

RULE NO. 22

**ENERGY RESOURCE FACILITY
INTERCONNECTION REQUIREMENTS**

A. GENERAL

This rule sets forth requirements and conditions for non-City-owned energy resource facilities where such energy resource may be connected in parallel operation with the Electric Utility's system. For purposes of this rule, the interconnecting entity shall be designated as the Producer.

This rule does not constitute an agreement or commitment to purchase or deliver the Producer's power. The purchase or delivery of power and other services that the Producer may require are covered under separate agreements, if any. This Rule does not apply to Eligible Customer-Generators, except those subject to NEM 2.0 (as set forth in Developmental Schedule D-NEM) and only to the extent set forth herein.

B. CONDITIONS

1. Prior to parallel operation of its energy resource facility with the Electric Utility's system, the Producer shall (a) execute an interconnection agreement with the City in the form most recently approved by the City Council ("Interconnection Agreement"), and (b) obtain the requisite City permits and authorizations for parallel operation.
2. At all times, the Producer shall design, site, construct, install, operate, and maintain its energy resource and interconnection facilities in compliance with the following:
 - a. Applicable Rates, Rules and Regulations;
 - b. The City's local permitting requirements, as administered through the City's Planning & Building Department;
 - c. The Electric Utility's current Generation Interconnection Standards and Guidelines ("GISG");
 - d. Applicable Federal Energy Regulatory Commission approved rules, tariffs, and regulations;
 - e. Any applicable federal, state, or local laws; and
 - f. Such other requirements contained in the Interconnection Agreement.
3. The Electric Utility has the right, but not the obligation, to review the design of the Producer's energy resource and interconnection facilities and to inspect the Producer's energy resource and interconnection facilities prior to the commencement of parallel operation with the Electric Utility's system. The Electric Utility may require the Producer to make modifications, as necessary, to comply with the requirements of Section B.2 of this rule prior to commencement of operation.
4. The Producer shall operate and maintain its energy resource and interconnection facilities in accordance with prudent electrical practices and shall maintain compliance with all applicable federal, state, or local laws.
5. Where interconnection protective equipment is owned, operated and/or maintained by the Producer, the Producer shall be responsible for damages to the City and/or to others arising from Producer-owned equipment.
6. The Producer is solely responsible for providing protective equipment for all Producer facilities interconnected with the Electric Utility's system as provided in the GISG.

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B. CONDITIONS (Continued)

7. The Producer shall grant the City the right of ingress and egress to the energy resource and interconnection site to examine the site and applicable facilities for any purpose reasonably connected with this Rule No. 22. To the extent applicable to the City's right to examine the Producer's energy resource facility, the Producer shall clearly identify to the City any safety-related equipment and signage utilized by the Producer at this energy resource facility.
8. The Electric Utility has the right to require the Producer to interrupt, disconnect, or reduce output from its energy resource facility as follows:
 - a. When necessary in order to construct, install, maintain, repair, replace, remove, investigate, or inspect any of the Electric Utility's equipment or part of the Electric Utility's system;
 - b. If the Electric Utility 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;
 - c. When the Producer's energy resource facilities or their operation endanger City personnel, the Electric Utility's system, or pose an immediate threat to any person, the environment, or any property; or
 - d. When the Producer fails to operate its energy resource facility in conformance with applicable federal, state, and local laws including the Rates, Rules and Regulations and the GISG.

The Electric Utility may require the disconnection of the Producer's energy resource facility for as long as the conditions of (a) through (d) above exist. The Electric Utility may, in its sole discretion, provide the Producer with reasonable notice of the possibility or actual interruption or reduction of energy resource output that may be required. The Electric Utility shall not be required to provide written notice to the Producer when the Electric Utility determines an emergency or unsafe operating condition exists related to the Producer's energy resource or interconnection facilities.

C. DESIGN AND OPERATING REQUIREMENTS

1. The Producer shall design, site, construct, install, operate, and maintain its energy resource facility in such manner as to prevent or protect against adverse conditions to the Electric Utility's system including, but not limited to:
 - a. Conditions, as determined by the Electric Utility, that can cause harm to persons, equipment damage, or electric service degradation.
 - b. Inadvertent and unwanted reenergizing of a utility dead line or bus.
 - c. Interconnection while out of synchronization.
 - d. Overcurrent.
 - e. Utility system load imbalance.
 - f. Ground faults.
 - g. Generated alternating current frequency outside permitted safe limits.
 - h. Voltage generated outside permitted limits.

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C. DESIGN AND OPERATING REQUIREMENTS (Continued)

- i. Poor power factor.
- j. Harmful wave forms.
- k. Voltage flicker.
- l. Unintended islanding, with the exception of designated protected loads that are disconnected from the Electric Utility's system for the purpose of emergency operation.
2. The necessary protective equipment (relays, switchgear, transformers, etc.) shall be provided by the Producer or by the City at the Producer's expense.

D. INTERCONNECTION FACILITIES AND COST RESPONSIBILITIES

1. Interconnection facilities include all required means and apparatus installed to interconnect the Producer's energy resource facility with the Electric Utility's system. Interconnection facilities may include, but are not limited to:
 - a. Connections, transformations, switching, communications, control, protective and safety equipment, accessible visual disconnects; and
 - b. Any necessary reinforcements and additions to the Electric Utility's system installed by the Electric Utility at the Producer's expense.
2. Interconnection facilities installed on the Producer's side of the point of interconnection shall be owned, operated, and maintained by the Producer, except for those facilities owned and/or operated by the Electric Utility.
3. COSTS FOR INITIAL DESIGN, ENGINEERING, TESTING, OR MATERIALS

Except as provided under applicable law, the Producer shall be responsible for all costs associated with interconnection facilities owned by the Producer. The Producer shall also be responsible for any costs reasonably incurred by the Electric Utility in providing, operating, or maintaining interconnection facilities and any system upgrades and/or additions required solely for the interconnection of the Producer's energy resource facility with the Electric Utility's system.

The Producer shall pay the Electric Utility's reasonable costs to provide design, engineering, testing, equipment or materials at the request of the Producer. Such payment shall include, but not be limited to, the Electric Utility's reasonable costs for labor, contracted labor, materials, and equipment incurred by the Electric Utility in connection with this rule. The Producer shall make payment to the Electric Utility prior to the Electric Utility's approval of the Producer's energy resource and interconnection facilities. At its option, the Electric Utility may consider the service as a request for Added Facilities by the Producer. The Electric Utility may replace the Producer's interconnection facilities at the Producer's cost and expense whenever the Electric Utility determines that such facilities have reached the end of their useful life, unless the Producer has terminated parallel operation of those facilities.

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D. INTERCONNECTION FACILITIES AND COST RESPONSIBILITIES (Continued)

4. PLAN REVIEW

The Electric Utility shall review the Producer's plans as required to evaluate the effect of any proposed new construction or modification of any existing structure or facility upon the Electric Utility's system. The Electric Utility shall charge its reasonable costs for the Producer's plan reviews that require staff time or labor in excess of four (4) hours to complete.

5. An interconnection study shall take no more than three months to complete by the Electric Utility. The estimated cost of the interconnection study shall be provided to the Producer prior to commencement of the interconnection study.

E. METERING

1. For the purposes of monitoring the Producer's operation, the Electric Utility shall have the right to install meters and associated equipment at the Producer's expense.
2. The Producer shall provide, at no expense to the Electric Utility, a suitable location for all meters and associated equipment.

F. ELIGIBLE CUSTOMER-GENERATORS

1. At its discretion, the Electric Utility may determine that an NEM 2.0 Eligible Customer-Generator is a Producer under this Rule No. 22. In the event of such determination, the Eligible Customer-Generator will be treated as a Producer under this Rule and must comply with all provisions of this Rule.
2. Each NEM 2.0 Eligible Customer-Generator, who is not subject to Section F.1 above, must comply with the Rates, Rules and Regulations and applicable provisions of the GISG.