

SAMPLE

INTERCONNECTION AGREEMENT FOR NET ENERGY METERING

This Interconnection Agreement for Net Energy Metering ("Agreement") dated insert 1st of month, for identification purposes only, is entered into by and between [Customer Name - All caps], [an individual or a corporation] ("CUSTOMER"), and the City of Anaheim, a municipal corporation ("ANAHEIM"), referred to herein jointly as Parties or individually as Party.

1. APPLICABILITY

1.1 This Agreement is applicable only to residential and small commercial customers operating solar or wind electrical generating facilities of 1 MW or less and who satisfy all requirements of the definition of an Eligible Customer-Generator set forth in Section 2827 of the California Public Utilities Code, as may be amended from time to time.

1.2 CUSTOMER represents that CUSTOMER is an Eligible Customer-Generator, and that no other sources of electric generation, other than those listed under Section 2.2, are installed on the Property and interconnected directly with CUSTOMER's electric service, unless approved by ANAHEIM through a separate agreement.

2. DESCRIPTION OF GENERATING FACILITY

2.1 CUSTOMER owns or leases property located at: [Customer Street Address], [City, State, Zip Code] (the "Property").

2.2 CUSTOMER has elected to interconnect and operate a solar or wind electric generating facility on the Property in parallel with ANAHEIM's electric grid. The solar or wind electric generating facility is intended primarily to offset part or all of the CUSTOMER's own electrical requirements. This solar or wind electric generating facility is specifically identified in the plans and design package on file at ANAHEIM's Building Division under the address of the Property. (the "Generating Facility").

2.3 The Generating Facility shall not be relocated or modified without ANAHEIM's written consent.

3. INTERRUPTION OR REDUCTION OF DELIVERIES

3.1 ANAHEIM shall not be obligated to accept or pay for and may, without any penalty to ANAHEIM, require CUSTOMER to interrupt or reduce deliveries of available energy from the Generating Facility (a) when necessary in order to construct, install, maintain, repair, replace, remove, investigate, or inspect any of ANAHEIM's equipment or part of its system; (b) if ANAHEIM determines in its sole discretion that curtailment, interruption, or reduction is necessary because of emergencies, forced or scheduled outages, force majeure, or compliance with prudent electrical practices; or (c) when CUSTOMER fails to operate the Generating

Facility in conformance with applicable municipal, state, and federal law, including, but not limited to the ANAHEIM Charter and Municipal Code, the ANAHEIM Electric Rates, Rules and Regulations, and the Guidelines for Interconnection of Customer Generators on file with ANAHEIM and incorporated herein by reference (collectively, “ANAHEIM Rules and Regulations”).

3.2 Whenever reasonably possible, ANAHEIM will give CUSTOMER reasonable notice of the possibility that interruption or reduction of deliveries may be required.

3.3 Notwithstanding any other provision of this Agreement, if at any time ANAHEIM, in its sole discretion, determines that either (a) the Generating Facility, or its operation, may endanger ANAHEIM personnel or any person; or (b) the continued operation of the Generating Facility may endanger ANAHEIM’s electric system, the environment, or any property, ANAHEIM may disconnect the Generating Facility from ANAHEIM’s system. The Generating Facility shall remain disconnected until such time as ANAHEIM determines that the condition(s) referenced in (a) or (b) of this Section 3.3 have been corrected to ANAHEIM’s satisfaction.

4. **INTERCONNECTION**

4.1 ANAHEIM shall own, operate and maintain on the Property a single meter capable of registering the flow of electricity in two directions (“Net Meter”). CUSTOMER shall deliver the available energy from the Generating Facility to the Net Meter.

4.2 Prior to parallel operation of the Generating Facility, CUSTOMER shall obtain any governmental authorizations and permits required for the construction and operation of the Generating Facility. Thereafter, CUSTOMER shall not commence parallel operation of the Generating Facility until ANAHEIM successfully installs a power production meter and a net-meter on the Property.

5. **DESIGN, OPERATION, AND MAINTENANCE REQUIREMENTS**

5.1 CUSTOMER shall be responsible for the design, installation, operation, and maintenance of the Generating Facility and shall obtain and maintain any required governmental authorizations and/or permits at CUSTOMER’s sole cost and expense.

5.2 In its design, operation, and maintenance of the Generating Facility, CUSTOMER shall at all times conform to all applicable solar or wind electrical generating system safety and performance standards established by (a) the National Electrical Code (“NEC”), (b) the Institute of Electrical and Electronics Engineers (“IEEE”), (c) accredited testing laboratories such as Underwriters Laboratories, (d) applicable state and federal law, (e) applicable building codes, and (f) the ANAHEIM Rules and Regulation as may be amended from time to time.

5.3 CUSTOMER shall maintain the Generating Facility in a safe and prudent manner and in conformance with all applicable federal, state and local laws and regulations including, but not limited to the ANAHEIM Rules and Regulations. CUSTOMER shall permit ANAHEIM to inspect and shall promptly provide ANAHEIM copies, at CUSTOMER’s expense, of CUSTOMER’s testing and maintenance records for the Generating Facility.

not be owed any compensation by ANAHEIM, except that ANAHEIM will offset any balance on the CUSTOMER's final electric bill by CUSTOMER's outstanding Net Energy Credit, if any.

7.4 THIS SECTION 7.4 APPLIES TO CUSTOMERS WHO HAVE ELECTED THE COMPENSATION OPTION. If, during any normal billing cycle, the energy supplied by ANAHEIM is less than the energy supplied to ANAHEIM by the Generating Facility, CUSTOMER will receive net surplus compensation ("Net Surplus Compensation") from ANAHEIM; provided that, CUSTOMER has selected this option pursuant to Section 7.2 herein. ANAHEIM shall pay the Net Surplus Compensation within thirty (30) days(a) from either (a) the end of the Initial Period, or (b) the end of every twelve (12) month period commencing from July 1st following the Initial Period. Net Surplus Compensation shall be calculated in accordance with the applicable ANAHEIM rate schedule. If CUSTOMER's account is closed prior to the end of a normal billing cycle, the CUSTOMER shall not be owed any compensation by ANAHEIM, except that ANAHEIM will offset any balance on the CUSTOMER's final utility bill by CUSTOMER's outstanding Net Surplus Compensation, if any.

7.5 If CUSTOMER purchases energy from alternative sources other than ANAHEIM, CUSTOMER shall not be eligible for a Net Energy Credit or Net Surplus Compensation.

8. ANNUAL BILLING

8.1 If CUSTOMER is a residential or small commercial customer and has elected to pay his bill annually, ANAHEIM will bill the CUSTOMER for his or her net energy consumption annually every July 1st or the first workday following. If, during the Initial Period (as defined in Section 8.2) or any twelve (12) month billing cycle thereafter, the energy supplied by ANAHEIM is greater than the energy supplied to ANAHEIM by the Generating Facility, CUSTOMER shall pay ANAHEIM for his or her energy consumption at the applicable energy rate schedule adopted by ANAHEIM.

8.2 CUSTOMER hereby elects to receive one of the following (**PLEASE NOTE THAT IF "MONTHLY" BILLING IS SELECTED IN SECTION 6 ABOVE, THIS SECTION 8.2 SHOULD BE LEFT BLANK**):

- ___ a credit as set forth in Section 8.3; or
- ___ compensation as set forth in Section 8.4.

Thereafter, CUSTOMER shall only change this election in writing once a year between June 1 and June 30. For purposes of this Section 8, the foregoing shall be known as the Election Period. CUSTOMER shall mail his or her election to ANAHEIM addressed to the **Solar Energy Program Manager, 201 S. Anaheim Boulevard, Suite 801, Anaheim, California 92805**. If CUSTOMER fails to make an election in any given year, the last election which the CUSTOMER made shall continue to be effective until the following election period. As used in this Section 8, the period between the date CUSTOMER makes his or her election in Section 8.2 and the following June 30 shall be known as the Initial Period.

8.3 THIS SECTION 8.3 APPLIES TO CUSTOMERS WHO HAVE ELECTED THE CREDIT OPTION. If, either (a) at the end of the Initial Period or (b) at the end of every twelve

(12) month billing cycle commencing from July 1st following the Initial Period, the energy supplied by ANAHEIM is less than the energy supplied to ANAHEIM by the Generating Facility, CUSTOMER will receive a net energy credit (“Annual Net Energy Credit”) for the excess energy supplied to ANAHEIM; provided that, CUSTOMER has selected this option pursuant to Section 8.2 herein. This Annual Net Energy Credit will be computed in accordance with the applicable ANAHEIM rate schedule, and ANAHEIM will apply the credit to offset toward the electric portion of CUSTOMER’s subsequent annual electric utility bill. If the CUSTOMER’s account is closed with an Annual Net Energy Credit, the CUSTOMER shall not be owed any compensation by ANAHEIM, except that ANAHEIM will offset any balance on the CUSTOMER’s final electric bill by CUSTOMER’s outstanding Annual Net Energy Credit, if any.

8.4 THIS SECTION 8.4 APPLIES TO CUSTOMERS WHO HAVE ELECTED THE COMPENSATION OPTION If, either (a) at the end of the Initial Period or (b) at the end of every twelve (12) month billing cycle commencing from July 1st following the Initial Period, the energy supplied by ANAHEIM is less than the energy supplied to ANAHEIM by the Generating Facility, CUSTOMER will receive net surplus compensation (“Annual Net Surplus Compensation”) from ANAHEIM; provided that, CUSTOMER has selected this option pursuant to Section 8.2 herein. Annual Net Surplus Compensation shall be calculated in accordance with the applicable ANAHEIM rate schedule, and ANAHEIM shall pay it within thirty (30) days of the close of the twelve (12) month billing cycle. If CUSTOMER’s account is closed prior to the end of a twelve month billing cycle, the CUSTOMER shall not be owed any compensation by ANAHEIM, except that ANAHEIM will offset any balance on the CUSTOMER’s final utility bill by CUSTOMER’s outstanding Annual Net Surplus Compensation, if any.

8.5 If CUSTOMER purchases energy from alternative sources other than ANAHEIM, CUSTOMER shall not be eligible for an Annual Net Energy Credit or Annual Net Surplus Compensation

9. **ACCESS TO PREMISES**

ANAHEIM may enter the Property (a) to inspect, as ANAHEIM deems necessary, CUSTOMER’s protective devices and to read or test meters; and/or (b) to disconnect, without notice, the Generating Facility if, in ANAHEIM’s opinion, a hazardous condition exists and such immediate action is necessary to protect persons, or ANAHEIM’s facilities, or property of others from damage or interference caused by the Generating Facilities, or lack of properly operating protective devices.

10. **INDEMNITY AND LIABILITY**

10.1 CUSTOMER agrees to indemnify, defend (at ANAHEIM’s option) and hold harmless ANAHEIM, its officers, agents, employees, representatives and volunteers from and against any and all claims, demands, defense costs, actions, liability, or consequential damages of any kind or nature arising out of or in connection with CUSTOMER’s engineering, design, construction, maintenance, repair, operation, supervision, inspection, testing, protection or ownership of the Generating Facilities , or the making of replacements, additions, betterments to, or reconstruction

of the Generating Facilities, except to the extent it arises out of the sole negligence of ANAHEIM.

10.2 The provisions of this Section 10 shall not be construed to relieve any insurer of its obligations to pay any insurance claims in accordance with the provisions of any valid insurance policy.

11. **INSURANCE**

11.1 To the extent that CUSTOMER has currently in force all risk property insurance and comprehensive personal liability insurance, CUSTOMER agrees that it will maintain such insurance in force for the duration of this Agreement in no less amounts than those currently in effect. ANAHEIM shall have the right to inspect or obtain a copy of the original policy or policies of insurance prior to commencing operation.

11.2 Such insurance required in Section 11.1 shall, by endorsement to the policy or policies, provide for thirty (30) calendar days written notice to ANAHEIM prior to cancellation, termination, alteration, or material change of such insurance.

11.3 ANAHEIM's Risk Manager is hereby authorized to modify the requirements set forth above in the event he determines that such reduction is in ANAHEIM's best interest.

12. **GOVERNING LAW AND VENUE**

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. In the event that suit is brought by a Party, the Parties agree that trial of such action shall be vested exclusively in the State Court of California, County of Orange, or in the United States District Court, Central District of California, in the County of Orange regardless of choice of law or forum non convenience.

13. **AMENDMENTS, MODIFICATIONS OR WAIVER**

Any amendments or modifications to this Agreement shall be in writing and agreed to by both Parties. The failure of any Party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any Party of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, shall be deemed to be construed as a further or continuing waiver of any such breach or a waiver of the breach of any other term or covenant unless such waiver is in writing.

14. **ASSIGNMENT**

Neither party may assign this Agreement nor any of its rights or duties hereunder without the prior written consent of the other party which consent shall not be unreasonably withheld. Any such assignment or delegation made without such written consent shall be null or void.

15. **NOTICES**

15.1 Notices and communication concerning this Agreement shall be sent to the following addresses:

ANAHEIM
City of Anaheim
Attention: City Clerk
200 South Anaheim Blvd., Ste 217
Anaheim, CA 92805

With a copy to
Public Utilities General Mgr.
201 South Anaheim Blvd., Ste. 1101
Anaheim, CA 92805

CUSTOMER
[Customer Name - All caps]
[Customer Street Address]
[City, State, Zip Code]

15.2 Either party may, by notice to the other party, change the respective address specified above. Service of notice or communication shall be complete when received at the designated address.

15.3 CUSTOMER's notices to ANAHEIM pursuant to this Section shall refer to the CUSTOMER's Account Number.

15.4 In the event of an emergency, CUSTOMER shall immediately notify ANAHEIM at its Public Utilities Department (Phone No. (714) 765-3300) of any emergency situation related to the Generating Facility.

16. **TERM AND TERMINATION OF AGREEMENT**

16.1 The effective date of this Agreement shall be the latest date of execution hereinafter set forth opposite the names of the signators hereto. In the event CUSTOMER fails to set forth a date of execution opposite the name(s) of CUSTOMER's signator(s), CUSTOMER hereby authorizes ANAHEIM to insert the date of execution by CUSTOMER as the date said Agreement as executed by CUSTOMER is received by ANAHEIM.

16.2 This Agreement may be terminated by either party on thirty (30) days advance written notice in accordance with Section 15 hereof.

16.3 This Agreement shall terminate, without notice, upon (a) termination of the electric distribution service provided to CUSTOMER at the Property by ANAHEIM; or (b) changes to CUSTOMER's electric load which cause CUSTOMER to no longer satisfy all requirements of the definition of an Eligible Customer-Generator set forth in Section 2827 of the California Public Utilities Code, as may be amended from time to time.

17. **SIGNATURES**

CUSTOMER and CUSTOMER's signator(s) represent that the signators hold the positions set forth below their signatures and that the signators are authorized to execute this Agreement on behalf of CUSTOMER and to bind CUSTOMER hereto.

{SIGNATURES ON FOLLOWING PAGE}

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the dates hereinafter respectively set forth.

DATE OF EXECUTION:

CITY OF ANAHEIM,
a municipal corporation

By: _____
Dukku Lee
Public Utilities General Manager
"ANAHEIM"

DATE OF EXECUTION:

ATTEST:

By: _____
Linda N. Andal, City Clerk

DATE OF EXECUTION:

[Customer Name - All caps], [an individual or a corporation]

By: _____
[Customer Name]
"CUSTOMER"

APPROVED AS TO FORM:
MICHAEL R.W. HOUSTON, CITY ATTORNEY

By: _____
Daniel J. Payne
Deputy City Attorney