requirements for Interconnecting Small Solar or Wind Powered Electrical Generating Facilities with SDG&E's Electric System

This letter and the enclosed information explains in detail the interconnection of a small photovoltaic and/or wind powered electrical generating facility to serve a portion or all of the electrical load at a residence or small business that also receives electric service from San Diego Gas & Electric (SDG&E).

The State of California has passed laws to make the process of interconnecting small (units with a capacity rating of 10 kilowatts or less) photovoltaic or wind powered generation systems as simple and economical as possible. This legislation also provides for "eligible customers" ¹ to receive the additional benefits provided by a billing process referred to as *Net Energy Metering*. In support of these objectives, SDG&E has tailored its tariff rates and interconnection requirements to facilitate this process.

SDG&E does not design, engineer or install generating systems for its customers. We are also not able to recommend specific contractors or equipment suppliers. You are encouraged to educate yourself with regard to the technology and equipment you purchase and install, and to determine that your installation will comply with all state and local code and zoning requirements. SDG&E cannot approve the interconnection of your generating facility until SDG&E received the final inspection clearance from your local Building Inspection Department. The Building Inspection Department should automatically notify SDG&E's New Service Department the day following the Building Inspector's final inspection clearance of your installation.

The California Energy Commission (CEC) often provides financial assistance for renewable or alternative energy systems. Information on the assistance which may be available to you can be obtained by calling the CEC at 1-800-555-7794 (inside California), 916-653-5058 (outside California) or by visiting their website at <http://www.energy.ca.gov/renewables>. You may also find the system you intend to install is eligible for property tax exemptions, which will help lower the costs of your installation.

¹ At this time, only residential and small commercial electrical service accounts are eligible to receive the benefits of net metering and the simplified interconnection requirements of Public Utilities Code Section 2827, as amended by Assembly Bill 1755.

INTERCONNECTION REQUIREMENTS

Please submit the following documents to SDG&E:

- . • Application for Interconnection of a Solar or Wind Powered Electrical Generating Facility of 30kW or Less
- . • Electrical One-line diagram (samples attached) An electrical one-line diagram showing the general arrangement and relationship of the various components that will be installed, and a bill of materials.
- . • Bill of Materials (sample attached)
- . • Interconnection Agreements for Net Energy Metering Please read, sign and submit two signed copies of the enclosed Interconnection Agreement. Two Interconnection Agreements have been provided for your convenience.

ADDITIONAL INTERCONNECTION REQUIREMENTS

Visible, Open, Lockable Disconnect

NOTE: SDG&E requires the installation of a visible open, lockable disconnect, pursuant to provisions of the State of California Health and Safety Code. This will help ensure the disconnection of employees. Please include the brand name and model number of the disconnect being used. When selecting a physical location for this required device, SDG&E requires that visible open, lockable disconnect be installed near the customer's service entrance and meter panel.

Placards (sample attached)

These plaques identify you the customer as having a secondary power source, and identifies the utility disconnect.

NET ENERGY METERING (NEM)

Net energy metering allows a customer to net the energy produced by its generating facility against the energy received from its electric service provider. The "netting period" is established as the 12 months following the date net energy metering service is initiated for an eligible customer. At the end of this period, if the customer has produced more energy than it has consumed, the customer will only be charged for the non-energy related components of the electric service it has received. If the customer's generation has not met all of its energy needs, the customer will also be billed for the shortfall, or net energy supplied by its energy service provider. Since a stated goal of the California legislation is that the customer's generation is to serve part or all of their annual electric demand, but not necessarily become a net annual producer of electricity, any annual net balance of energy the customer will be relinquished. Customers will be provided with monthly statements to allow them to monitor the status of their account.

