



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

February 27, 2006

ADVICE LETTER 1776-E
(U 902-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

SUBJECT: REVISIONS TO RULE 21, INTERCONNECTION STANDARDS FOR NON-UTILITY OWNED GENERATION, IN COMPLIANCE WITH DECISION 05-08-013

PURPOSE

This filing modifies Rule 21, *Interconnection Standards for Non-Utility Owned Generation*, in compliance with Ordering Paragraph (OP) 2 of California Public Utilities Commission (Commission) Decision (D.) 05-08-013 in OIR 04-03-017. In conjunction with this filing, SDG&E is filing Advice Letter 1777-E to propose a new tariff (Schedule NEM-CT) to provide for billing and metering distributed generation facilities that operate on-site generators of various combined technologies as required by OP 2 of the Commission's decision.

BACKGROUND

As part of D.05-08-013 the Commission, among other things, directed SDG&E, Pacific Gas and Electric Company, and Southern California Edison Company to file an advice letter within six months of the effective date of the decision to modify Rule 21 to incorporate the following provisions adopted by the decision. Generally, the changes being made are the consensus of the Rule 21 Working Group functioning under the direction of the California Energy Commission.

- A cost-based charge for additional commissioning test verifications has been added to Table C.1, Summary of Fees and Exemptions.
- Section E.2, Responsibility for Costs of Interconnecting a Generating Facility, was expanded to identify the costs a Producer is responsible for with respect to additional commissioning test verifications.
- Section F, Metering, Monitoring and Telemetry, has been revised to indicate under what circumstances net generation output metering is required. In addition, the sunset provision for filing permanent metering requirements has been removed.
- Section G, Dispute Resolution Process, has been modified to include a procedure for 1) parties to request a mediator from the Commission or a third party mediator by mutual agreement; 2) the utility to provide all relevant regulatory and/or technical detail regarding

interconnection requirements; and 3) providing information to the California Energy Commission concerning disputes and resolutions to be posted to their website.

- “Net Generation Metering” has been changed to “Net Generation Output Metering” in Section F.3 and Section H, Definitions.

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 believes that this filing is subject to Energy Division Disposition, and therefore respectfully requests that this filing become effective on March 29, 2006, which is 30 calendar days from the date filed.

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: Monica Wiggins
Regulatory Tariff Manager
8330 Century Park Court, Room 32C
San Diego, CA 92123-1548
Facsimile No. (858) 654-1788
E-mail: mwiggins@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: Monica Wiggins

Phone #: (858) 654-1770

E-mail: mwiggin@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) #: 1776-E

Subject of AL: Revisions to Rule 21, Interconnection Standards for Non-Utility Owned Generation,
in Compliance with Decision 05-08-013

Keywords (choose from CPUC listing): Compliance, Rule 21

AL filing type: Monthly Quarterly Annual One-Time Other _____

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

D.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: 3/29/06 No. of tariff sheets: 12

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

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: ERule 21 & TOC

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

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: Monica Wiggins

8330 Century Park Ct, Room 32C

San Diego, CA 92123

mwiggin@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

ORA

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

W. Gaters

City of Poway

R. Willcox

City of San Diego

J. Cervantes

G. Lonergan

M. Valerio

Commerce Energy Group

A. Ahmed

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

M. Snow

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

Robinsons-May Dept. Stores

R. Britt

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

J. Roscher

B. Johnson

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 1776-E

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
Revised 19107-E	RULE 21, INTERCONNECTION STANDARDS FOR NON-UTILITY OWNED GENERATION, Sheet 5	Revised 17279-E*
Revised 19108-E	RULE 21, INTERCONNECTION STANDARDS FOR NON-UTILITY OWNED GENERATION, Sheet 15	Revised 17289-E*
Revised 19109-E	RULE 21, INTERCONNECTION STANDARDS FOR NON-UTILITY OWNED GENERATION, Sheet 16	Revised 17290-E
Revised 19110-E	RULE 21, INTERCONNECTION STANDARDS FOR NON-UTILITY OWNED GENERATION, Sheet 18	Revised 17292-E*
Revised 19111-E	RULE 21, INTERCONNECTION STANDARDS FOR NON-UTILITY OWNED GENERATION, Sheet 19	Revised 18698.1-E*
Revised 19112-E	RULE 21, INTERCONNECTION STANDARDS FOR NON-UTILITY OWNED GENERATION, Sheet 20	Revised 17294-E*
Revised 19113-E	RULE 21, INTERCONNECTION STANDARDS FOR NON-UTILITY OWNED GENERATION, Sheet 21	Revised 17295-E
Revised 19114-E	RULE 21, INTERCONNECTION STANDARDS FOR NON-UTILITY OWNED GENERATION, Sheet 22	Revised 17296-E*
Revised 19115-E	RULE 21, INTERCONNECTION STANDARDS FOR NON-UTILITY OWNED GENERATION, Sheet 23	Revised 17297-E
Revised 19116-E	RULE 21, INTERCONNECTION STANDARDS FOR NON-UTILITY OWNED GENERATION, Sheet 24	Revised 17298-E*
Revised 19117-E	TABLE OF CONTENTS, Sheet 1	Revised 19106-E
Revised 19118-E	TABLE OF CONTENTS, RULES, Sheet 5	Revised 19101-E



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 (Illustrative range of 2005 Rates)**
Non-Net Energy Meeting	\$800*	\$600	As Specified by SDG&E	\$100 to \$150/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			\$100 to \$150/hour

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

** A range of rates is provided here because the actual rate may vary by utility and will adjust periodically.

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.

(Continued)

T
T
N



RULE 21

INTERCONNECTION STANDARDS FOR NON-UTILITY OWNED GENERATION

D. GENERATING FACILITY DESIGN AND OPERATING REQUIREMENTS (Continued)

4. Supplemental Generating Facility Requirements (Continued)

- b. **Transfer Trip.** For a Generating Facility that cannot detect Distribution System faults (both line-to-line and line-to-ground) or the formation of an Unintended Island, and cease to energize SDG&E Distribution System within two seconds, SDG&E may require a Transfer Trip system or an equivalent Protective Function.
- c. **Reclose Blocking.** Where the aggregate Generating Facility capacity exceeds 15% of the peak load on any automatic reclosing device, SDG&E may require additional Protective Functions, including, but not limited to reclose blocking on some of the automatic reclosing devices.

E. INTERCONNECTION FACILITIES AND DISTRIBUTION SYSTEM MODIFICATIONS OWNERSHIP AND FINANCING

1. Scope and Ownership of Interconnection Facilities and Distribution System Modifications

- a. **Scope.** Parallel Operation of Generating Facilities may require Interconnection Facilities or modifications to SDG&E's Distribution System ("Distribution System modifications"). The type, extent and costs of Interconnection Facilities and Distribution System modifications shall be consistent with this Rule and determined through the Supplemental Review and/or Interconnection Studies described in Section C.
- b. **Ownership.** Interconnection Facilities installed on Producer's side of the Point of Common Coupling may be owned, operated, and maintained by the Producer or SDG&E. Interconnection Facilities installed on SDG&E's side of the PCC and Distribution System modifications shall be owned, operated, and maintained only by SDG&E.

2. Responsibility for Costs of Interconnecting a Generating Facility

- a. **Review, Study, and Additional Commissioning Test Verification Costs.** A Producer shall be responsible for the reasonably incurred costs of the reviews, studies, and additional Commissioning Test verifications conducted pursuant to Section C of this Rule. If the initial Commissioning Test verification is not successful through no fault of SDG&E, SDG&E may impose upon the Producer a cost-based charge for subsequent Commissioning Test verifications. All costs for additional Commissioning Test verifications shall be paid by Producer within thirty days of receipt of SDG&E's invoice. The invoice provided by SDG&E shall consist of the hourly rate multiplied by the hours incurred by SDG&E and will separately specify the amount of time spent on-site from that spent in roundtrip travel to the project site. Additional cost, if any, will be specified on the invoice. If the initial Commissioning test is not successful through the fault of SDG&E, that visit will not be considered the initial Commissioning Test.

T
T
T
N
N L

(Continued)



RULE 21

Sheet 16

INTERCONNECTION STANDARDS FOR NON-UTILITY OWNED GENERATION

E. INTERCONNECTION FACILITIES AND DISTRIBUTION SYSTEM MODIFICATIONS OWNERSHIP AND FINANCING (Continued)

2. Responsibility for Costs of Interconnecting a Generating Facility (Continued)

- b. **Facility Costs.** A Producer shall be responsible for all costs associated with Interconnection Facilities owned by the Producer. The Producer shall also be responsible for any costs reasonably incurred by SDG&E in providing, operating, or maintaining the Interconnection Facilities and Distribution System modifications required solely for the Interconnection of the Producer's Generating Facility with SDG&E's Distribution System. Generating Facilities eligible for Net Energy Metering under California Public Utilities Code Sections 2827, 2827.8, 2827.9, or 2827.10 are exempt from any costs associated with Distribution System modifications.
- c. **Separation of Costs.** Should SDG&E combine the installation of Interconnection Facilities or Distribution System modifications required for the Interconnection of a Generating Facility with modifications to SDG&E's Distribution System to serve other Customers or Producers, SDG&E shall not include the costs of such separate or incremental facilities in the amounts billed to the Producer.
- d. **Reconciliation of Costs and Payments.** If the Producer selected a fixed price billing for the Interconnection Facilities or Distribution System modifications, no reconciliation will be necessary. If the Producer selected actual cost billing, a true-up will be required. Within a reasonable time after the interconnection of a Producer's Generating Facility, SDG&E will reconcile its actual costs related to the Generating Facility against any advance payments made by the Producer. The Producer will receive either a bill for any balance due or a reimbursement for overpayment as determined by SDG&E's reconciliation. The Producer shall be entitled to a reasonably detailed and understandable accounting for the payments.

3. Installation and Financing of Interconnection Facilities and Distribution System Modifications

- a. **Agreement Required.** The costs of Interconnection Facilities and Distribution System improvements shall be paid by the Producer pursuant to the provisions contained in the Interconnection Agreement. Where the type and extent of the Interconnection Facilities or Distribution System modifications warrant additional detail, Producer and SDG&E shall execute separate agreement(s) to more fully describe and allocate the parties' responsibilities for installing, owning, operating, and maintaining the Interconnection Facilities and Distribution System modifications. These separate agreements shall be the following: SDG&E's "San Diego Gas & Electric Company Contract For Special Facilities" (SDG&E Form 106-1202 (6/96)), and SDG&E's Applicable Tariff Schedules and Rules for Special Facilities.
- b. **Interconnection Facilities and Distribution System Modifications.** Except as provided for in Sections E.2.b. and E.3.c. of this Rule, Interconnection Facilities connected to SDG&E's side of the PCC and Distribution System modifications shall be provided, installed, owned, and maintained by SDG&E at Producer's expense.

(Continued)

16P17

Issued by

Date Filed

Feb 27, 2006

Advice Ltr. No. 1776-E

Lee Schavrien

Effective

Decision No. 05-08-013

Vice President
Regulatory Affairs

Resolution No. _____



RULE 21

Sheet 18

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 receiving regulated subsidies (e.g. publicly funded incentive payments or specific tariff exemptions) 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.

Where NGOM is required, utility-owned meters are not needed provided the metering conforms to the requirements set forth in SDG&E's Rule 25. However, 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.

Generating Facility customers that do not receive regulated subsidies do not need to install NGOM where less intrusive and/or more cost effective options 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 customer's generation output, the customer may elect to install the NGOM, or have SDG&E install 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. 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)

18P18

Advice Ltr. No. 1776-E

Decision No. 05-08-013

Issued by
Lee Schavrien
Vice President
Regulatory Affairs

Date Filed Feb 27, 2006

Effective _____

Resolution No. _____

T
|
T
N
|
N
T
|
T
N
N
N
T
T
T



RULE 21

INTERCONNECTION STANDARDS FOR NON-UTILITY OWNED GENERATION

F. METERING, MONITORING AND TELEMETERING (Continued)

4. **Point of Common Coupling Metering.** For purposes of assessing SDG&E's charges for retail service, the Producer's PCC Metering shall be reviewed by SDG&E, and if required, replaced to ensure that it will appropriately measure electric power according to the provisions of the Customer's electric service tariff. Where required, the Customer's existing meter may be replaced with a bi-directional meter so that power deliveries to and from the Producer's site can be separately recorded. Alternately, the Producer may, at its sole option and cost, require SDG&E to install multi-metering equipment to separately record power deliveries to SDG&E's Distribution System and retail purchases from SDG&E. Where necessary, such PCC Metering shall be designed to prevent reverse registration.

Generating Facilities eligible for Net Energy Metering under Public Utilities Code Section 2827, 2827.8, 2827.9, or 2827.10 shall have metering provided pursuant to the terms of the applicable Net Energy Metering tariff schedule.

5. **Telemetry.** If the nameplate rating of the Generating Facility is 1 MW or greater, Telemetry equipment at the Net Generation Output Metering location may be required at the Producer's expense. If the Generating Facility is interconnected to a portion of SDG&E's Distribution System operating at a voltage below 10 kV, then Telemetry equipment may be required on Generating Facilities 250 kW or greater. SDG&E shall only require Telemetry to the extent that less intrusive and/or more cost effective options for providing the necessary data in real time are not available. SDG&E will report to the Commission or designated authority, on a quarterly basis, the rationale for requiring Telemetry equipment in each instance along with the size and location of the facility.

6. **Location.** Where SDG&E-owned Metering Equipment is located on the Producer's premises, Producer shall provide, at no expense to SDG&E, a suitable location for all such Metering Equipment.

7. **Costs of Metering.** The Producer will bear all costs of the Metering required by this Rule, including the incremental costs of operating and maintaining the Metering Equipment.

G. DISPUTE RESOLUTION PROCESS

The following procedures will apply for disputes arising from this Rule.

1. The Commission shall have initial jurisdiction to interpret, add, delete or modify any provision of this Rule or of any agreements entered into between SDG&E and the Producer to implement this tariff ("The Implementing Agreements") and to resolve disputes regarding SDG&E's performance of its obligations under its tariffs, the applicable agreements, and requirements related to the Interconnection of the Producer's Generating or Interconnection Facilities pursuant to this Rule.

2. Any dispute arising between SDG&E and the Producer (individually "Party" and collectively "the Parties") regarding SDG&E's or Producer's performance of its obligations under its tariffs, The Implementing Agreements, and requirements related to the Interconnection of Producer's facilities pursuant to this Rule shall be resolved according to the following procedures:

(Continued)

L
L
T
D
T
T
L



RULE 21

INTERCONNECTION STANDARDS FOR NON-UTILITY OWNED GENERATION

G. DISPUTE RESOLUTION PROCESS (Continued)

- 2. a. The dispute shall be reduced to writing by the aggrieved Party in a letter (“the dispute letter”) to the other Party containing the relevant known facts pertaining to the dispute, the specific dispute and the relief sought, and express notice by the aggrieved Party that it is invoking the procedures under Section G.2. Upon the aggrieved Party notifying the other Party of the dispute, each Party must designate a representative with the authority to make decisions for its respective Party and a representative with the technical expertise for its respective Party to review the dispute within seven calendar days. In addition, upon receipt of the dispute letter, SDG&E shall provide the aggrieved Party with all relevant regulatory and/or technical detail regarding any SDG&E interconnection requirements under dispute within 21 calendar days. Within 45 calendar days of the date of the dispute letter, the Parties’ authorized representatives will be required to meet and confer to try to resolve the dispute.
- b. If a resolution is not reached within 45 calendar days from the date of the dispute letter, either Party may request to 1) continue negotiations for an additional 45 calendar days or 2) make a written request to the Chief Administrative Law Judge of the Commission for mediation. Alternatively, both Parties by mutual agreement may request mediation from an outside third-party mediator with costs to be shared equally between the Parties.
- c. If the Parties do not resolve their dispute within 90 calendar days after the date of the dispute letter, either Party may file a Formal Complaint before the Commission pursuant to the Commission’s Rules of Practice and Procedure applicable to Customer complaints.
- 3. Pending resolution of any dispute under this Section, the Parties shall proceed diligently with the performance of their respective obligations under this Rule and The Implementing Agreements, unless the Implementing Agreements have been terminated. Disputes as to the application and implementation of this Section shall be subject to resolution pursuant to the procedures set forth in this Section.
- 4. The California Energy Commission (CEC) will maintain a website for the purpose of public disclosure of the resolution of the disputes submitted pursuant to Section G.2. Within 30 calendar days of resolution of the dispute, SDG&E will present to the Producer a summary of the dispute including project-specific parameters such as generator technology, generator size, requested operational protocol, voltage service level, circuit type, the disputed issue and the agreed-upon resolution including the executed resolution documents that are non-confidential, if any. If the Producer and SDG&E reach agreement on the dispute summary, SDG&E will forward it to the CEC for posting. If the Producer and SDG&E cannot agree on the dispute summary within 30 calendar days, SDG&E will notify the CEC that there was a dispute that was resolved but agreement was not reached between SDG&E and the Producer on the dispute summary.

T
N
N
T
N
T
T
T
N
L

(Continued)

20P18

Advice Ltr. No. 1776-E

Decision No. 05-08-013

Issued by
Lee Schavrien
Vice President
Regulatory Affairs

Date Filed Feb 27, 2006

Effective _____

Resolution No. _____



RULE 21

Sheet 21

INTERCONNECTION STANDARDS FOR NON-UTILITY OWNED GENERATION

H. DEFINITIONS

The definitions in this Section H are applicable only to this Rule, the Application, and Interconnection Agreements.

Anti-Islanding: A control scheme installed as part of the Generating or Interconnection Facility that senses and prevents the formation of an Unintended Island.

Applicant: The entity submitting an Application for Interconnection pursuant to this Rule.

Application: A Commission-approved form submitted to SDG&E for Interconnection of a Generating Facility.

Certification Test: A test pursuant to this Rule that verifies conformance of certain equipment with Commission-approved performance standards in order to be classified as Certified Equipment. Certification Tests are performed by NRTLs.

Certification; Certified; Certificate: The documented results of a successful Certification Testing.

Certified Equipment: Equipment that has passed all required Certification Tests.

Commission: The Public Utilities Commission of the State of California.

Commissioning Test: A test performed during the commissioning of all or part of a Generating Facility to achieve one or more of the following:

- Verify specific aspects of its performance;
- Calibrate its instrumentation; and
- Establish instrument or Protective Function set-points.

Customer: The entity that receives or is entitled to receive Distribution Service through SDG&E's Distribution System.

Dedicated Transformer; Dedicated Distribution Transformer: A transformer that provides electricity service to a single Customer. The Customer may or may not have a Generating Facility.

Device: A mechanism or piece of equipment designed to serve a purpose or perform a function. The term may be used interchangeably with the terms "equipment" and "function" without intentional difference in meaning. See also Function and Protective Function.

Distribution Service: All services required by, or provided to, a Customer pursuant to the approved tariffs of SDG&E other than services directly related to the Interconnection of a Generating Facility under this Rule.

Distribution System: All electrical wires, equipment, and other facilities owned or provided by SDG&E, other than Interconnection Facilities, by which SDG&E provides Distribution Service to its Customers.

Emergency: An actual or imminent condition or situation, which jeopardizes SDG&E's Distribution System integrity.

(Continued)



RULE 21

Sheet 22

INTERCONNECTION STANDARDS FOR NON-UTILITY OWNED GENERATION

H. DEFINITIONS (Continued)

Field Testing: Testing performed in the field to determine whether equipment meets SDG&E's requirements for safe and reliable Interconnection.

Function: Some combination of hardware and software designed to provide specific features or capabilities. Its use, as in Protective Function, is intended to encompass a range of implementations from a single-purpose device to a section of software and specific pieces of hardware within a larger piece of equipment to a collection of devices and software.

Generating Facility: All Generators, electrical wires, equipment, and other facilities owned or provided by Producer for the purpose of producing electric power.

Generator: A device converting mechanical, chemical, or solar energy into electrical energy, including all of its protective and control functions and structural appurtenances. One or more Generators comprise a Generating Facility.

Gross Nameplate Rating; Gross Nameplate Capacity: The total gross generating capacity of a Generator or Generating Facility as designated by the manufacturer(s) of the Generator(s).

Host Load: The electrical power, less the Generator auxiliary load, consumed by the Customer to which the Generating Facility is connected.

Initial Review: The review by SDG&E, following receipt of an Application, to determine the following: a) the Generating Facility qualifies for Simplified Interconnection; or b) if the Generating Facility can be made to qualify for Interconnection with a Supplemental Review determining any additional requirements.

In-rush Current: The current determined by the In-rush Current test.

Interconnection Agreement: An agreement between SDG&E and the Producer providing for the Interconnection of a Generating Facility that gives certain rights and obligations to effect or end Interconnection. For the purposes of this Rule, Net Energy Metering or Power Purchase Agreements authorized by the Commission are also defined as Interconnection Agreements.

Interconnection; Interconnected: The physical connection of a Generating Facility in accordance with the requirements of this Rule so that Parallel Operation with SDG&E's Distribution System can occur (has occurred).

Interconnection Facilities: The electrical wires, switches and related equipment that are required in addition to the facilities required to provide electric Distribution Service to a Customer to allow Interconnection. Interconnection Facilities may be located on either side of the Point of Common Coupling, as appropriate to their purpose and design. Interconnection Facilities may be integral to a Generating Facility or provided separately.

Interconnection Study: A study to establish the requirements for Interconnection of a Generating Facility with SDG&E's Distribution System.

(Continued)

22P18

Advice Ltr. No. 1776-E

Decision No. 05-08-013

Issued by
Lee Schavrien
Vice President
Regulatory Affairs

Date Filed Feb 27, 2006

Effective _____

Resolution No. _____



RULE 21

Sheet 23

INTERCONNECTION STANDARDS FOR NON-UTILITY OWNED GENERATION

H. DEFINITIONS (Continued)

Island; Islanding: A condition on SDG&E's Distribution System in which one or more Generating Facilities deliver power to Customers using a portion of SDG&E's Distribution System that is electrically isolated from the remainder of SDG&E's Distribution System.

Line Section: That portion of SDG&E's Distribution System connected to a Customer bounded by automatic sectionalizing devices or the end of the distribution line.

Load Carrying Capability: The maximum electrical load that may be carried by a section of SDG&E's Distribution System consistent with reliability and safety under the circumstances being evaluated.

Metering: The measurement of electrical power flow in kW, and/or energy in kWh, and, if necessary, reactive power in kVAR at a point, and its display to SDG&E, as required by this Rule.

Metering Equipment: All equipment, hardware, software including meter cabinets, conduit, etc. that are necessary for Metering.

Momentary Parallel Operation: The Interconnection of a Generating Facility to the Distribution System for one second (60 cycles) or less.

Nationally Recognized Testing Laboratory (NRTL): A laboratory accredited to perform the Certification Testing requirements under this Rule.

Net Energy Metering: Metering for the receipt and delivery of electricity between the Producer and SDG&E pursuant to Section 2827, 2827.8, 2827.9, or 2827.10 of the Public Utilities Code.

Net Generation Output Metering (NGOM): Metering of the net electrical power or energy output in kW or energy in kWh, from a given Generating Facility. This may also be the measurement of the difference between the total electrical energy produced by a Generator and the electrical energy consumed by the auxiliary equipment necessary to operate the Generator. For a Generator with no Host Load and/or Public Utilities Code Section 218 Load (Section 218 Load), Metering that is located at the Point of Common Coupling. For a Generator with Host Load and/or Section 218 Load, Metering that is located at the Generator but after the point of auxiliary load(s) and prior to serving Host Load and/or Section 218 Load.

Net Nameplate Rating: The Gross Nameplate Rating minus the consumption of electrical power of a Generator or Generating Facility as designated by the manufacturer(s) of the Generator(s).

Network Service: More than one electrical feeder providing Distribution Service at a Point of Common Coupling.

Non-Export; Non-Exporting: Designed to prevent the transfer of electrical energy from the Generating Facility to SDG&E's Distribution System.

Non-Islanding: Designed to detect and disconnect from a stable Unintended Island with matched load and generation. Reliance solely on under/over voltage and frequency trip is not considered sufficient to qualify as Non-Islanding.

Parallel Operation: The simultaneous operation of a Generator with power delivered or received by SDG&E while Interconnected. For the purpose of this Rule, Parallel Operation includes only those Generating Facilities that are Interconnected with SDG&E's Distribution System for more than 60 cycles (one second).

(Continued)

23P18

Advice Ltr. No. 1776-E

Decision No. 05-08-013

Issued by
Lee Schavrien
Vice President
Regulatory Affairs

Date Filed Feb 27, 2006

Effective _____

Resolution No. _____

L
L
T
L



RULE 21

Sheet 24

INTERCONNECTION STANDARDS FOR NON-UTILITY OWNED GENERATION

H. DEFINITIONS (Continued)

Paralleling Device: An electrical device, typically a circuit breaker, operating under the control of a synchronization function or by a qualified operator to connect an energized generator to an energized electric power system or two energized power systems to each other.

Periodic Test: A test performed on part or all of a Generating Facility/Interconnection Facilities at pre-determined time or operational intervals to achieve one or more of the following: (1) verify specific aspects of its performance; (2) calibrate instrumentation; and (3) verify and re-establish instrument or Protective Function set-points.

Point of Common Coupling (PCC): The transfer point for electricity between the electrical conductors of SDG&E and the electrical conductors of the Producer.

Point of Common Coupling Metering: Metering located at the Point of Common Coupling. This is the same Metering as Net Generation Output Metering for Generating Facilities with no Host Load and/or Section 218 Load.

Point of Interconnection: The electrical transfer point between a Generating Facility and SDG&E's Distribution System. This may or may not be coincident with the Point of Common Coupling.

Producer: The entity that executes an Interconnection Agreement with SDG&E. The Producer may or may not own or operate the Generating Facility, but is responsible for the rights and obligations related to the Interconnection Agreement.

Production Test: A test performed on each device coming off the production line to verify certain aspects of its performance.

Protective Function(s): The equipment, hardware and/or software in a Generating Facility (whether discrete or integrated with other functions) whose purpose is to protect against Unsafe Operating Conditions.

Prudent Electrical Practices: Those practices, methods, and equipment, as changed from time to time, that are commonly used in prudent electrical engineering and operations to design and operate electric equipment lawfully and with safety, dependability, efficiency, and economy.

Scheduled Operation Date: The date specified in the Interconnection Agreement when the Generating Facility is, by the Producer's estimate, expected to begin operation pursuant to this Rule.

Secondary Network: A network supplied by several primary feeders suitably interlaced through the area in order to achieve acceptable loading of the transformers under Emergency conditions and to provide a system of extremely high service reliability. Secondary Networks usually operate at 600 V or lower.

Section 218 Load: Electrical power that is supplied in compliance with California Public Utilities Code Section 218. Public Utilities Code Section 218 defines an "Electric Corporation" and provides conditions under which a transaction involving a Generating Facility would not classify a Producer as an Electric Corporation. These conditions relate to "over-the-fence" sale of electricity from a Generating Facility without using SDG&E's Distribution System.

(Continued)

24P16

Issued by

Date Filed

Feb 27, 2006

Advice Ltr. No. 1776-E

Lee Schavrien

Effective

Decision No. 05-08-013

Vice President
Regulatory Affairs

Resolution No.

L
L
L

T



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.....	19117, 19098, 19099, 19100, 19118, 17482-E 19102, 18682, 17429, 18350, 15392-E
PRELIMINARY STATEMENT:	
I. General Information.....	8274, 18225, 18226-E
II. Balancing Accounts.....	19103, 15067, 11667, 15068, 16463, 16464, 16465-E 17964, 16467, 17965, 18177, 17966, 18227, 16989-E 16990, 16991, 16992, 16993, 17600, 17601, 16996-E 16997, 17090, 17091, 17092, 18492, 18099, 17743-E 17096, 18510, 18893, 18894, 18495, 18496, 18497-E 18498, 18499, 18500, 18501, 18502, 18503, 18504-E 18505, 18506, 18899, 19104, 19105-E
III. Memorandum Accounts.....	18991, 15078, 16491, 18574, 16493, 16494, 16495-E 16496, 16497, 16498, 16499, 16500, 16501, 16502-E 16503, 16504, 16505, 16506, 16507, 16508, 16509-E 16510, 16511, 16512, 16513, 16514, 16515, 16516-E 16517, 16518, 17049, 17050, 17051, 17052, 17053-E 17178, 17179, 17180, 17181, 17182, 17183, 17184-E 17816, 18873, 18874, 18875, 18876, 18877, 18878-E 18879, 18880, 18881, 18882, 18883, 18884, 18885-E 18886, 18887, 18888, 18889, 18890, 18891, 18892-E 18985, 18992-E
IV. Electric Distribution and Gas Performance Based Ratemaking (PBR) Mechanism.....	18120, 18121, 18122, 18123, 18124, 18125, 18126-E 18127, 18128, 18129, 18130, 18131, 18132, 18133-E 18134, 18135, 18136-E
V. SONGS 2&3 Procedures.....	17006, 17007-E
VI. Miscellaneous.....	16141, 16401, 15105, 12475, 12476, 16152-E 16148, 15106, 12480, 12481, 13257, 12483-E 12484, 12485, 12486, 15107, 16142, 16143-E
INDEX OF RATE AREA MAPS	
Map 1 - Territory Served.....	15228-E
Map 1-A - Territory Served.....	4916-E
Map 1-B - Territory Served.....	7295-E
Map 1-C - Territory Served.....	9135-E
Map 1-D - Territory Served.....	9136-E

(Continued)

1P4

Advice Ltr. No. 1776-E

Decision No. 05-08-013

Issued by
Lee Schavrien
Vice President
Regulatory Affairs

Date Filed Feb 27, 2006

Effective _____

Resolution No. _____

T



TABLE OF CONTENTS

Sheet 5

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, 18483-E 15484, 15485-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, 18484, 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, 19107, 17280, 18698, 17282-E 17283, 17284, 17285, 17286, 17287, 17288, 19108, 19109-E 17291, 19110, 19111, 19112, 19113, 19114, 19115, 19116-E 17299, 17300, 17301, 17302, 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
40	On-Bill Financing Program	18692, 18693-E

T
T
T

(Continued)