



J. Steve Rahon
Director
Tariffs & Regulatory Accounts
8330 Century Park Court
San Diego, CA 92123-1548

Tel: 858.654.1773
Fax: 858.654.1788
srahon@semprautilities.com

August 21, 2006

ADVICE LETTER 1777-E-A
(U 902-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: SUPPLEMENTAL: NET ENERGY METERING FOR COMBINED
TECHNOLOGY GENERATION FACILITIES**

San Diego Gas and Electric Company (SDG&E) hereby submits for filing the following revisions to its electric tariffs, as shown on Attachment.

PURPOSE

This supplemental advice letter is in compliance with California Public Utilities Commission (Commission) Resolution E-3992, dated July 20, 2006. Revisions are made to SDG&E Schedules NEM, Net Energy Metering, NEM-BIO, Net Energy Metering for Biogas Customer-Generators, NEM-FC, Net Energy Metering for Fuel Cell Customer-Generators, and Rule 21, Generating Facility Interconnections. In addition, SDG&E has created a new contract, titled "Generating Facility Interconnection Agreement (NEM/Non-NEM Generating Facility Export)" (Form 117-2160). The modifications provide for billing and metering distributed generation facilities that operate a net energy metering (NEM) eligible generator and a generator that does not qualify for NEM (non-NEM). This filing replaces SDG&E Advice Letter 1777-E in its entirety.

BACKGROUND

As part of D.05-08-013 the Commission, among other things, directed SDG&E, Pacific Gas and Electric Company (PG&E), and Southern California Edison Company (SCE) to file an advice letter within six months of the effective date of the decision to address the billing of customers that install generation that is NEM-eligible and a generator that does not qualify for NEM (non-NEM). As a result, SDG&E filed Advice Letter 1777-E on February 27, 2006. The Commission issued Resolution E-3992 on July 20, 2006, which addressed Advice Letter 1777-E along with the advice filings of PG&E and SCE. The Resolution rejected SDG&E's initial proposal to add a new tariff to implement NEM for eligible customer-generation facilities that are comprised of both eligible and non-eligible generators. Instead, the utilities were directed to update existing NEM tariffs, along with Rule 21 and its associated form contract, to implement the provisions of D.05-08-013 as interpreted by the Resolution. These updates adopt a "Stacking" method (detailed in the Resolution), which assigns the net energy exported from a combined facility first to the NEM-eligible generator. The remainder of the exported energy is assigned to the non NEM-eligible generator.

Consequently, in accordance with Ordering Paragraphs (OP) 1 through 9 of the Resolution, the attached tariff modifications and newly-created contract address bill credits, or payments, for a customer in the situation where a customer has installed two or more generation technologies that in aggregate produce more energy at times than the load of that customer. The generation technologies may include those such as cogeneration that is non-NEM along with solar photovoltaics (PV), small wind energy, hybrids including PV and small wind energy, biogas digester generation, and fuel cell generation.

Originally, SDG&E requested a 3 month delay in order to implement the necessary system changes to correctly bill those customers utilizing both NEM and non-NEM technologies. The Resolution denied SDG&E's request. In order to comply with the Resolution, SDG&E has developed an interim solution that will allow correct billing of eligible customers until permanent billing system changes are completed. Therefore, any eligible customers will be billed effective August 21 as directed in the Resolution.

This filing will not create any deviations from SDG&E's tariffs, cause withdrawal of service from any present customers, or impose any more restrictive conditions.

EFFECTIVE DATE

SDG&E respectfully requests that this advice letter be approved effective August 21, 2006, as authorized in Resolution E-3992.

PROTEST

Anyone may protest this advice letter to the Commission. The protest must state the grounds upon which it is based, including such items as financial and service impacts, and should be submitted expeditiously. The protest must be made in writing and received within 20 days of the date this advice letter was filed with the CPUC. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of both Jerry Royer (jrr@cpuc.ca.gov) and Honesto Gatchallian (jnj@cpuc.ca.gov) of the Energy Division. It is also requested that a copy of the protest also be sent via both e-mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Todd Cahill
Regulatory Tariff Manager
8330 Century Park Court, Room 32C
San Diego, CA 92123-1548
Facsimile No. (858) 654-1788
E-mail: tcahill@semprautilities.com

NOTICE

A copy of this filing has been served on the utilities and interested parties shown on the attached list, including interested parties in R.04-03-017, by either providing them a copy electronically or by mailing them a copy hereof properly stamped and addressed.

Address changes should be directed to Christina Sondrini by facsimile at (858) 654-1788 or by e-mail at csondrini@semprautilities.com.

J. STEVE RAHON
Director — Tariffs & Regulatory Accounts

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **SAN DIEGO GAS & ELECTRIC**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Todd Cahill

Phone #: (858) 654-1745

E-mail: tcahill@semprautilities.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 1777-E-A

Subject of AL: Supplemental: Net Energy Metering for Combined Technology Generation Facilities

Keywords (choose from CPUC listing): Compliance, NEM

AL filing type: Monthly Quarterly Annual One-Time Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

Resolution E-3992 & Decision 05-08-013

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL

Summarize differences between the AL and the prior withdrawn or rejected AL¹:

Resolution Required? Yes No

Requested effective date: 8/21/06 No. of tariff sheets: 19

Estimated system annual revenue effect (%): _____

Estimated system average rate effect (%): _____

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: NEM, NEM-BIO, NEM-FC, ERule 21, Form 117-2160 & TOC

Service affected and changes proposed¹: _____

Pending advice letters that revise the same tariff sheets: 1773-E

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division

Attention: Tariff Unit

505 Van Ness Ave.,

San Francisco, CA 94102

jjr@cpuc.ca.gov and jnj@cpuc.ca.gov

San Diego Gas & Electric

Attention: Todd Cahill

8330 Century Park Ct, Room 32C

San Diego, CA 92123

tcahill@semprautilities.com

¹ Discuss in AL if more space is needed.

General Order No. 96-A, Sec. III. G.
ADVICE LETTER FILING MAILING LIST

cc: (w/enclosures)

Public Utilities Commission

DRA

D. Appling
S. Cauchois
J. Greig
R. Pocta
W. Scott

Energy Division

W. Franklin
S. Gallagher
H. Gatchalian
D. Lafrenz
J. Royer

CA. Energy Commission

F. DeLeon
R. Tavares

Alcantar & Kahl LLP

K. Harteloo

American Energy Institute

C. King

APS Energy Services

J. Schenk

BP Energy Company

J. Zaiontz

Barkovich & Yap, Inc.

B. Barkovich

Bartle Wells Associates

R. Schmidt

Braun & Blaising, P.C.

S. Blaising

California Energy Markets

S. O'Donnell
C. Sweet

California Farm Bureau Federation

K. Mills

California Wind Energy

N. Rader

Children's Hospital & Health Center

T. Jacoby

City of Chula Vista

M. Meacham
E. Hull

City of Poway

R. Willcox

City of San Diego

J. Cervantes
G. Lonergan
M. Valerio

Commerce Energy Group

V. Gan

Constellation New Energy

W. Chen

CP Kelco

A. Friedl

Davis Wright Tremaine, LLP

E. O'Neill
J. Pau

Dept. of General Services

C. Torres

Douglass & Liddell

D. Douglass
D. Liddell
G. Klatt

Duke Energy North America

M. Gillette

Dynegy, Inc.

J. Paul

Ellison Schneider & Harris LLP

E. Janssen

Energy Policy Initiatives Center (USD)

S. Anders

Energy Price Solutions

A. Scott

Energy Strategies, Inc.

K. Campbell

M. Scanlan

Goodin, MacBride, Squeri, Ritchie & Day

B. Cragg
J. Heather Patrick
J. Squeri

Goodrich Aerostructures Group

M. Harrington

Hanna and Morton LLP

N. Pedersen

Itsa-North America

L. Belew

J.B.S. Energy

J. Nahigian

Luce, Forward, Hamilton & Scripps LLP

J. Leslie

Manatt, Phelps & Phillips LLP

D. Huard

R. Keen

Matthew V. Brady & Associates

M. Brady

Modesto Irrigation District

C. Mayer

Morrison & Foerster LLP

P. Hanschen

MRW & Associates

D. Richardson

Pacific Gas & Electric Co.

J. Clark
M. Huffman
S. Lawrie
E. Lucha

Pacific Utility Audit, Inc.

E. Kelly

R. W. Beck, Inc.

C. Elder

San Diego Regional Energy Office

S. Freedman
J. Porter

School Project for Utility Rate Reduction

M. Rochman

Shute, Mihaly & Weinberger LLP

O. Armi

Solar Turbines

F. Chiang

Sutherland Asbill & Brennan LLP

K. McCrea

Southern California Edison Co.

M. Alexander

K. Cini

K. Gansecki

H. Romero

TransCanada

R. Hunter

D. White

TURN

M. Florio

M. Hawiger

UCAN

M. Shames

U.S. Dept. of the Navy

K. Davoodi

N. Furuta

J. Perez

Utility Specialists, Southwest, Inc.

D. Koser

Western Manufactured Housing

Communities Association

S. Dey

White & Case LLP

L. Cottle

Interested Parties:

R.04-03-017

ATTACHMENT
ADVICE LETTER 1777-E-A

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
Revised 19588-E	SCHEDULE NEM, NET ENERGY METERING, Sheet 1	Revised 18675-E
Revised 19589-E	SCHEDULE NEM, NET ENERGY METERING, Sheet 5	Revised 16938-E
Original 19590-E	SCHEDULE NEM, NET ENERGY METERING, Sheet 6	
Revised 19591-E	SCHEDULE NEM-BIO, NET ENERGY METERING FOR BIOGAS CUSTOMER-GENERATORS, Sheet 1	Revised 18676-E
Original 19592-E	SCHEDULE NEM-BIO, NET ENERGY METERING FOR BIOGAS CUSTOMER-GENERATORS, Sheet 5	
Original 19593-E	SCHEDULE NEM-BIO, NET ENERGY METERING FOR BIOGAS CUSTOMER-GENERATORS, Sheet 6	
Revised 19594-E	SCHEDULE NEM-FC, NET ENERGY METERING FOR FUEL CELL CUSTOMER-GENERATORS, Sheet 1	Revised 18677-E
Revised 19595-E	SCHEDULE NEM-FC, NET ENERGY METERING FOR FUEL CELL CUSTOMER-GENERATORS, Sheet 4	Original 16965-E
Original 19596-E	SCHEDULE NEM-FC, NET ENERGY METERING FOR FUEL CELL CUSTOMER-GENERATORS, Sheet 5	
Revised 19597-E	RULE 21, INTERCONNECTION STANDARDS FOR NON-UTILITY OWNED GENERATION, Sheet 5	Revised 19343-E
Revised 19598-E	RULE 21, INTERCONNECTION STANDARDS FOR NON-UTILITY OWNED GENERATION, Sheet 6	Revised 17280-E
Revised 19599-E	RULE 21, INTERCONNECTION STANDARDS FOR NON-UTILITY OWNED GENERATION, Sheet 7	Revised 18698-E
Revised 19600-E	RULE 21, INTERCONNECTION STANDARDS FOR NON-UTILITY OWNED GENERATION, Sheet 18	Revised 19344-E*
Revised 19601-E	RULE 21, INTERCONNECTION STANDARDS FOR NON-UTILITY OWNED GENERATION, Sheet 28	Revised 17302-E*
Original 19602-E	SAMPLE FORMS, FORM 117-2160, Sheet 1	
Revised 19603-E	TABLE OF CONTENTS, Sheet 1	Revised 19585-E
Revised 19604-E	TABLE OF CONTENTS, SCHEDULE OF RATES, Sheet 5	Revised 19587-E
Revised 19605-E	TABLE OF CONTENTS, RULES, Sheet 7	Revised 19523-E
Revised 19606-E	TABLE OF CONTENTS, Sheet 8	Revised 19524-E



SCHEDULE NEM

Sheet 1

NET ENERGY METERING

APPLICABILITY

Pursuant to California Public Utilities Code (PU Code) Section 2827, this schedule is applicable to a residential, small commercial (as defined in subdivision (h) of Section 331 of the PU Code), commercial, industrial, or agricultural customer who uses a solar or wind turbine electrical generating facility, or a hybrid system of both, with a capacity of not more than 1,000 kilowatts (kW) that is located on the customer's owned, leased, or rented premises, is interconnected and operates in parallel with the Utility's transmission and distribution systems, and is intended primarily to offset part or all of the customer's own electrical requirements (hereinafter "eligible customer-generator" or "customer"). Certain incremental billing and metering costs set forth in this schedule that are related to net energy metering are applicable to Energy Service Providers (ESPs) serving eligible customer-generators.

This service is not applicable to a Direct Access (DA) customer where the customer's ESP does not offer a net energy metering tariff. In addition, if an eligible customer-generator participates in direct transactions with an electric provider that does not provide distribution service for the direct transactions, the electric provider, and not the Utility, is obligated to provide net energy metering to the customer (also see Special Condition 3.e).

This schedule shall be available to eligible customer-generators, upon request, on a first-come-first-served basis until the time that the total rated generating capacity used by eligible customer-generators exceeds 50 megawatts.

Customers served under this Schedule with Multiple Customer-Generators shall be subject to the provisions of Special Condition 7, as described below.

N
N

TERRITORY

Within the entire territory served by the Utility.

RATES

All rates charged under this schedule will be in accordance with the eligible customer-generator's otherwise-applicable metered rate schedule. An eligible customer-generator served under this schedule is responsible for all charges from its otherwise-applicable rate schedule including monthly minimum charges, customer charges, meter charges, facilities charges, energy and demand charges, and excluding any adjustments due to power factor provisions.

Customers eligible for service under this schedule shall not be required, or permitted, to take service under Schedule S, Standby Service, or Schedule S-I, Standby Service-Interruptible, for the qualifying generation. Eligible customers shall be permitted to take standby service for a non-eligible generator on the same meter as the eligible one.

All eligible customer-generators are responsible for Public Purpose Program (PPP) charges based on their net energy delivered by the Utility.

(Continued)

1P14
Advice Ltr. No. 1777-E-A
Decision No. 05-08-013

Issued by
Lee Schavrien
Vice President
Regulatory Affairs

Date Filed Aug 21, 2006
Effective _____
Resolution No. E-3992



SCHEDULE NEM

NET ENERGY METERING

SPECIAL CONDITIONS (Continued)

6. Wind-Energy Co-Metering: (Continued)

At the end of each 12-month period (as described in Special Condition 3), if the electricity fed back to the electric grid by the eligible customer-generator exceeds the electricity supplied to the eligible customer-generator by the Utility, the eligible customer-generator is a Wind Energy Co-Metering producer; (otherwise the eligible customer-generator is a Wind Energy Co-Metering consumer.) To calculate the maximum generation credit for a Wind Energy Co-Metering producer, the Utility will, at the end of each 12-month period, determine the average credit for energy based on the following equation:

$$\text{Average Credit (\$/kWh)} = \frac{\text{Total Credit (\$) calculated for the 12-month period}}{\text{Total energy fed back to the Utility (kWh) during the 12-month period}}$$

Then the Maximum Credit (\$) = Average Credit (\\$/kWh) × Total energy (kWh) the Utility supplied during the 12-month period

Any credit for excess energy (kWh) over this maximum will be retained by the Utility and the Wind Energy Co-Metering producer will not be owed any compensation for this excess energy.

7. Multiple Customer-Generator Generating Facilities (MCGF): A Generating Facility that may be any combination of "Eligible customer-generators" as defined in California Public Utilities Code (PU Code), Section 2827 (NEM Generator(s)), eligible for service under this Schedule in combination with one or more interconnected Generators eligible for service under another applicable NEM schedule (NEM-BIO or NEM-FC) and other Generator(s) (Non-NEM Generator(s)), all of which are located at a single Premises.

Where this Special Condition differs from any other Special Condition contained in this Schedule, the provisions contained in this Special Condition shall prevail. Where an MCGF meets the definition above, the following applies:

- a) An MCGF with one or more interconnected NEM Generators eligible for service under this Schedule combined with one or more interconnected NEM Generators entitled for service under Schedule NEM-BIO and/or Schedule NEM-FC shall adhere to the following:
 - i. Total nameplate capacity of all interconnected NEM Generators at any single Point of Common Coupling (PCC)/Premise shall not exceed one (1) Megawatt (MW). Where the total nameplate capacity of all interconnected NEM Generators exceeds 1 MW, all NEM Generators become ineligible for service under this Schedule and any otherwise applicable NEM schedule (e.g., NEM-BIO and NEM-FC).

(Continued)

5P17

Advice Ltr. No. 1777-E-A

Decision No. 05-08-013

Issued by
Lee Schavrien
Vice President
Regulatory Affairs

Date Filed Aug 21, 2006

Effective _____

Resolution No. E-3992

N
N



SCHEDULE NEM

NET ENERGY METERING

SPECIAL CONDITIONS (Continued)

7. Multiple Customer-Generator Generating Facilities (MCGF): (Continued)

ii. Where a customer chooses not to install Net Generation Output Metering (NGOM) on all NEM Generators, all energy fed back to the electric grid shall be eligible for NEM bill credits using only the Generation Rate Component of the customer's Otherwise Applicable Schedule (OAS) less generation surcharges (such as the DWR Bond Charge shown on Schedule DWR-BC). Credits are calculated when the customer is a net energy producer, on a monthly basis, for any Time-of-Use (TOU) period. The NEM bill credits will not include any portion of the Utility Distribution Company (UDC) energy rate components of the customer's OAS.

iii. Where a customer chooses to install NGOM on all NEM Generators, such NGOM must conform to the requirements set forth in SDG&E's Rule 25. A customer may choose to have SDG&E install utility-owned NGOM at the customer's expense. Customer's who have Rule 25 acceptable NGOM installed on all NEM Generators shall receive the applicable NEM bill credit that corresponds to the metered energy exported to the electric grid from each NEM Generator. For example, if 40 percent of the total metered energy exported to the electric grid was produced by one or more NEM Generators eligible for service under this Schedule, while 60 percent of the total energy exported to the electric grid was produced by one or more NEM Generators served under Schedule NEM-BIO or Schedule NEM-FC, then 40 percent of the total metered energy exported to the electric grid would be eligible for NEM credits based on the Generation Rate Component and the UDC energy rate components of the Customer's OAS , while 60 percent of the total metered energy exported to the electric grid would be eligible for NEM credits using the Generation Rate Component of the customer's OAS but would not include any portion of the UDC rate components.

b) A customer with one or more interconnected NEM Generators eligible for service under this Schedule combined with one or more Non-NEM interconnected Generators shall adhere to the following:

i. Where all Non-NEM Generators have a non-export relay, the customer is not required to install NGOM on their NEM Generators. However, where a customer has non-export relays on all Non-NEM Generators and has two or more NEM Generators where such Generators are served under different NEM schedules (NEM, NEM-BIO, or NEM-FC), either NGOM in accordance with 7.a.iii above must be installed or all excess energy exported to the electric grid will be subject to the provisions of 7.a.ii above.

ii. Where a customer does not have a non-export relay on all Non-NEM Generators to ensure excess energy is not exported to the electric grid from a Non-NEM Generator, NGOM in accordance with 7.a.iii above is required on all NEM Generators in order to receive applicable NEM credits.

N
N
N

N



SCHEDULE NEM-BIO

Sheet 1

NET ENERGY METERING FOR BIOGAS CUSTOMER-GENERATORS

APPLICABILITY

This schedule is applicable to Bundled Service Customers who are served under a Time-of-Use (TOU) rate schedule, and who by December 31, 2009 (1) interconnect and operate in parallel with the Utility's electrical system using an Eligible Biogas Digester Electrical Generating Facility, as defined below pursuant to California Public Utilities Code (PU Code) Section 2827.9, with a generating capacity no greater than 1,000 kW, located on or adjacent to the Biogas Customer-Generators' premises as the sole source of Biogas Customer-Generators' generation, intended to offset part or all of the Biogas Customer-Generators' electrical requirements, and (2) are the recipient of local, state, or federal funds, or who self-finance projects designed to encourage the development of Biogas Digester Electrical Generating Facilities (Biogas Customer-Generator). This schedule is also applicable to up to three Biogas Customer-Generators with a capacity of more than one megawatt and not more than 10 megawatts that otherwise meet the criteria of this schedule.

Customers eligible for service under this Schedule are exempt from any new or additional charges not included in their Otherwise Applicable Schedules (OAS).

Pursuant to PU Code Section 2827.9, this Schedule is available on a first-come, first-served basis for the operating life of the Eligible Biogas Digester Electrical Generating Facility. This schedule is closed to new customers once the combined statewide cumulative rated generating capacity used by Eligible Biogas Customer-Generators in the service territories of the electric Investor Owned Utilities regulated by the CPUC reaches 50 megawatts.

A Biogas Customer-Generator that is subject to the best available control technology (BACT) requirements shall be eligible for this schedule if the Biogas Customer-Generator has installed the BACT as required by the regional Air Pollution Control District at the time of installation as required by PU Code Section 2827.9.

Customers served under this Schedule with Multiple Customer-Generators shall be subject to the provisions of Special Condition 7, as described below.

N
N

TERRITORY

Within the entire territory served by the Utility.

RATES

Only the Generation Rate Component of the Biogas Customer-Generator's OAS, less generation surcharges (such as the DWR Bond Charge shown on Schedule DWR-BC), shall be used in the calculation of credits when the Biogas Customer-Generator is a net energy producer, on a monthly basis, for any TOU period. Only the Generation Rate Component of the Biogas Customer-Generator's OAS, including all generation surcharges, shall be used to calculate the charge for generation when the Biogas Customer-Generator is a Net Energy consumer on a monthly basis, for any TOU period. All other charges, including but not limited to, Transmission Charges, Distribution Charges, Public Goods Charges, Nuclear Decommissioning Charges, Monthly Basic Service Fees, Minimum Charges, Demand Charges, and non-energy related charges, shall be calculated according to the Customer Generator's OAS prior to the netting of energy supplied or produced, for all energy supplied.

Pursuant to CPUC D.03-04-030, eligible biogas digester customer generation shall not pay the departing load cost responsibility surcharge shown on Schedule DL-CRS.

Customers eligible for service under this schedule shall not be required, or permitted, to take service under Schedule S (Standby Service) or Schedule S-I (Standby Service - Interruptible) for the qualifying generation. Eligible customers shall be permitted to take standby service for non-eligible generation on the same meter as the eligible generation.

(Continued)



SCHEDULE NEM-BIO

NET ENERGY METERING FOR BIOGAS CUSTOMER-GENERATORS

Special Conditions (Continued)

7. Multiple Customer-Generator Generating Facilities (MCGF): A Generating Facility that may be any combination of "Eligible customer-generators" as defined in California Public Utilities Code (PU Code), Section 2827 (NEM Generator(s)), eligible for service under this Schedule in combination with one or more interconnected Generators eligible for service under another applicable NEM schedule (NEM or NEM-FC) and other Generator(s) (Non-NEM Generator(s)), all of which are located at a single Premises.

Where this Special Condition differs from any other Special Condition contained in this Schedule, the provisions contained in this Special Condition shall prevail. Where an MCGF meets the definition above, the following applies:

- a) An MCGF with one or more interconnected NEM Generators eligible for service under this Schedule combined with one or more interconnected NEM Generators entitled for service under Schedule NEM and/or Schedule NEM-FC shall adhere to the following:
 - i. Total nameplate capacity of all interconnected NEM Generators at any single Point of Common Coupling (PCC)/Premise shall not exceed one (1) Megawatt (MW). Where the total nameplate capacity of all interconnected NEM Generators exceeds 1 MW, all NEM Generators become ineligible for service under this Schedule and any otherwise applicable NEM schedule (e.g., NEM and NEM-FC).
 - ii. Where a customer chooses not to install Net Generation Output Metering (NGOM) on all NEM Generators, all energy fed back to the electric grid shall be eligible for NEM bill credits using only the Generation Rate Component of the customer's Otherwise Applicable Schedule (OAS) less generation surcharges (such as the DWR Bond Charge shown on Schedule DWR-BC). Credits are calculated when the customer is a net energy producer, on a monthly basis, for any Time-of-Use (TOU) period. The NEM bill credits will not include any portion of the Utility Distribution Company (UDC) energy rate components of the customer's OAS.
 - iii. Where a customer chooses to install NGOM on all NEM Generators, such NGOM must conform to the requirements set forth in SDG&E's Rule 25. A customer may choose to have SDG&E install utility-owned NGOM at the customer's expense. Customer's who have Rule 25 acceptable NGOM installed on all NEM Generators shall receive the applicable NEM bill credit that corresponds to the metered energy exported to the electric grid from each NEM Generator. For example, if 40 percent of the total metered energy exported to the electric grid was produced by one or more NEM Generators eligible for service under this Schedule, while 60 percent of the total energy exported to the electric grid was produced by one or more NEM Generators served under Schedule NEM or Schedule NEM-FC, then 40 percent of the total metered energy exported to the electric grid would be eligible for NEM credits based on the Generation Rate Component and the UDC energy rate components of the Customer's OAS , while 60 percent of the total metered energy exported to the electric grid would be eligible for NEM credits using the Generation Rate Component of the customer's OAS but would not include any portion of the UDC rate components.

(Continued)

N
N
N
N



SCHEDULE NEM-BIO

NET ENERGY METERING FOR BIOGAS CUSTOMER-GENERATORS

Special Conditions (Continued)

7. Multiple Customer-Generator Generating Facilities (MCGF): (Continued)

- b) A customer with one or more interconnected NEM Generators eligible for service under this Schedule combined with one or more Non-NEM interconnected Generators shall adhere to the following:
 - i. Where all Non-NEM Generators have a non-export relay, the customer is not required to install NGOM on their NEM Generators. However, where a customer has non-export relays on all Non-NEM Generators and has two or more NEM Generators where such Generators are served under different NEM schedules (NEM, NEM-BIO, or NEM-FC), either NGOM in accordance with 7.a.iii above must be installed or all excess energy exported to the electric grid will be subject to the provisions of 7.a.ii above.
 - ii. Where a customer does not have a non-export relay on all Non-NEM Generators to ensure excess energy is not exported to the electric grid from a Non-NEM Generator, NGOM in accordance with 7.a.iii above is required on all NEM Generators in order to receive applicable NEM credits.

N
N
N
N

6P11

Advice Ltr. No. 1777-E-A

Decision No. 05-08-013

Issued by
Lee Schavrien
Vice President
Regulatory Affairs

Date Filed Aug 21, 2006

Effective _____

Resolution No. E-3992



SCHEDULE NEM-FC

Sheet 1

NET ENERGY METERING FOR FUEL CELL CUSTOMER-GENERATORS

APPLICABILITY

This schedule is applicable to Bundled Service Customers who are served under a Time-of-Use (TOU) rate schedule, and who prior to January 1, 2010 (1) interconnect and operate in parallel with the Utility's electrical system using an Eligible Fuel Cell Electrical Generating Facility, as defined below pursuant to California Public Utilities Code Section 2827.10 (PU Code Section 2827.10), with a generating capacity no greater than 1,000 kW, located on or adjacent to the Customer's owned, leased or rented premises as the sole source of Customer's generation, is interconnected and operates in parallel with the Utility's grid while the grid is operational or is operated independently from the grid when the grid is not operational, and is sized to offset part or all of the Customer's electrical requirements, (2) are the recipient of local, state, or federal funds, or who self-finance projects designed to encourage the development of Eligible Fuel Cell Electrical Generating Facilities, and (3) use technology that meets the definition of an "ultra-clean and low-emission distributed generation", pursuant to California Public Utilities Code Section 353.2 (PU Code Section 353.2). Such a customer will be referred to hereafter as a "Fuel Cell Customer-Generator". Customers eligible for service under this schedule are exempt from any new or additional charges not included in their Otherwise Applicable Schedule (OAS).

Pursuant to PU Code Section 2827.10, this schedule is available on a first-come, first-serve basis for the operating life of the Eligible Fuel Cell Electrical Generating Facility, and will be closed to new customers once 45 MW of cumulative rated generating capacity is served under this schedule.

Customers served under this Schedule with Multiple Customer-Generators shall be subject to the provisions of Special Condition 6, as described below.

N
N

TERRITORY

The entire territory served.

RATES

Only the Generation Rate Component of the Fuel Cell Customer-Generator's OAS, less generation surcharges (such as the DWR Bond Charge shown on Schedule DWR-BC), shall be used in the calculation of credits when the Fuel Cell Customer-Generator is a Net Energy Producer, on a monthly basis, for any TOU period. Only the Generation Rate Component of the Fuel Cell Customer-Generator's OAS, including all generation surcharges, if any, shall be used to calculate the charge for generation when the Fuel Cell Customer-Generator is a Net Energy Consumer on a monthly basis, for any TOU period. All other charges, including but not limited to, Transmission Charges, Distribution Charges, Public Goods Charges, Nuclear Decommissioning Charges, Monthly Basic Service Fees, Customer Charges, Minimum Charges, Demand Charges, and non-energy related charges shall be calculated according to the Customer-Generator's OAS prior to the netting of energy supplied or produced, for all energy supplied.

Customers eligible for service under this schedule shall not be required, or permitted, to take service under Schedule S (Standby Service) or Schedule S-I (Standby Service – Interruptible) for the qualifying generation. Eligible customers shall be permitted to take standby service for non-eligible generation on the same meter as the eligible generation.

Pursuant to CPUC Decision 03-04-030, eligible Fuel Cell Customer Generators shall not pay the departing load cost responsibility surcharge shown on Schedule DL-CRS.

(Continued)



SCHEDULE NEM-FC

Sheet 4

NET ENERGY METERING FOR FUEL CELL CUSTOMER-GENERATORS

SPECIAL CONDITIONS (Continued)

5. Definitions: (Continued)

- h. Net Energy: The difference between the electricity (kWh) supplied by the Utility to the Fuel Cell Customer-Generator, and the electricity (kWh) generated by the Fuel Cell Customer-Generator and fed back into the Utility's Distribution System, measured over a given period.
- i. Generation Rate Component: The Generation Rate Component (under Schedule EECC or any other applicable generation related charge, which includes, but is not limited to optional commodity pricing that may be available) of the energy charge of the Fuel Cell Customer-Generator's OAS.

6. Multiple Customer-Generator Generating Facilities (MCGF): A Generating Facility that may be any combination of "Eligible customer-generators" as defined in California Public Utilities Code (PU Code), Section 2827 (NEM Generator(s)), eligible for service under this Schedule in combination with one or more interconnected Generators eligible for service under another applicable NEM schedule (NEM or NEM-BIO) and other Generator(s) (Non-NEM Generator(s)), all of which are located at a single Premises.

Where this Special Condition differs from any other Special Condition contained in this Schedule, the provisions contained in this Special Condition shall prevail. Where an MCGF meets the definition above, the following applies:

- a) An MCGF with one or more interconnected NEM Generators eligible for service under this Schedule combined with one or more interconnected NEM Generators entitled for service under Schedule NEM and/or Schedule NEM-BIO shall adhere to the following:
 - i. Total nameplate capacity of all interconnected NEM Generators at any single Point of Common Coupling (PCC)/Premise shall not exceed one (1) Megawatt (MW). Where the total nameplate capacity of all interconnected NEM Generators exceeds 1 MW, all NEM Generators become ineligible for service under this Schedule and any otherwise applicable NEM schedule (e.g., NEM and NEM-BIO).
 - ii. Where a customer chooses not to install Net Generation Output Metering (NGOM) on all NEM Generators, all energy fed back to the electric grid shall be eligible for NEM bill credits using only the Generation Rate Component of the customer's Otherwise Applicable Schedule (OAS) less generation surcharges (such as the DWR Bond Charge shown on Schedule DWR-BC). Credits are calculated when the customer is a net energy producer, on a monthly basis, for any Time-of-Use (TOU) period. The NEM bill credits will not include any portion of the Utility Distribution Company (UDC) energy rate components of the customer's OAS.

(Continued)

4P14

Advice Ltr. No. 1777-E-A

Decision No. 05-08-013

Issued by
Lee Schavrien
Vice President
Regulatory Affairs

Date Filed Aug 21, 2006

Effective _____

Resolution No. E-3992

N

N



SCHEDULE NEM-FC

NET ENERGY METERING FOR FUEL CELL CUSTOMER-GENERATORS

SPECIAL CONDITIONS (Continued)

6. Multiple Customer-Generator Generating Facilities (MCGF): (Continued)

iii. Where a customer chooses to install NGOM on all NEM Generators, such NGOM must conform to the requirements set forth in SDG&E's Rule 25. A customer may choose to have SDG&E install utility-owned NGOM at the customer's expense. Customer's who have Rule 25 acceptable NGOM installed on all NEM Generators shall receive the applicable NEM bill credit that corresponds to the metered energy exported to the electric grid from each NEM Generator. For example, if 40 percent of the total metered energy exported to the electric grid was produced by one or more NEM Generators eligible for service under this Schedule, while 60 percent of the total energy exported to the electric grid was produced by one or more NEM Generators served under Schedule NEM or Schedule NEM-BIO, then 40 percent of the total metered energy exported to the electric grid would be eligible for NEM credits based on the Generation Rate Component and the UDC energy rate components of the Customer's OAS , while 60 percent of the total metered energy exported to the electric grid would be eligible for NEM credits using the Generation Rate Component of the customer's OAS but would not include any portion of the UDC rate components.

b) A customer with one or more interconnected NEM Generators eligible for service under this Schedule combined with one or more Non-NEM interconnected Generators shall adhere to the following:

i. Where all Non-NEM Generators have a non-export relay, the customer is not required to install NGOM on their NEM Generators. However, where a customer has non-export relays on all Non-NEM Generators and has two or more NEM Generators where such Generators are served under different NEM schedules (NEM, NEM-BIO, or NEM-FC), either NGOM in accordance with 6.a.iii above must be installed or all excess energy exported to the electric grid will be subject to the provisions of 7.a.ii above.

ii. Where a customer does not have a non-export relay on all Non-NEM Generators to ensure excess energy is not exported to the electric grid from a Non-NEM Generator, NGOM in accordance with 6.a.iii above is required on all NEM Generators in order to receive applicable NEM credits.

N
N
N
N
N



RULE 21

INTERCONNECTION STANDARDS FOR NON-UTILITY OWNED GENERATION

C. APPLICATION AND INTERCONNECTION PROCESS (Continued)

1. Application Process (Continued)

d. When Required, Applicant and SDG&E Commit to Additional Interconnection Study Steps. When a Supplemental Review reveals that the proposed Generating Facility cannot be Interconnected to SDG&E's Distribution System by means of a Simplified Interconnection, or that significant Interconnection Facilities installed on SDG&E's system or Distribution System modifications will be needed to accommodate an Applicant's Generating Facility, SDG&E and Applicant shall enter into an agreement that provides for SDG&E to perform additional studies, facility design and engineering, and to provide cost estimates for fixed price or actual cost billing to the Applicant, at the Applicant's expense. The Interconnection Study agreement shall set forth SDG&E's estimated schedule and charges for completing such work. Interconnection Study fees for solar Generating Facilities up to 1 megawatt (MW) that do not sell power to the grid will be waived up to the amount of \$5,000. Generating Facilities eligible for Net Energy Metering under Public Utilities Code Section 2827, 2827.8, 2827.9, or 2827.10 are exempt from any costs associated with Interconnection Studies.

Table C.1 Summary of Fees and Exemptions

Generating Facility Type	Initial Review Fee	Supplemental Review Fee	Interconnection Study Fees	Additional Commissioning Test Verification
Non-Net Energy Metering	\$800*	\$600	As Specified by SDG&E	\$110/person-hour**
Net Energy Metering (per Public Utilities Code Sections 2827, 2827.8, 2827.9, or 2827.10)	\$0	\$0	\$0	N/A
Solar 1 MW or less that does not sell power to the grid (per D.01-07-027)	First \$5,000 of study fees waived			\$110/person-hour**

*Subject to 50% refund pursuant to Section C.1.b.3

** Plus additional costs for travel, lodging, and meals.

Table C.2 Summary of Cost Responsibility for Multiple Tariff Interconnections

Interconnection Scenario		Should Applicant Pay Fees and Study Costs?						Should Applicant Pay Costs of Modifications?			
Existing DG	Proposed DG	Application/Initial Review		Supplemental Review		Detailed Interconnection Study		Interconnection Facilities		Distribution System Modifications	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
NEM**	Non-NEM	X		X		X		X		X*	X*
NEM	NEM		X		X		X	X			X
Non-NEM	NEM	X		X		X		X		X*	X*
Simultaneous NEM and Non-NEM		X		X		X		X		X*	X*

* Yes if cost is specifically non-NEM, No if cost is specifically NEM, and Prorated between the NEM and non-NEM if it can't be determined. Proration will be based upon the installed nameplate of the NEM and Non-NEM generators.

** NEM: Net-Energy-Metered; these are Generating Facilities taking service under SDG&E's NEM tariffs

(Continued)



RULE 21

INTERCONNECTION STANDARDS FOR NON-UTILITY OWNED GENERATION

C. APPLICATION AND INTERCONNECTION PROCESS (Continued)

2. Interconnection Process

- a. **Applicant and SDG&E Enter Into an Interconnection Agreement and, Where Required, a Financing and Ownership Agreement for Interconnection Facilities or Distribution System Modifications.** SDG&E shall provide the Applicant with an executable version of the Interconnection Agreement or Net Energy Metering Agreement appropriate for the Applicant's Generating Facility and desired mode of operation. Where the Supplemental Review or Interconnection Study performed by SDG&E has determined that modifications or additions to its Distribution System are required, or that additional Interconnection Facilities will be necessary to accommodate an Applicant's Generating Facility, SDG&E may also provide the Applicant with other Interconnection Facilities financing and ownership agreements. These agreements shall set forth SDG&E and the Applicant's responsibilities, completion schedules, and fixed price or estimated costs for the required work.
- b. **Where Applicable, SDG&E or Producer Installs Required Interconnection Facilities or Modifies SDG&E's Distribution System.** After executing the applicable agreements, SDG&E or Producer will commence construction/installation of SDG&E's Distribution System modifications or Interconnection Facilities which have been identified in the agreements. The parties will use good faith efforts to meet schedules and estimated costs as appropriate.
- c. **Producer Arranges for and Completes Commissioning Testing of Generating Facility and Producer's Interconnection Facilities.** The Producer is responsible for testing new Generating Facilities and associated Interconnection Facilities, according to Section J.5 to ensure compliance with the safety and reliability provisions of this Rule prior to being operated in parallel with SDG&E's Distribution System. For non-Certified Equipment, the Producer shall develop a written testing plan to be submitted to SDG&E for its review and acceptance. Alternatively, the Producer and SDG&E may agree to have SDG&E conduct the required testing at the Producer's expense. Where applicable, the test plan shall include the installation test procedures published by the manufacturer of the generation or interconnection equipment. Facility testing shall be conducted at a mutually agreeable time, and depending on who conducts the test, SDG&E or Producer shall be given the opportunity to witness the tests.
- d. **SDG&E Authorizes Parallel Operation or Momentary Parallel Operation.** SDG&E shall authorize the Producer's Generating Facility for Parallel Operation or Momentary Parallel Operation with SDG&E's Distribution System, in writing, within 5 calendar days of satisfactory compliance with the terms of all applicable agreements. Compliance may include, but not be limited to, provision of any required documentation and satisfactorily completing any required inspections or tests as described herein or in the agreements formed between the Producer and SDG&E. A Producer shall not commence Parallel Operation of its Generating Facility with SDG&E's system unless it has received SDG&E's express written permission to do so.

(Continued)



RULE 21

Sheet 7

INTERCONNECTION STANDARDS FOR NON-UTILITY OWNED GENERATION

C. APPLICATION AND INTERCONNECTION PROCESS (Continued)

2. Interconnection Process

d. **SDG&E Authorizes Parallel Operation or Momentary Parallel Operation.**
(Continued)

For Generating Facilities qualifying for service under Public Utilities Code Sections 2827 and 2827.8, SDG&E authorization for Parallel Operation shall normally be provided no later than 30 business days following SDG&E's receipt of 1) a completed Net Energy Metering Application including all supporting documents and required payments; 2) a completed signed Net Energy Metering Interconnection Agreement; and 3) evidence of the Producer's final inspection clearance from the governmental authority having jurisdiction over the Generating Facility. If the 30-day period cannot be met, SDG&E shall notify the Applicant and the Commission.

D. GENERATING FACILITY DESIGN AND OPERATING REQUIREMENTS

This section has been revised to be consistent with the requirements of ANSI/IEEE 1547-2003 *Standard for Interconnecting Distributed Resources with Electric Power Systems* (IEEE 1547). Exceptions are taken to IEEE 1547 Clauses 4.1.4.2 Distribution Secondary Spot Networks and Clauses 4.1.8.1 or 5.1.3.1, which address Protection from Electromagnetic Interference. These are being studied for inclusion in a subsequent version of this Rule. Also, Rule 21 does not adopt the Generating Facility power limitation of 10 MW incorporated in IEEE 1547.

1. General Interconnection and Protective Function Requirements

The Protective Functions and requirements of this Rule are designed to protect SDG&E's Distribution System and not the Generating Facility. A Producer shall be solely responsible for providing adequate protection for its Generating Facility and Interconnection Facilities. The Producer's Protective Functions shall not impact the operation of other Protective Functions utilized on SDG&E's Distribution System in a manner that would affect SDG&E's capability of providing reliable service to its Customers.

a. **Protective Functions Required.** Generating Facilities operating in parallel with SDG&E's Distribution System shall be equipped with the following Protective Functions to sense abnormal conditions on SDG&E's Distribution System and cause the Generating Facility to be automatically disconnected from SDG&E's Distribution System or to prevent the Generating Facility from being connected to SDG&E's Distribution System inappropriately:

- (1) Over and under voltage trip functions and over and under frequency trip functions;
- (2) A voltage and frequency sensing and time-delay function to prevent the Generating Facility from energizing a de-energized Distribution System circuit and to prevent the Generating Facility from reconnecting with SDG&E's Distribution System unless SDG&E's Distribution System service voltage and frequency is within the ANSI C84.1-1995 Table 1 Range B Voltage Range of 106V to 127V (on a 120V basis), inclusive, and a frequency range of 59.3 Hz to 60.5 Hz, inclusive, and are stable for at least 60 seconds; and
- (3) A function to prevent the Generating Facility from contributing to the formation of an Unintended Island, and cease to energize SDG&E's Distribution System within two seconds of the formation of an Unintended island.

(Continued)



RULE 21

INTERCONNECTION STANDARDS FOR NON-UTILITY OWNED GENERATION

F. METERING, MONITORING AND TELEMETERING (Continued)

- 2. **Metering by Non-SDG&E Parties.** The ownership, installation, operation, reading, and testing of revenue Metering Equipment for Generating Facilities shall be by SDG&E except to the extent that the Commission authorizes any or all of these services be performed by others.
- 3. **Net Generation Output Metering (NGOM).** Generating Facility customers may be required to install NGOM for evaluation, monitoring and verification purposes and to determine applicable standby and non-bypassable charges as defined in SDG&E's tariffs, to satisfy applicable California Independent System Operator (CAISO) reliability requirements, and for Distribution System planning and operations.

Generating Facility customers do not need to install NGOM where less intrusive and/or more cost effective options, for the Producer/Customer, are available for providing generator data to SDG&E. These Generating Facilities may opt to have SDG&E estimate load data in accordance with SDG&E's applicable tariffs to determine or meet applicable standby and non-bypassable and other applicable charges and tariff requirements. However, if a Generating Facility customer objects to SDG&E's estimate of the Generator(s) output, the customer may elect to install the NGOM, or have SDG&E install NGOM at the customer's expense.

All metering options available to the customer must conform to the requirements set forth in SDG&E's Rule 25. If SDG&E does not receive meter data in accordance with Rule 25, SDG&E shall have the right to install utility-owned NGOM at the customer's expense.

The relevant factors in determining the need for NGOM are as listed below:

- (a) Data requirements in proportion to need for information;
- (b) Producer's election to install equipment that adequately addresses SDG&E's operational requirements;
- (c) Accuracy and type of required Metering consistent with purposes of collecting data;
- (d) Cost of Metering relative to the need for and accuracy of the data;
- (e) The Generating Facility's size relative to the cost of the metering/monitoring;
- (f) Other means of obtaining the data (e.g. Generating Facility logs, proxy data, etc.);
- (g) Requirements under any Interconnection Agreement with the Producer.

The requirements in this Section may not apply to Metering of Generating Facilities operating under SDG&E's Net Energy Metering tariff pursuant to California Public Utilities Code Section 2827, et seq., except where such Generating Facility includes multiple generators eligible for service under more than one NEM tariff schedule (e.g., NEM, NEM-BIO, NEM-FC) or where a Generating Facility consists of one or more NEM eligible generators in combination with one or more Non-NEM eligible generators, then the requirements of F.3 are applicable. Where a Generating Facility is not subject to the requirements of Section F.3, all metering requirements are contained in the applicable NEM tariff schedule. Nothing in this Section F.3 supercedes Section B.4.

SDG&E will report to the Commission or designated authority, on a quarterly basis, the rationale for requiring Net Generation Output Metering equipment in each instance along with the size and location of the facility.

(Continued)

T
N
|
N
T



RULE 21

Sheet 28

INTERCONNECTION STANDARDS FOR NON-UTILITY OWNED GENERATION

I. REVIEW PROCESS FOR APPLICATIONS TO INTERCONNECT GENERATING FACILITIES
(Continued)

3. Review Process Details

a. **Screen 1: Is the PCC on a Networked Secondary System?**

- If Yes, Generating Facility does not qualify for Simplified Interconnection. Perform Supplemental Review.
- If No, continue to next screen.

Significance:

Special considerations must be given to Generating Facilities proposed to be installed on networked secondary Distribution Systems because of the design and operational aspects of network protectors. There are no such considerations for radial Distribution Systems.

b. **Screen 2: Will power be exported across the PCC?**

- If Yes, the Generating Facility does not qualify for Simplified Interconnection and a Supplemental Review must be performed. However, a Generating Facility with one or more Public Utilities Code Section 2827 et seq. (NEM eligible) generators in combination with one or more Non-NEM eligible generators may not be subject to a Supplemental Review as long as Section F.3 of this Rule has been satisfied.
- If No, Generating Facility must incorporate one of the following four options:

Option 1 ("Reverse Power Protection"):

To ensure power is not exported across the PCC, a reverse power Protective Function may be provided. The default setting for this Protective Function, when used, shall be 0.1% (export) of the service transformer's rating, with a maximum 2.0 second time delay.

Option 2 ("Minimum Power Protection"):

To ensure at least a minimum amount of power is imported across the PCC at all times (and, therefore, that power is not exported), an under-power Protective Function may be provided. The default setting for this Protective Function, when used, shall be 5% (import) of Generating Facility's total Gross Nameplate Rating, with a maximum 2.0 second time delay.

Option 3 ("Certified Non-Islanding Protection"):

To ensure the incidental export of power is limited to acceptable levels, this option, when used, requires that all of the following conditions be met: a) The total Gross Nameplate Rating Capacity of the Generating Facility must be no more than 25% of the nominal ampere rating of the Producer's service equipment; b) The total Gross Nameplate Capacity of the Generating Facility must be no more than 50% of the Producer's service transformer capacity rating (this capacity requirement does not apply to Customers taking primary service without an intervening transformer); and c) The Generating Facility must be Certified as Non-Islanding.

(Continued)

28P13

Advice Ltr. No. 1777-E-A

Decision No. 05-08-013

Issued by
Lee Schavrien
Vice President
Regulatory Affairs

Date Filed Aug 21, 2006

Effective _____

Resolution No. E-3992

T
N
|
N



San Diego Gas & Electric Company
San Diego, California

Original Cal. P.U.C. Sheet No. 19602-E

Canceling _____ Cal. P.U.C. Sheet No. _____

SAMPLE FORMS

Sheet 1

FORM 117-2160

GENERATING FACILITY INTERCONNECTION AGREEMENT
(*NEM /NON- NEM* GENERATING FACILITY EXPORT)

(8/06)

(See attached)

N
N

N
N

N
N

1P9

Advice Ltr. No. 1777-E-A

Decision No. 05-08-013

Issued by
Lee Schavrien
Vice President
Regulatory Affairs

Date Filed Aug 21, 2006

Effective _____

Resolution No. E-3992



**GENERATING FACILITY INTERCONNECTION AGREEMENT
(NEM /NON- NEM GENERATING FACILITY EXPORT)**

This Generating Facility Interconnection Agreement (“Agreement”) is entered into by and between _____, a _____ (“Producer”), and San Diego Gas & Electric Company (“SDG&E”), a California Corporation. Producer and SDG&E are sometimes also referred to in this Agreement jointly as “Parties” or individually as “Party.” In consideration of the mutual promises and obligations stated in this Agreement and its attachments, the Parties agree as follows:

1. SCOPE, PURPOSE, AND RELATED AGREEMENT

- 1.1 This Agreement provides for Producer to interconnect and operate a Generating Facility in parallel with SDG&E’s Distribution System to serve the electrical loads at the location identified in Section 2.4. The Generating Facility may be any combination of “Eligible customer-generators” as defined in California Public Utilities Code (“PU Code”), Section 2827 (“NEM Generator(s)”) and other Generator(s) (“Non-NEM Generator(s)”). NEM Generators can consist of any of the following technologies: solar, wind, biogas digester or fuel cell.
- 1.2 This Agreement provides for Producer to operate the NEM Generator(s) pursuant to the provisions of Section 2827 of the PU Code and the applicable SDG&E tariffs for net energy metering. The Agreement also provides for Producer to operate its Non-NEM Generator(s). This Agreement does not constitute an agreement by SDG&E to provide retail electrical service to Producer. Such arrangements must be made separately between SDG&E and Producer.

2. SUMMARY AND DESCRIPTION OF PRODUCER’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 Producer’s Generating Facility and loads are interconnected with SDG&E’s Distribution System, are attached as Appendix A to and made a part of this Agreement.
- 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(s) used to interconnect the Generating Facility with SDG&E’s Distribution System:

- 2.5 The Gross Nameplate Rating of the Generating Facility is:

2.5.1 NEM Generator(s) is (are):

Solar: _____ kW
Wind: _____ kW
Biogas Digester: _____ kW
Fuel Cell: _____ kW

2.5.2 Non-NEM Generator(s) is (are): _____ kW

2.5.3 **Total Gross** Nameplate Rating of the Generating Facility: _____ kW

2.6 The Net Nameplate Rating of the Generating Facility is:

2.6.1 NEM Generator(s) is (are):

Solar: _____ kW
Wind: _____ kW
Biogas Digester: _____ kW
Fuel Cell: _____ kW

2.6.2 Non-NEM Generator(s) is (are): _____ kW

2.6.3 **Total Net** Nameplate Rating of the Generating Facility: _____ kW

2.7 The annual energy production of the Generating Facility is expected to be:

2.7.1 NEM Generator(s) is (are):

Solar: _____ kWh
Wind: _____ kWh
Biogas Digester: _____ kWh
Fuel Cell: _____ kWh

2.7.2 Non-NEM Generator(s) is (are): _____ kWh

2.7.3 **Total annual energy** production of the Generating Facility: _____ kWh

2.8 The maximum level of power that may be exported by the Generating Facility to SDG&E's Distribution System is expected to be:

2.8.1 NEM Generator(s) is (are):

Solar: _____ kW
Wind: _____ kW
Biogas Digester: _____ kW
Fuel Cell: _____ kW

2.8.2 Non-NEM Generator(s) is (are): _____ kW

2.8.3 **Total maximum level of power** that may be exported by the Generating Facility: _____ kW

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 Agreement.

2.10 For the purpose of securing certain tariff charge exemptions available under the PU Code, Producer hereby declares the following for each Generator of the Generating Facility:

(a) Requirements for "Distributed Energy Resource Generation" as such term is used in Section 353.1 of the PU Code

Solar:	<u>does meet <input type="checkbox"/> does not meet <input type="checkbox"/></u>
Wind:	<u>does meet <input type="checkbox"/> does not meet <input type="checkbox"/></u>
Biogas Digester:	<u>does meet <input type="checkbox"/> does not meet <input type="checkbox"/></u>
Fuel Cell:	<u>does meet <input type="checkbox"/> does not meet <input type="checkbox"/></u>
Non-NEM Generator:	<u>does meet <input type="checkbox"/> does not meet <input type="checkbox"/></u>

(b) Requirements for "Cogeneration" as such term is used in Section 218.5 of the PU Code does meet does not meet

3. DOCUMENTS INCLUDED

This Agreement includes the following exhibits, which are specifically incorporated herein and made a part of this Agreement.

- Appendix A - Description of Generating Facility and Single-Line Diagram (Provided by Producer)
- Appendix B - Copy of SDG&E's Electric Rule 2 and Rule 21
- Appendix C - A copy of an agreement addressing interconnection facility financing and ownership (When applicable)
- Appendix D - Producer's warranty that the Generating Facility meets the requirements for a "Cogeneration facility" pursuant to Section 218.5 of the PU Code (When applicable)
- Appendix E - Producer's warranty that the Generating Facility meets the requirements for "Distributed Energy Resources Generation" as defined in Section 353.1 of the PU Code (When applicable)
- Appendix F - Listing of eligible service accounts, as defined in SDG&E's Schedule NEM-BIO to be included in Net Energy Metering calculations (When applicable)
- Appendix G - Producer's warranty that it meets the requirements for an "Eligible Biogas Digester Electrical Generating Facility," (applicable Generator(s) only) as defined in Section 2827.9 of the PU Code (When applicable).

4. TERM AND TERMINATION

4.1 This Agreement shall become effective as of the last date entered in Section 16 of this Agreement. The Agreement 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 Agreement, or
- (b) Unless otherwise agreed in writing by the Parties, at 12:01 A.M. on the day following the date the electric service account through which Producer's Generating Facility is Interconnected to SDG&E's Distribution System is closed or terminated, or

- (c) At 12:01 A.M. on the 61st day after Producer or SDG&E provides written Notice pursuant to Section 9 of this Agreement to the other Party of Producer or SDG&E's intent to terminate this Agreement.
- 4.2 Producer may elect to terminate this Agreement pursuant to the terms of Section 4.1(c) for any reason. SDG&E may elect to terminate this Agreement pursuant to the terms of Section 4.1(c) for one or more of the following reasons:
- (a) A change in applicable tariffs as approved or directed by the California Public Utilities Commission ("Commission") 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 Agreement; or,
 - (b) Unless otherwise agreed in writing by the Parties, Producer fails to take all corrective actions specified in SDG&E's Notice that Producer's Generating Facility is out of compliance with the terms of this Agreement within the time frame set forth in such Notice; or,
 - (c) Producer fails to interconnect and operate the Generating Facility per the terms of this Agreement prior to 120 days after the date set forth in Section 2.7 of this Agreement as the Generating Facility's expected date of Initial Operation; or,
 - (d) Producer 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 Producer does not provide a substantive response to SDG&E's Notice of its intent to terminate this Agreement as a result of Producer's apparent abandonment of the Generating Facility affirming Producer's intent and ability to continue to operate the Generating Facility.
- 4.3 Notwithstanding any other provisions of this Agreement, SDG&E shall have the right to unilaterally file with the Commission, pursuant to the Commission's rules and regulations, an application to terminate this Agreement.
- 4.4 Any agreements attached to and incorporated into this Agreement shall terminate concurrently with this Agreement unless the Parties have agreed otherwise in writing.

5. GENERATING FACILITY OPERATION

- 5.1 Producer 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 Except for that energy delivered to SDG&E's Distribution System the electric energy produced by Producer's Generating Facility shall be used to serve electrical loads connected to the electric service account that SDG&E uses to interconnect Producer's Generating Facility. Producer shall not use the Generating Facility to serve electrical loads that will cause Producer to be considered an "electrical corporation" as such term is used in Section 218 of the California Public Utilities Code.
- 5.3 In no event shall the delivery of the maximum electric power to SDG&E's Distribution System exceed the amount or other limitations specified in Section 2. and Appendix A, hereto. If Producer does not regulate its Generating Facility in compliance with the limitations set forth in Section 2. and Appendix A, SDG&E may require Producer to disconnect its Generating Facility from SDG&E's Distribution System until Producer demonstrates to SDG&E's sole satisfaction that Producer has taken adequate measures to regulate the output of its Generating Facility and control its deliveries of electric power to SDG&E. Further, should SDG&E determine that Producer's operation of the Generating Facility is causing an unsafe condition or is adversely affecting SDG&E's ability to utilize its Distribution System in any manner, even if Producer's deliveries of

electric power to SDG&E's Distribution System are within the limitations specified in Section 2. and Appendix A, SDG&E may require Producer to temporarily or permanently reduce or cease deliveries of electric power to SDG&E's Distribution System. Alternatively, the Parties may agree to other corrective measures so as to mitigate the effect of electric power flowing from the Generating Facility to SDG&E's Distribution System. Producer's failure to comply with the terms of this Section shall constitute a material breach of this Agreement and SDG&E may initiate termination in accordance with the terms of Section 4.2(b).

- 5.4 Producer shall not deliver reactive power to SDG&E's Distribution System unless the Parties have agreed otherwise in writing.
- 5.5 The Generating Facility shall be operated with all of Producer'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 Producer 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 Producer's Generating Facility.
- 6.2 Producer shall be solely responsible for the costs, design, purchase, construction, operation, and maintenance of the Interconnection Facilities that Producer 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, Producer 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. This agreement shall be attached to and made a part of this Agreement as Appendix C.
- 6.4 The Interconnection Facilities may include Net Generation Metering for determination of standby charges and applicable non-bypassable charges, and/or other meters required for SDG&E's administration and billing pursuant to SDG&E's tariffs for net energy metering.

7. LIMITATION OF LIABILITY

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.

8. INSURANCE

- 8.1 In connection with Producer's performance of its duties and obligations under this Agreement, Producer shall maintain, during the term of this Agreement, 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 Producer'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 Producer'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 Producer'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 Producer's Generating Facility is ten (10) kW or less and Producer'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 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 Producer's Generating Facility is connected to an account receiving residential service from SDG&E and the requirement of Section 8.2(a) prevents Producer from obtaining the insurance required in Section 8.1, then upon Producer'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 Producer agrees to furnish the required certificates and endorsements to SDG&E prior to Initial Operation. SDG&E shall have the right to inspect or obtain a copy of the original policy or policies of insurance.
- 8.6 If Producer is self-insured with an established record of self-insurance, Producer may comply with the following in lieu of Sections 8.1 through 8.4:
 - (a) Producer 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 Producer ceases to self-insure to the level required hereunder, or if Producer is unable to provide continuing evidence of Producer's ability to self-insure, Producer 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
 Attention: _____

 San Diego, CA 92123 - _____

Phone: (619) 696-2000

Fax: (858) _____

9. NOTICES

9.1 Any written notice, demand, or request required or authorized in connection with this Agreement ("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
Attention: _____

San Diego, CA 92123 - _____

Phone: (619) 696-2000

Fax: (858) _____

If to Producer: Producer Name
Attention: _____

Address: _____

City: _____

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 Agreement. Such designations, including names, addresses, and phone numbers may be communicated or revised by one Party's Notice to the other.

10. REVIEW OF RECORDS AND DATA

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

10.2 Producer authorizes SDG&E to release to the California Energy Commission ("CEC") and/or the Commission information regarding the Generating Facility, including the Producer's name and location, and the size, location and operational characteristics of the generating facility, as requested from time to time pursuant to the CEC's or Commission's rules and regulations.

11. ASSIGNMENT

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

12. NON-WAIVER

None of the provisions of this Agreement 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 Agreement 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.

13. GOVERNING LAW, JURISDICTION OF COMMISSION, INCLUSION OF SDG&E's TARIFF SCHEDULES, DEFINED TERMS

- 13.1 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 without giving effect to choice of law provisions that might apply to the law of a different jurisdiction.
- 13.2 This Agreement shall, at all times, be subject to such changes or modifications by the Commission as it may from time to time direct in the exercise of its jurisdiction.
- 13.3 The interconnection and services provided under this Agreement shall at all times be subject to the terms and conditions set forth in the tariffs applicable to the electric service provided by SDG&E. Copies of such tariffs are available at SDG&E's Internet site: www.sdge.com or by request to SDG&E and are incorporated into this Agreement by this reference.
- 13.4 Notwithstanding any other provisions of this Agreement, SDG&E shall have the right to unilaterally file with the Commission, pursuant to the Commission's rules and regulations, an application for change in tariffs, rates, charges, classification, service, or any agreement relating thereto.
- 13.5 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 Agreement or in SDG&E's Rule 1 or Rule 21, Section H. If any term is defined in both Rule 1 and Rule 21, the definition in Rule 21 shall prevail.

14. AMENDMENTS AND MODIFICATION

This Agreement can only be amended or modified by a written agreement signed by both Parties. SDG&E shall determine in its sole discretion whether prior Commission approval is required for such amendments or modifications.

15. ENTIRE AGREEMENT

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

16. SIGNATURES

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

CUSTOMER NAME

SAN DIEGO GAS & ELECTRIC COMPANY

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

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

APPENDIX A

**DESCRIPTION OF GENERATING FACILITY
AND SINGLE-LINE DIAGRAM**

(Provided by Producer)

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
(When applicable)**

**INTERCONNECTION FACILITIES
FINANCING AND OWNERSHIP
AGREEMENT**

(Provided by SDG&E)

APPENDIX D
(When applicable)

PRODUCER'S WARRANTY THAT THE GENERATING FACILITY IS A "COGENERATION FACILITY" PURSUANT TO SECTION 218.5 OF THE CALIFORNIA PUBLIC UTILITIES CODE

For the purpose of securing the Competition Transition Charge exemption available under Section 372 of the PU Code, Producer hereby declares that the Generating Facility meets the requirements for "Cogeneration" as such term is used in Section 218.5 of the PU Code ("Cogeneration Requirements").

Producer warrants that, beginning on the date of Initial Operation and continuing throughout the term of this Agreement, the Generating Facility shall continue to meet the Cogeneration Requirements. If Producer becomes aware that its Generating Facility has ceased to meet the Cogeneration Requirements, Producer shall promptly provide SDG&E with Notice of such change pursuant to Section 9.1 of the Agreement. If at any time during the term of this Agreement SDG&E determines in its sole discretion that Producer's Generating Facility may no longer meet the Cogeneration Requirements, SDG&E may require Producer to provide evidence that the Generating Facility continues to meet the Cogeneration Requirements within 15 business days of SDG&E's request for such evidence. Additionally, SDG&E may periodically (typically, once per year) inspect Producer's Generating Facility and/or require documentation from Producer to monitor the Generating Facility's compliance with the Cogeneration Requirements. If SDG&E determines in its sole judgment that Producer either failed to provide evidence in a timely manner or that it provided insufficient evidence that its Generating Facility continues to meet the Cogeneration Requirements, then the Cogeneration status of the Generating Facility shall be deemed ineffective until such time as Producer again demonstrates to SDG&E's reasonable satisfaction that the Generating Facility meets the requirements for a Cogeneration facility (the "Cogeneration Status Change").

SDG&E shall revise its records and the administration of this Agreement to reflect the Cogeneration Status Change and provide Notice to Producer of the Cogeneration Status Change pursuant to Section 9.1 of this Agreement. Such Notice shall specify the effective date of the Cogeneration Status Change. This date shall be the first day of the calendar year for which SDG&E determines in its sole discretion that the Generating Facility first ceased to meet the Cogeneration Requirements. SDG&E shall invoice the Producer's electric service account through which the Generating Facility is Interconnected with SDG&E's Distribution System for Competition Transition Charges ("CTCs") that were not previously billed during the period between the effective date of the Status Change and the date of the Notice in reliance upon Producer's representations that the Generating Facility complied with the Cogeneration Requirements and therefore was eligible for the exemption from CTCs available under Section 372 of the PU Code.

Any amounts to be paid or refunded by Producer, as may be invoiced by SDG&E pursuant to the terms of this warranty, shall be paid to SDG&E within 30 days of Producer's receipt of such invoice.

APPENDIX E
(When applicable)

PRODUCER'S WARRANTY THAT THE GENERATING FACILITY IS A "DISTRIBUTED ENERGY RESOURCES GENERATION" FACILITY PURSUANT TO SECTION 353.1 OF THE CALIFORNIA PUBLIC UTILITIES CODE

For the purpose of securing the tariff charge exemption available under Section 353.3 of the PU Code, Producer hereby declares that the Generating Facility meets the requirements for "Distributed Energy Resources Generation" as such term is used in Section 353.1 of the PU Code ("DERG Requirements").

Producer warrants that, beginning on the date of Initial Operation and continuing throughout the term of this Agreement, its Generating Facility shall continue to meet the DERG Requirements. If Producer becomes aware that the Generating Facility has ceased to meet the DERG Requirements, Producer shall promptly provide SDG&E with Notice of such change pursuant to Section 9.1 of the Agreement. If at any time during the term of this Agreement SDG&E determines in its sole discretion that Producer's Generating Facility may no longer meet the DERG Requirements, SDG&E may require Producer to provide evidence that the Generating Facility continues to meet the DERG Requirements within 15 business days of SDG&E's request for such evidence. Additionally, SDG&E may periodically (typically, once per year) inspect Producer's Generating Facility and/or require documentation from Producer to monitor the Generating Facility's compliance with the DERG Requirements. If SDG&E determines in its sole judgment that Producer either failed to provide evidence in a timely manner or that it provided insufficient evidence that its Generating Facility continues to meet the DERG Requirements, then the Distributed Energy Resources Generation status of the Generating Facility shall be deemed ineffective until such time as Producer again demonstrates to SDG&E's reasonable satisfaction that the Generating Facility meets the requirements for a Distributed Energy Resources Generation facility (the "DERG Status Change").

SDG&E shall revise its records and the administration of this Agreement to reflect the DERG Status Change and provide Notice to Producer of the DERG Status Change pursuant to Section 9.1 of this Agreement. Such Notice shall specify the effective date of the DERG Status Change. This date shall be the first day of the calendar year for which SDG&E determines in its sole discretion that the Generating Facility first ceased to meet the DERG Requirements. SDG&E shall invoice the Producer electric service account through which the Generating Facility is Interconnected with SDG&E's Distribution System for any tariff charges that were not previously billed during the period between the effective date of the DERG Status Change and the date of the Notice in reliance upon Producer's representations that the Generating Facility complied with the DERG Requirements and therefore was eligible for the exemption from tariff charges available under Section 353.3 of the PU Code.

Any amounts to be paid or refunded by Producer, as may be invoiced by SDG&E pursuant to the terms of this warranty, shall be paid to SDG&E within 30 days of Producer's receipt of such invoice.

**APPENDIX F
(When applicable)**

**LIST OF ELIGIBLE ACCOUNTS
TO BE INCLUDED IN NET ENERGY METERING CALCULATIONS
PURSUANT TO SCHEDULE NEM-BIO SPECIAL CONDITION 2**

(Please provide a copy of a recent billing statements for each of the accounts (if any) to be included in this listing. Indicate the priority order you wish SDG&E to use in applying surplus energy credits.)

Account Priority ¹	Account Name ²	Service Address ²	SDG&E Service Account Number ²	SDG&E Meter Number ²	SDG&E TOU Tariff Schedule ²
1					
2					
3					
4					
5					
6					
7					
8					
9					

Notes:

1. Account Priority: See Special Condition 2, "Load Aggregation," of Schedule NEM-BIO. Accounts are listed in priority designated by Producer to receive excess generation credits. The electric service account described in Section 2.2 of this agreement, should not be included in this listing.
2. Account information as shown on SDG&E billing statement

APPENDIX G
(When applicable)

**PRODUCER'S WARRANTY THAT THE GENERATING FACILITY IS
AN ELIGIBLE BIOGAS ELECTRICAL GENERATING FACILITY
PURSUANT TO SECTION 2827.9 OF THE CALIFORNIA PUBLIC UTILITIES CODE**

Producer has declared that the Generating Facility meets the requirements for an "Eligible Biogas Electrical Generating Facility", as defined in Section 2827.9 of the California Public Utilities Code. ("Eligibility Requirements").

Producer warrants that, beginning on the date of Initial Operation and continuing throughout the term of this Agreement, its Generating Facility shall continue to meet the Eligibility Requirements. If Producer becomes aware that the Generating Facility has ceased to meet the Eligibility Requirements, Producer shall promptly provide SDG&E with Notice of such change pursuant to Section 9.1 of the Agreement. If at any time during the term of this Agreement SDG&E determines in its sole discretion that Producer's Generating Facility may no longer meet the Eligibility Requirements, SDG&E may require Producer to provide evidence that the Generating Facility continues to meet the Eligibility Requirements within 15 business days of SDG&E's request for such evidence. Additionally, SDG&E may periodically (typically, once per year) inspect Producer's Generating Facility and/or require documentation from Producer to monitor the Generating Facility's compliance with the Eligibility Requirements. If SDG&E determines in its sole judgment that Producer either failed to provide evidence in a timely manner or that it provided insufficient evidence that its Generating Facility continues to meet the Eligibility Requirements, then the Distributed Energy Resources Generation status of the Generating Facility shall be deemed ineffective until such time as Producer again demonstrates to SDG&E's reasonable satisfaction that the Generating Facility meets the requirements for a Distributed Energy Resources Generation facility (the "Eligibility Status Change").

SDG&E shall revise its records and the administration of this Agreement to reflect the Eligibility Status Change and provide Notice to Producer of the Eligibility Status Change pursuant to Section 9.1 of this Agreement. Such Notice shall specify the effective date of the Eligibility Status Change. This date shall be the first day of the calendar year for which SDG&E determines in its sole discretion that the Generating Facility first ceased to meet the Eligibility Requirements. SDG&E shall invoice the Producer for any tariff charges that were not previously billed during the period between the effective date of the Eligibility Status Change and the date of the Notice in reliance upon Producer's representations that the Generating Facility complied with the Eligibility Requirements and therefore was eligible for the rate treatment available under the Net Energy Metering provisions of SDG&E's Schedule NEM-BIO, Experimental Biogas Net Energy Metering.

Any amounts to be paid or refunded by Producer, as may be invoiced by SDG&E pursuant to the terms of this warranty, shall be paid to SDG&E within 30 days of Producer's receipt of such invoice.



TABLE OF CONTENTS

Sheet 1

The following sheets contain all the effective rates and rules affecting rates, service and information relating thereto, in effect on the date indicated herein.

	<u>Cal. P.U.C. Sheet No</u>
TITLE PAGE.....	16015-E
TABLE OF CONTENTS.....	19603, 19533, 19586, 19573, 19604, 19576, 19605-E 19606, 19525, 19526, 19527, 19528, 19529-E
PRELIMINARY STATEMENT:	
I. General Information.....	8274, 18225, 18226-E
II. <u>Balancing Accounts</u>	
Description/Listing of Accounts	19402, 19403-E
DSM Financing Rate Balancing Account (DSMFR)	19404, 19405-E
California Alternate Rates for Energy (CARE) Balancing Account.....	19406, 19407-E
Rewards and Penalties Balancing Account (RPBA).....	19408, 19409-E
Transition Cost Balancing Account (TCBA).....	19410, 19411, 19412, 19413, 19414-E
Post-1997 Electric Energy Efficiency Balancing Account (PEEEBA).....	19415, 19416-E
Research, Development and Demonstration (RD&D) Balancing Account.....	19417, 19418-E
Renewables Balancing Account (RBA).....	19419, 19420-E
Tree Trimming Balancing Account (TTBA).....	19421, 19422-E
Baseline Balancing Account (BBA).....	19423, 19424-E
El Paso Turned-Back Capacity Balancing Account (EPTCBA).....	19425-E
Energy Resource Recovery Account (ERRA).....	19426, 19427, 19428, 19429, 19430-E
Low-Income Energy Efficiency Balancing Account (LIEEBA).....	19431, 19432-E
Electric Vehicle Balancing Account (EVBA).....	19433, 19434-E
Non-Fuel Generation Balancing Account (NGBA).....	19435, 19436, 19437-E
Electric Procurement Energy Efficiency Balancing Account (EPEEBA).....	19438-E
Common Area Balancing Account (CABA).....	19439-E
Nuclear Decommissioning Adjustment Mechanism (NDAM).....	19440-E
Pension Balancing Account (PBA).....	19441, 19442-E
Post-Retirement Benefits Other Than Pensions Balancing Account (PBOPBA).....	19443, 19444-E
Community Choice Aggregation Implementation Balancing Account (CCAIBA).....	19445-E

(Continued)



TABLE OF CONTENTS
SCHEDULE OF RATES

<u>SCHEDULE NO.</u>	<u>SERVICE</u>	<u>CAL. P.U.C. SHEET NO.</u>
	<u>Lighting Rates</u>	
LS-1	Lighting - Street and Highway – Utility-Owned Installations	19554, 19555, 19556, 12626, 12627, 12628-E 14939-E
LS-2	Lighting - Street and Highway – Customer-Owned Installations	19557, 19558, 19559, 15923, 12634, 14941-E
LS-3	Lighting - Street and Highway - Customer-Owned Installations	19560, 14943-E
OL-1	Outdoor Area Lighting Service	19561, 18957, 18254-E
DWL	Residential Walkway Lighting.....	19562, 14948-E
	<u>Miscellaneous</u>	
FTA	Fixed Transmission Amount.....	18686, 13112-E
PA	Power – Agricultural	19563, 18853, 16724-E
PA-T-1	Power – Agricultural – Optional Time-of-Use	19564, 18961, 18856, 16726, 12662, 18962-E
S	Standby Service	19565, 18256, 17677-E
S-I	Standby Service – Interruptible	17678, 6085, 6317-E
SE	Service Establishment Charge.....	18651, 11594-E
DA	Transportation of Electric Power for Direct Access Customers	17679, 14953, 14954, 14955, 15111, 16976-E 14957-E
NDA	UDC Meter Services for Non-Direct Access Customers	17892, 11850, 11851, 16426, 16427-E
E-Depart	Departing Load Nonbypassable ND & PPP Charges.	18385-E, 18386-E
BIP	Base Interruptible Program	19188, 18366, 18258, 19189-E
OBMC	Optional Binding Mandatory Curtailment Plan.....	14625, 15198, 14627, 14628, 14629, 15199-E
SLRP	Scheduled Load Reduction Program	14584, 14675, 15203, 14587, 18367-E
RBRP	Rolling Blackout Reduction Program.....	18259, 18260, 18261, 18262-E
DBP	Demand Bidding Program.....	17831, 17832, 17833, 17834, 17835-E
NEM	Net Energy Metering	19588, 16388, 18263, 16390, 19589, 19590-E
NEM-BIO	Net Energy Metering Service for Biogas Customer-Generators	19591, 18443, 18444, 19592, 19593-E
NEM-FC	Net Energy Metering for Fuel Cell Customer-Generators	19594, 16963, 16964, 19595, 19696-E
E-PUC	Surcharge to Fund Public Utilities Commission Reimbursement Fee.....	15214-E
DWR-BC	Department of Water Resources Bond Charge.....	17893-E
DA-CRS	Direct Access Cost Responsibility Surcharge.....	19579, 19580-E
CGDL-CRS	Customer Generation Departing Load Cost Responsibility Surcharge	19581, 19582, 18583, 18584, 18391-E
CCA	Transportation of Electric Power, For Community Choice Aggregation Customers.....	17894, 17895, 17896, 17897-E
CCA-CRS	Community Choice Aggregation Cost Responsibility Surcharge.....	17898, 17899-E
CCA-INFO	Information Release to Community Choice Providers.....	17857, 17858, 17859, 17860-E
20/20-TOU	2005 Commercial & Industrial Peak Day 20/20 Program.....	18368, 17839, 18369-E
UM	Unmetered Electric Service.....	19566, 19337, 19338-E

(Continued)



TABLE OF CONTENTS

Sheet 7

RULES

<u>RULE NO.</u>	<u>SERVICE</u>	<u>CAL. P.U.C. SHEET NO.</u>
1	Definitions.....	19043, 19044, 19045, 19046, 18867, 17687, 14852, 15188-E 14854, 18972, 18973, 18268, 18269, 18270-E
2	Description of Service.....	15591, 15592, 15593, 15594, 15595, 15596, 15597, 15598-E 15599, 15600, 15601, 15602, 15603, 19206-E
3	Applications for Service	15484, 15485-E
4	Contracts	15488, 15489, 15490-E
5	Special Information Available for Customers	14157, 11452, 5925, 8797, 6499-E
6	Establishment & Re-establishment of Credit.....	15481-E
7	Deposits.....	18271, 6652-E
8	Notices.....	17405-E
9	Rendering and Payment of Bills.....	15695, 9112, 16598, 13231, 16599, 16094, 18981, 16600, 19047-E
10	Disputed Bills	19048-E
11	Discontinuance of Service	17406, 6789, 6790, 8013, 6792, 8434, 18272, 15122-E
12	Rates and Optional Rates.....	15765-E
13	Temporary Service	19049-E
14	Shortage of Electric Supply and Interruption of Delivery.....	4794-E
15	Distribution Line Extensions.....	19050, 11221, 11222, 19207, 13202, 13203, 18485, 12777-E 17074, 17075, 17076, 17077, 18486, 17079-E
16	Service Extensions	11233, 13237, 10501, 11235, 11236, 13238-E 11238, 11239, 11240, 19051, 11242, 11243-E, 11244, 11245-E
18	Meter Tests and Adjustment of Bills	16585, 16586, 16587-E
19	Supply to Separate Premises and Resale	18457, 18458, 18459-E
20	Replacement of Overhead With Underground Electric Facilities.....	15504, 15505, 15506, 15507, 15508-E
21	Interconnection Standards for Non-Utility Owned Generation.....	17275, 17276, 17277, 17278, 19597, 19598, 19599, 17282-E 17283, 17284, 17285, 17286, 17287, 17288, 19108, 19109-E 17291, 19600, 19111, 19112, 19113, 19114, 19115, 19116-E 17299, 17300, 17301, 19601, 17303, 17304, 17305, 17306-E 17307, 18699, 17309, 17310, 17311, 17312, 17313, 17314-E 17315, 17316, 17317, 17318, 17319, 17320, 17321, 17322-E 17323-E
21.1	Final Standard Offer 4 Qualifying Facilities.....	7966 to 7986, 7989-E
22	Special Service Charges.....	8713, 8714-E
23	Competition Transition Charge Responsibility	19052, 15189, 15190, 15191, 15192, 15123, 10623, 10624-E 10625, 12720, 12721, 12722, 12723, 12724-E
24	The Hourly EECC Rate Option Rules	13986, 13987, 13988, 13989, 13990-E 13991, 13992, 13993, 13994-E
25	Direct Access Rules.....	10526, 19053, 10528 to 10533, 11901, 10535, 10536-E 12198, 10538, 10539, 12199, 10903 to 11930-E
25.1	Switching Exemptions.....	19054, 16755 to 16758-E
27	Community Choice Aggregation.....	19055 to 19090-E
27.2	Community Choice Aggregation Open Season Rule.....	19091, 19092, 19093, 19094-E
28	Provision of Utility Right-of-Way Information.	14167, 14168, 14169, 14170, 14171-E
29	Third-Party Marketers for BIP	19190, 19191, 19192, 19193, 19194, 19195, 19196, 19197-E
40	On-Bill Financing Program	18692, 18693-E

T
T
T

(Continued)

7P11

Advice Ltr. No. 1777-E-A

Decision No. 05-08-013

Issued by
Lee Schavrien
Vice President
Regulatory Affairs

Date Filed Aug 21, 2006

Effective _____

Resolution No. E-3992



TABLE OF CONTENTS

Sheet 8

SAMPLE FORMS

<u>Form No.</u>	<u>Date</u>	<u>Applications, Agreements & Contracts</u>	<u>Cal. P.U.C. Sheet No.</u>
101-663A	10-68	Agreement - Bills/Deposits.....	2497-E
101-4152G	6-69	Sign Up Notice for Service.....	1768-E
106-1202	6-96	Contract for Special Facilities.....	9118-E
106-1502C	5-71	Contract for Agricultural Power Service.....	1919-E
106-1959A	5-71	Absolving Service Agreement, _____ Service from Temporary Facilities.....	1921-E
106-2759L	4-91	Agreement for Replacement of Overhead with Underground Facilities.....	7063-E
106-3559	- - -	Assessment District Agreement.....	6162-E
106-3559/1	- - -	Assessment District Agreement.....	6202-E
106-3859	01-01	Request for Service at Secondary/Primary Substation Level Rates.....	14102-E
106-3959	6-96	Contract for Special Facilities Refund.....	9120-E
106-4059	6-96	Contract for Buyout Special Facilities.....	9121-E
106-5140A	10-72	Agreement for _____ Service.....	2573-E
106-15140	5-71	Agreement for Temporary Service.....	1920-E
106-36140	11-73	Agreement for Street Lighting - Schedule LS-1.....	2575-E
106-37140	11-73	Agreement for Street Lighting - Schedule LS2-A.....	2576-E
106-38140	11-73	Agreement for Street Lighting - Schedule LS2-B.....	2577-E
106-39140	11-71	Agreement for Street Lighting - Schedule LS4-A.....	2578-E
106-40140	11-73	Agreement for Street Lighting - Schedule LS4-B.....	2579-E
106-13140	6-95	General Street Lighting Contract.....	8785-E
106-14140A	1-79	Street Lighting Contract, Supplement.....	3593-E
106-2059A	6-69	Contract for Outdoor Area Lighting Service.....	1773-E
106-23140	9-72	Contract for Residential Walkway Lighting Service.....	2581-E
106-35140E	11-85	Underground Electric General Conditions.....	5547-E
106-43140	11-85	Overhead Line Extension General Conditions.....	5548-E
106-44140	7-05	Agreement for Extension and Construction of _____.....	18487-E
65502	5-04	Statement Of Applicant's Contract Anticipated Cost For Applicant Installation Project.....	17139-E
107-00559	3-98	Proposal to Purchase and Agreement for Transfer of Ownership of Distribution Systems.....	11076-E
117-2159B	- - -	Standard Offer for Power Purchase and Interconnection - Qualifying Facilities Under 100 Kw.....	5113-E
117-2160	8-06	Generating Facility Interconnection Agreement (NEM/Non- NEM Generating Facility Export).....	19602-E
117-2259	8-95	Electronic Data Interchange (EDI) and Funds Transfer Agreement.....	8802-E
118-159	7-91	Group Load Curtailment Demonstration Program - Curtailment Agreement	7153-E
118-00228	7-98	Agreement for Illuminated Transit Shelters.....	11455-E

N
N

(Continued)