INTERCONNECTION AGREEMENT FOR NET ENERGY METERING FOR GENERATING FACILITIES UP TO 1 MW

This Interconnection Agreement for Net Energy Metering for Generating Facilities up to 1 MW ("Agreement") is made and entered into on this _____ day of _____, 20__ (the "Effective Date") by and between _____ _____ ("Customer-Generator") and the City of Santa Clara, California, a chartered California municipal corporation ("City"), doing business as Silicon Valley Power ("SVP") (referred to herein individually as a "Party" or collectively as the "Parties" or the "Parties to this Agreement") agree as follows:

1.0 SCOPE OF THIS AGREEMENT

1.1 Customer-Generator has elected to engage in Net Energy Metering for the purpose of providing all or part of Customer-Generator's own electrical energy requirements. In consideration for SVP allowing Customer-Generator to interconnect with SVP's electric grid for the purposes of engaging in Net Energy Metering, Customer-Generator agrees to abide by the terms of this Agreement as well as with any applicable sections of SVP's Rules and Regulations in effect and as amended or revised from time to time. A copy of the most recent version of SVP's Rules and Regulations is available to Customer-Generator in conjunction with this Agreement; SVP's Rules and Regulations are available at the City offices, and all such versions are incorporated by this reference as though set forth in full.

1.2 Customer-Generator agrees that it will not sell, or otherwise provide, electricity generated by its Facility to any real estate parcel, premise, or location other than the Premises that is the subject of this Agreement. Sale or provision of energy to another location or premises is grounds for termination of this Agreement.

1.3 Definitions applicable to this Agreement are set forth in Exhibit A attached and incorporated by this reference, as are Exhibits B (Confidential) and C hereinafter.

2.0 TERM OF AGREEMENT

This Agreement takes effect on the Effective Date and shall continue in full force and effect, unless terminated by either Party as set forth in paragraph 11.0.

3.0 SUCCESSORS AND ASSIGNS/RECORDATION

Any subsequent owner of the property on which the Facility is located shall either agree to be bound by the terms of this Agreement or this Agreement shall be terminated in writing as set forth in paragraph 11.0.

4.0 DESIGN STANDARDS

Customer-Generator's Facility, and all portions of it used to provide or distribute electrical and parallel interconnection with SVP's distribution equipment, shall be designed, installed, constructed, operated and maintained in compliance with City Ordinances, City Codes and SVP's Rules and Regulations as amended from time to time, and shall meet all applicable safety and performance standards established by the National Electric Code, the Institute of Electrical and Electronics Engineers and accredited testing laboratories such as Underwriters Laboratories, as amended from time to time and, where applicable, rules of the Public Utilities Commission regarding safety and reliability. Customer-Generator's Facility shall at minimum, include, but not be limited to, the following:

4.1 Customer-Generator shall have a dedicated circuit from the inverter or other interconnection device, to service panel with a circuit breaker or fuse [NEC 690-64(b)(1)];

4.2 Customer-Generator's overcurrent device at the service panel shall be marked to indicate the Photovoltaic or Wind turbine power source [NEC 690-64(b)(4)];

4.3 The Customer-Generator's inverter or other interconnection device shall have the following minimum specifications for parallel operation with SVP:

4.3.1 Inverter output shall automatically disconnect from SVP source upon loss of SVP voltage and not reconnect until SVP voltage has been restored by SVP [NEC 690-61];

4.3.2 Inverter shall automatically detect and isolate from the SVP source without intentional time delay within five (5) cycles if SVP's voltage fluctuates beyond ten (10) percent;

4.3.3 Inverter shall automatically detect and isolate from the SVP source without any intentional time delay within five (5) cycles if SVP's frequency fluctuates 1Hz;

4.3.4 Inverter output distortion shall meet IEEE 519 standards.

5.0 PERMITS

Customer-Generator shall obtain and maintain all permits or authorizations required by law, by the City, or by any other governmental entity, in order to construct, install and operate the Facility. To the extent that future laws require the Customer-Generator to obtain other permits or authorizations, Customer-Generator shall so comply.

6.0 INSTALLATION AND MAINTENANCE

Customer-Generator is responsible for installing and maintaining the Facility and interconnection facilities in a safe and prudent manner and in conformance with all applicable laws, regulations and codes, including, but not limited to, the requirements of paragraph 5.0 above, at Customer-Generator's sole cost and expense. Customer-Generator shall install and operate the Facility in conformance with the specifications outlined in the "Engineering & Operating Requirements for the Interconnection of Generating Facilities," dated November 18, 2004, as subsequently amended, attached and incorporated by this reference as Exhibit C. Customer-Generator, and not SVP, shall be solely responsible for all legal and financial obligations arising from the design, construction, installation, operation and maintenance of the Facility in accordance with applicable laws, regulations and codes.

7.0 METERING

Net metering shall be accomplished using a single meter capable of registering the flow of electricity in two directions. All meters, regardless of whether installed by SVP or by Customer-Generator, shall be the property of SVP. If the existing meter of a Customer-Generator is not capable of measuring the flow of electricity in two directions, the Customer-Generator shall be responsible for all expenses involved in purchasing and installing a meter that is able to measure electricity flow in two directions. By signing this Agreement, Customer consents to SVP, at its sole expense, installing an additional meter or meters to monitor the flow of electricity in each direction to provide the information necessary to accurately bill or credit the Customer-Generator based on its otherwise applicable tariff or to collect performance standards on the Photovoltaic ("PV") or Wind Turbine ("WT") Facility.

8.0 INTERCONNECTION

8.1 Customer-Generator shall not connect its Facility, or any portion of it, to SVP's distribution system, until written approval of the Facility has been given to Customer-Generator by SVP, which approval shall not unreasonably be withheld. SVP has the right to have representatives present at the initial testing of Customer-Generator's Facility, and shall be notified forty-eight (48) hours in advance of said testing.

8.2 Customer-Generator shall deliver energy from the Facility to SVP at SVP's meter.

8.3 Following normal operational outages and interruptions, Customer-Generator may reconnect to SVP's distributions system without notifying SVP.

8.4 Customer-Generator shall not reconnect its Facility to SVP's distribution system if SVP has disconnected service or SVP has notified Customer-Generator that a reasonable possibility exists that reconnection would pose a hazard.

9.0 INTERRUPTION

9.1 SVP shall not be obligated to accept energy from Customer-Generator.

9.2 SVP may require Customer-Generator to interrupt or reduce deliveries of energy to SVP when necessary to construct, install, maintain, repair or inspect SVP equipment or if SVP determines that such interruption is necessary because of emergencies, forced outages, force majeure or compliance with prudent electrical practices. SVP may, in its sole discretion, disconnect the Facility if it appears at any time its operation may endanger SVP employees or may impair the integrity of SVP's electric distribution system.

9.3 The Facility shall remain disconnected until SVP is satisfied that the foregoing conditions have been remedied.

9.4 Whenever possible, SVP shall give Customer reasonable notice that deliveries may be reduced or interrupted.

9.5 SVP shall not be obligated to compensate Customer Generator for any loss of use of generation of energy during any and all periods of such disconnection or interruption.

10.0 RIGHT OF ACCESS

Consistent with the rights of access allowed to SVP by the Rules and Regulations, SVP may enter Customer's premises without prior notice (a) to inspect at all reasonable hours Customer's protective devices and read or test any meter for the Facility and (b) to disconnect the Facility at any time, without notice, if in SVP's opinion a hazardous condition exists.

11.0 TERMINATION

11.1 SVP may terminate this Agreement for any violation of its terms, or for any violations of SVP's Rules and Regulations of the Electric Utility. SVP may also terminate this Agreement if there are changes in the law, or if safety issues arise now or in the future. Customer-Generator's Facility shall be permanently disconnected from SVP's electric distribution system.

11.2 Customer-Generator may terminate this Agreement if both of the following conditions are met: Customer-Generator (1) provides notice to the Director of Electric Utility and Director of Community Development that it desires to terminate this Agreement (2) notice that Customer-Generator has permanently disconnected the Facility from SVP's electric distribution system and SVP may verify that such disconnection has occurred.

11.3 If at any time SVP discovers that the Facility has been connected to SVP's electric distribution system without the permission of SVP and without a valid and existing Interconnection Agreement in place, SVP shall discontinue electric service to the premises in accordance with SVP's Rules and Regulations.

11.4 If this Agreement is terminated during any twelve (12) month period, SVP, if it is the energy service provider, shall reconcile the Customer-Generator's consumption with that of its production and appropriately credit the Customer-Generator the proper amount of energy produced between the most recent 12-month bill and the time of termination.

12.0 CUSTOMER–GENERATOR TO HOLD CITY HARMLESS

To the extent permitted by law, Customer-Generator agrees to indemnify, protect, defend, and hold harmless City, its City Council, officers, employees, volunteers and agents from and against any claim, injury, liability, loss, cost, and/or expense or damage, including all costs and reasonable attorney's fees in providing a defense to any claim, arising from Customer-Generator's negligent, reckless or wrongful acts, errors, or omissions with respect to or in any way connected with the installation, ownership, and/or operation of the Facility by Customer-Generator, their agents, and/or assigns under this Agreement.

13.0 AMENDMENTS

This Agreement can only be changed or amended by a writing signed by the authorized representatives of each of the Parties.

14.0 INTEGRATED AGREEMENT

This Agreement, its Exhibits and the SVP's Rules and Regulations embody the agreement between SVP and Customer with respect to the Facility and its interconnection described herein and its terms and conditions. No other understanding, agreements, or conversations, or otherwise, with any officer, agent, or employee of SVP prior to execution of this Agreement shall affect or modify any of the terms or obligations contained in any documents comprising this Agreement. Any such verbal agreement shall be considered as unofficial information and in no way binding upon SVP.

15.0 NO THIRD PARTY BENEFICIARY

This Agreement shall not be construed or deemed to be an agreement for the benefit of any third party or parties, and no third party or parties shall have any claim or right of action under this Agreement for any cause whatsoever.

16.0 NOTICES

All notices to the Parties shall, unless otherwise requested in writing, be sent to SVP addressed as follows:

City of Santa Clara
1500 Warburton Avenue
Santa Clara, California 95050
Or by facsimile at (408) 249-0217
Attn: Director of Electric Utility
And Director of Community Development

And to Customer-Generator addressed as set forth on the Customer Information Sheet, which is Exhibit B (Confidential) hereto.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which shall constitute one and the same instrument; and, the Parties agree that the signatures on this Agreement, including those transmitted by facsimile, shall be sufficient to bind the Parties. The Parties acknowledge and accept the terms and conditions of this Agreement as evidenced by the following signatures of their duly authorized representatives. The Effective Date is the date the final signatory executes the Agreement. It is the intent of the Parties that this Agreement shall become operative on the Effective Date.

City of Santa Clara, California
a chartered California municipal corporation

_____
Rajeev Batra
City Manager

Approved as to Form:

_____
Brian Doyle
Interim City Attorney

Attest:

_____
Rod Diridon, Jr.
City Clerk

Customer-Generator

_____
Signature

_____
Type or Print Name

_____
Signature

_____
Type or Print Name

EXHIBIT A

DEFINITIONS
FOR
INTERCONNECTION AGREEMENT FOR
NET ENERGY METERING FOR
GENERATING FACILITIES OF UP TO 1 MW

1.1 **Customer-Generator** means a residential or commercial Customer who uses a solar or a wind turbine electrical generating facility or a hybrid system of both with a capacity of not more than 1 megawatts, on its premises, interconnected and operating in parallel with SVP's grid, to offset that Customer-Generator's own electrical requirements.

1.2 **Electric Service** means the provision of one or more of the following: transmission, distribution or energy.

1.3 **Energy Service Provider** means an electric corporation or person owning, controlling, operating, or managing any electric plant for compensation within the state of California for sale and transmission to others, and which has been duly approved to conduct business within the City of Santa Clara.

1.4 **Facility** means a solar or a wind turbine electrical generating facility, or a hybrid system of both, with a capacity of not more than 1 megawatts that is located on the Customer-Generator's premises, is interconnected and operates in parallel with SVP's electric grid, and is intended primarily to offset part or all of the Customer-Generator's own electrical requirements.

1.5 **Net Energy Metering** means measuring the difference between the electricity supplied through the electric grid and the electricity generated by a Customer-Generator and fed back to the electric grid over a 12-month period. Net-metering uses a non-demand, non-time differentiated meter or meters to measure the foregoing difference.

1.6 **Premises** means all structures, electrical equipment or portions thereof occupied or operated by a Customer-Generator or tenants of Customer-Generator and situated on the integral parcel of land, the real property on which the Qualified Electrical Generating Facility is installed (Facility Location set forth in paragraph 1.5 of Exhibit B (Confidential)) and the real property against which the Memorandum of Interconnection Agreement is recorded.

EXHIBIT B

CUSTOMER INFORMATION SHEET
FOR
INTERCONNECTION AGREEMENT FOR
NET ENERGY METERING FOR
GENERATING FACILITIES UP TO 1 MW

(CONFIDENTIAL)

Customer-Generator has installed, or will in the near term install a photovoltaic/solar ("PV") or wind turbine ("WT") electrical generating system, or a hybrid of both, with a capacity of not more than 1 MW ("Facility") which meets all applicable safety and performance standards established by the National Electric Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories such as Underwriters Laboratories, and where applicable, rules of the Public Utilities Commission regarding reliability and safety.

1.1 Name of Customer-Generator: _____

1.2 Facility ID No.: _____

1.3 PV Array Rating: _____

1.4 WT Array Rating: _____

1.5 Facility Location: _____

1.6 Telephone Number: _____

1.7 Exact Location of Accessible Disconnection:

_____

_____

_____

1.8 Customer Billing Address and Notice:

Name: _____

Street: _____

City/State: _____

1.9 Telephone Number: _____

1.10 SVP Account Number: _____

EXHIBIT C

See attached "Engineering & Operating Requirements for the Interconnection of Generating Facilities," dated November 18, 2004, as subsequently amended.