

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



February 15, 2006

Advice Letter 2760-E

Rose de la Torre  
Pacific Gas & Electric  
77 Beale Street, Room 1088  
Mail Code B10C  
San Francisco, CA 94105

Subject: Revisions to Schedule NEMFC – Net Energy Metering Service for Fuel Cell  
Customer-Generators

Dear Ms de la Torre:

Advice Letter 2760-E is effective January 1, 2006. A copy of the advice letter is returned herewith  
for your records.

Sincerely,

Sean H. Gallagher, Director  
Energy Division

<b>REGULATORY RELATIONS</b>	
M Brown	Tariffs Section
R De la Torre (2)	D Poster
B Lam	S Ramaiya (1)
FEB 22 2006	
Return to	Records
	File
cc to	



**Pacific Gas and  
Electric Company®**

**Brian K. Cherry**  
Director  
Regulatory Relations

77 Beale Street, Room 1087  
San Francisco, CA 94105

*Mailing Address*  
Mail Code B10C  
Pacific Gas and Electric Company  
P.O. Box 770000  
San Francisco, CA 94177

December 21, 2005

**Advice 2760-E**

(Pacific Gas and Electric Company ID U 39 E)

415.973.4977  
Internal: 223.4977  
Fax: 415.973.7226  
Internet: BKC7@pge.com

**Subject: Revisions to Schedule NEMFC – Net Energy Metering Service for  
Fuel Cell Customer-Generators**

Public Utilities Commission of the State of California

Pacific Gas and Electric Company (PG&E) hereby submits for filing revisions to its electric tariffs. The affected tariff sheets are listed on the enclosed Attachment I.

**Purpose**

The purpose of this filing is to revise the “repeal date” on the fuel cell net energy metering rate schedule NEMFC and its accompanying interconnection agreement Form 79-1010 in accordance with Assembly Bill (AB) 67.

**Background**

Existing law under Public Utilities Code Section 2827.10, until January 1, 2006, requires PG&E to offer a standard tariff to provide for net energy metering for eligible fuel cell customer-generators. Assembly Bill (AB) 67, signed by the Governor on October 6, 2005, removes the January 1, 2006 repeal date. However, under AB 67, a fuel cell customer-generator must commence operation before January 1, 2010, to be eligible for NEMFC. AB 67 also stipulates that a fuel cell customer-generator would be eligible for the tariff only for the operating life of the eligible fuel cell electrical generating facility.

Additionally, Ordering Paragraph 4 of Decision 05-08-013 orders the Rule 21 Working Group to develop proposed rules for Distributed Generation interconnections to distribution systems having a network configuration. PG&E has added wording to advise customers before starting projects that would interconnect in such locations, that they should first contact PG&E because the requirements for such interconnections have not yet been fully defined.

**Tariff Revisions**

The following changes were made to the Rate Schedule NEMFC tariff sheet to be compliance with AB 67 and D.05-08-013:

- 1) Language regarding the former program expiration date was removed:

*"NEMFC will expire on January 1, 2006, unless extended by legislation."*

and replaced with revised language for the expiration date, and for the "grandfathering" of interconnected NEMFC customers for the life of their generating system:

*"A fuel cell electrical generating facility shall not be eligible for participation in the NEMFC tariff unless it commenced operation before January 1, 2010. A fuel cell customer-generator shall be eligible for the tariff established only for the operating life of the Eligible Fuel Cell Electrical Generating Facility."*

- 2) Language regarding interconnection to a network distribution system was added to the Applicability section:

*"Customers with Eligible Fuel Cell Electric Generating Facilities requesting interconnections in portions of San Francisco and Oakland where PG&E has a network grid must contact PG&E about generation export limitations."*

On the interconnection agreement, form 79-1010, used with Rate Schedule NEMFC, the following changes were made:

- 1) In section 5.1 the expiration date was revised to 12/31/09:

*"This Agreement shall become effective as of the last date entered in Section 18, below, which shall be no later than 12/31/09. The Agreement shall continue in full force and effect until the earliest date that one of the following events occurs: ..."*

- 2) Also, in section 5.1, subsection (d) the following condition was added regarding the term of the agreement:

*"The end of the operating life of the eligible fuel cell electric generating facility."*

- 3) Finally, in section 5.2, subsection (c), the expiration date was revised to January 1, 2010:

*"Fuel Cell Customer-Generator fails to interconnect and operate the Generating Facility per the terms of this Agreement prior to January 1, 2010; or,..."*

Additionally, contact addresses for PG&E were updated to the current address.

### **Protests**

Anyone wishing to protest this filing may do so by sending a letter by **January 10, 2005**, which is 20 days from the date of this filing. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. Protests should be mailed to:

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

Facsimile: (415) 703-2200  
E-mail: [jjr@cpuc.ca.gov](mailto:jjr@cpuc.ca.gov) and [jnj@cpuc.ca.gov](mailto:jnj@cpuc.ca.gov)

Protests also should be sent by e-mail and facsimile to Mr. Jerry Royer, Energy Division, as shown above, and by U.S. mail to Mr. Royer at the above address.

The protest should be sent via both e-mail and facsimile to PG&E on the same date it is mailed or delivered to the Commission at the address shown below.

Pacific Gas and Electric Company  
Attention: Brian Cherry  
Director, Regulatory Relations  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, California 94177

Facsimile: (415) 973-7226  
E-mail: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)

### **Effective Date**

PG&E requests that this advice filing become effective **January 1, 2006**, in compliance with AB 67.

### **Notice**

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this advice letter is being sent electronically and sent via U.S. mail to parties shown on the attached list and Service List R.04-03-017. Address change requests should

also be directed to Rose de la Torre at (415) 973-4716. Advice letter filings can be accessed electronically at:

<http://www.pge.com/tariffs>

*Brian K. Cherry*<sup>ISR</sup>

Director, Regulatory Relations

Attachments

cc: Service List R.04-03-017

**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. <u>Pacific Gas and Electric Company (ID39G)</u>	
Utility type: <input checked="" type="checkbox"/> ELC <input checked="" type="checkbox"/> GAS <input type="checkbox"/> PLC <input type="checkbox"/> HEAT <input type="checkbox"/> WATER	Contact Person: <u>Shilpa Ramaiya</u> Phone #: <u>(415) 973- 3186</u> E-mail: <u>srrd@pge.com</u>
EXPLANATION OF UTILITY TYPE ELC = Electric      GAS = Gas PLC = Pipeline      HEAT = Heat    WATER = Water	(Date Filed/ Received Stamp by CPUC)
Advice Letter (AL) #: <b><u>2760-E</u></b>	
Subject of AL: <u>Revisions to Schedule NEMFC – Net Energy Metering Service for Fuel Cell Customer-Generators</u>	
Keywords (choose from CPUC listing): Forms, Text Changes	
AL filing type: <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Annual <input checked="" type="checkbox"/> One-Time <input type="checkbox"/> Other _____	
If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: <u>N/A</u>	
Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: <u>N/A</u>	
Summarize differences between the AL and the prior withdrawn or rejected AL <sup>1</sup> : _____	
Resolution Required? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Requested effective date: <b><u>01-01-06</u></b>	No. of tariff sheets: <u>5</u>
Estimated system annual revenue effect: (%): <u>N/A</u>	
Estimated system average rate effect (%): <u>N/A</u>	
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: <u>Schedule NEMFC</u>	
Service affected and changes proposed <sup>1</sup> : <u>Compliance with AB 67 and D.05-08-013</u>	
Pending advice letters that revise the same tariff sheets: <u>N/A</u>	
<b>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:</b>	
<b>CPUC, Energy Division Attention: Tariff Unit 505 Van Ness Ave., San Francisco, CA 94102 jjr@cpuc.ca.gov and jnj@cpuc.ca.gov</b>	<b>Utility Info (including e-mail)</b>

<sup>1</sup> Discuss in AL if more space is needed.

**ATTACHMENT 1  
Advice 2760-E**

<b>Cal P.U.C. Sheet No.</b>	<b>Title of Sheet</b>	<b>Cancelling Cal P.U.C. Sheet No.</b>
24065-E	Schedule NEMFC--Net Energy Metering Service For Fuel Cell Customer-Generators	22687-E
24066-E	Form NEMFC 79-1010	21485-E
24067-E	Table of Contents -- Sample Forms	23921-E
24068-E	Table of Contents -- Rate Schedules	24039-E
24069-E	Table of Contents -- Rate Schedules	22702-E



SCHEDULE NEMFC—NET ENERGY METERING SERVICE 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 (1) interconnect and operate in parallel with PG&E's electrical system an Eligible Fuel Cell Electrical Generating Facility, as defined in Special Condition 5.a 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 customers' owned, leased or rented premises as the sole source of customer generation, is interconnected and operates in parallel with PG&E grid while the grid is operational, and is sized to offset part or all of the Customers' 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).

Customers with Eligible Fuel Cell Electrical Generating Facilities requesting interconnections in portions of San Francisco and Oakland where PG&E has a network grid must contact PG&E about generation export limitations.

(N)  
|  
(N)

Pursuant to PU Code Section 2827.10, this schedule is available on a first-come, first-serve basis and will be closed to new customers once 45 MW of cumulative rated generating capacity is served under this schedule.

Customers seeking preference for eligibility under this rate shall file an application with the CPUC to establish that their facilities are located in a community with significant exposure to air contaminants, or localized air contaminants, or both, including but not limited to communities of minority populations or low-income populations, or both, based on the ambient air quality standards established pursuant to Section 39607 of Health and Safety Code. The CPUC shall determine how such preference shall be implemented. In no event shall such an application, if granted, cause the cumulative rated generating capacity served by PG&E under this schedule to exceed 45 MW.

A customer's NEMFC account is not eligible for service under Schedule NEM.

A fuel cell electrical generating facility shall not be eligible for participation in the NEMFC tariff unless it commenced operation before **January 1, 2010**. A fuel cell customer-generator shall be eligible for the tariff established herein only for the operating life of the Eligible Fuel Cell Electrical Generating Facility.

(T)  
|  
|  
(T)

**TERRITORY:** The entire territory served.

**RATES:** Only the Generation Rate Component of the Fuel Cell Customer-Generator's OAS, without generation surcharges such as those from Schedule E-EPS, if any, 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 any and 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, Monthly Customer Charges, Minimum Charges, Demand Charges, and non-energy related charges, shall be calculated according to the Fuel Cell Customer-Generator's OAS prior to the netting of energy supplied or produced, for all energy supplied.

(Continued)



**Pacific Gas and Electric Company**  
San Francisco, California

Original  
Cancelling

Cal. P.U.C. Sheet No. 24066-E  
Cal. P.U.C. Sheet No. 21485-E

PACIFIC GAS AND ELECTRIC COMPANY  
INTERCONNECTION AGREEMENT FOR NET ENERGY METERING  
OF FUEL CELL GENERATING FACILITIES  
FORM NO. 79-1010 (12/05)  
(ATTACHED)

(T)

Advice Letter No. 2760-E  
Decision No.

101817

Issued by  
**Thomas E. Bottorff**  
Senior Vice President  
Regulatory Relations

Date Filed December 21, 2005  
Effective January 1, 2006  
Resolution No. \_\_\_\_\_



**WE DELIVER ENERGY.™**

This "Interconnection Agreement for Net Energy Metering of Fuel Cell Generating Facilities" ("Agreement") is entered into by and between \_\_\_\_\_ ("Fuel Cell Customer-Generator"), and Pacific Gas and Electric Company ("PG&E"), a California Corporation. Fuel Cell Customer-Generator and PG&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 AND PURPOSE**

This Agreement provides for Fuel Cell Customer-Generator to interconnect and operate an Eligible Fuel Cell Electrical Generating Facility in parallel with PG&E's Distribution System to serve the electrical loads connected to the electric service account that PG&E uses to interconnect Fuel Cell Customer-Generator's Generating Facility. Fuel Cell Customer-Generator's Generating Facility is intended primarily to offset part or all of the Fuel Cell Customer-Generator's own electrical requirements. Consistent with, and in order to effectuate, the provisions of Section 2827.10 of the California Public Utilities Code and PG&E's electric rate Schedule NEMFC ("NEMFC"), Parties enter into this Agreement. This Agreement applies to the Fuel Cell Customer-Generator's Generating Facilities identified below with the specified characteristics and generating capacity, and does not allow interconnection or operation of facilities different than those described.

**2. SUMMARY AND DESCRIPTION OF FUEL CELL CUSTOMER-GENERATOR'S GENERATING FACILITY AND DESIGNATION OF OTHERWISE-APPLICABLE-RATE SCHEDULE.**

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 Fuel Cell Customer-Generator's Eligible Fuel Cell Electrical Generating Facility and loads are interconnected with PG&E's Distribution System, are attached to, and made a part of this Agreement. (This description is supplied by Fuel Cell Customer-Generator as Appendix A).

2.2 Generating Facility identification number: \_\_\_\_\_ (Assigned by PG&E)

2.3 Fuel Cell Customer-Generator's electric service account number: \_\_\_\_\_ (Assigned by PG&E)

2.4 Name and address used by PG&E to locate the electric service account used to interconnect the Eligible Fuel Cell Electrical Generating Facility with PG&E's Distribution System:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City/Zip Code: \_\_\_\_\_

2.5 The Gross Nameplate Rating of the Generating Facility is: \_\_\_\_\_ kW.

- 2.6 The Net Nameplate Rating of the Generating Facility is \_\_\_\_\_ kW.
- 2.7 The expected annual energy production of the Generating Facility is \_\_\_\_\_ kWh.
- 2.8 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.
- 2.9 Fuel Cell Customer-Generator's otherwise-applicable-rate schedule as of the execution of this Agreement is \_\_\_\_\_.

**3. DOCUMENTS INCLUDED; DEFINED TERMS**

- 3.1 This Agreement includes the following exhibits that are specifically incorporated herein and made a part of this Agreement.

Appendix A Description of Generating Facility and Single-Line Diagram (Supplied by Fuel Cell Customer-Generator)

Appendix B A Copy of PG&E's Agreement for Installation of Allocation of Special Facilities for Parallel Operation of Nonutility-Owned Generation and/or Electrical Standby Service (Form 79-280) ("Special Facility Agreement"), if applicable, (Formed by the Parties).

Appendix C Fuel Cell Customer-Generator's warranty that it meets the Requirements of an Eligible Fuel Cell Customer-Generator.

In addition PG&E Electric Tariff Rules and Rates, including but not limited to Electric Rules 2, 14, 15, 16, and 21, Schedule NEMFC and Fuel Cell Customer-Generator's otherwise applicable rate schedule, available at PG&E's web-site at [www.pge.com](http://www.pge.com), or by request, are specifically incorporated herein and made part of this Agreement.

- 3.2 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 PG&E's Rule 21, Section H, or in Schedule NEMFC

**4. CUSTOMER BILLING AND PAYMENT OPTIONS**

Fuel Cell Customer-Generator initially selects PG&E's electric rate schedule referenced in Section 2.9 of this Agreement as its otherwise-applicable rate schedule. Fuel Cell Customer-Generator understands that they will be billed according to Schedule NEMFC.

**5. TERM AND TERMINATION**

- 5.1 This Agreement shall become effective as of the last date entered in Section 18, below, which shall be no later than 12/31/09. 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.

- (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 Fuel Cell Customer-Generator's Generating Facility is interconnected to PG&E's Distribution System is closed or terminated.
  - (c) At 12:01 A.M. on the 61<sup>st</sup> day after Fuel Cell Customer-Generator or PG&E provides written Notice pursuant to Section 11 below to the other Party of Fuel Cell Customer-Generator's or PG&E's intent to terminate this Agreement.
  - (d) The end of the operating life of the eligible fuel cell electrical generating facility.
- 5.2 Fuel Cell Customer-Generator may elect to terminate this Agreement pursuant to the terms of Section 5.1(c) for any reason. PG&E may elect to terminate this Agreement pursuant to the terms of Section 5.1(c) for one or more of the following reasons:
- (a) A change in applicable rules, tariffs, and regulations, as approved or directed by the Commission, or a change in any local, state or federal law, statute or regulation, either of which materially alters or otherwise affects PG&E's ability or obligation to perform PG&E's duties under this Agreement; or,
  - (b) Fuel Cell Customer-Generator fails to take all corrective actions specified in PG&E's Notice that Fuel Cell Customer-Generator's Generating Facility is out of compliance with the terms of this Agreement within the time frame set forth in such Notice; or,
  - (c) Fuel Cell Customer-Generator fails to interconnect and operate the Generating Facility per the terms of this Agreement prior to January 1, 2010; or,
  - (d) Fuel Cell Customer-Generator abandons the Generating Facility. PG&E shall deem the Generating Facility to be abandoned if PG&E determines, in its sole opinion, the Generating Facility is non-operational and Fuel Cell Customer-Generator does not provide a substantive response to PG&E's Notice of its intent to terminate this Agreement as a result of Fuel Cell Customer-Generator's apparent abandonment of the Generating Facility affirming Fuel Cell Customer-Generator's intent and ability to continue to operate the Generating Facility; or,
  - (e) Fuel Cell Customer-Generators facility ceases to meet all applicable safety and performance standards set out in Section 6.
- 5.3 Notwithstanding any other provisions of this Agreement, PG&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.
- 5.4 Any agreements attached to and incorporated into this Agreement shall terminate concurrently with this Agreement unless the Parties have agreed otherwise in writing.

**6. GENERATING FACILITY REQUIREMENTS:**

- 6.1 Fuel Cell Customer-Generator's generator must meet all applicable safety and performance standards established by the National Electrical Code, the Institute of

Electrical and Electronics Engineers, and accredited testing laboratories such as Underwriters Laboratories and, where applicable rules of the Public Utilities Commission regarding safety and reliability.

- 6.2 Fuel Cell Customer-Generator shall: (a) maintain the Facility and Interconnection Facilities in a safe and prudent manner and in conformance with all applicable laws and regulations including, but not limited to, Section 6.1, and (b) obtain any governmental authorizations and permits required for the construction and operation of the Facility and interconnection facilities. Fuel Cell Customer-Generator shall reimburse PG&E for any and all losses, damages, claims, penalties, or liability it incurs as a result of Fuel Cell Customer-Generator's failure to obtain or maintain any governmental authorizations and permits required for construction and operation of Fuel Cell Customer-Generator's Facility.
- 6.3 Fuel Cell Customer-Generator shall not commence parallel operation of the Facility until PG&E has provided written approval to the Fuel Cell Customer-Generator to do so. No such approval shall be provided until at least ten (10) working days following the utility's receipt of the inspection clearance of the governmental authority having jurisdiction. Such approval shall not be unreasonably withheld. PG&E shall have the right to have representatives present at the initial testing of Fuel Cell Customer-Generator's protective apparatus. Fuel Cell Customer-Generator shall notify the utility five (5) working days prior to the initial testing.
- 6.4 The Fuel Cell Customer-Generator warrants that they are the recipient of local, state, or federal funds; or they self-finance pilot projects designed to encourage the development of eligible Fuel Cell electrical generating facilities.
- 6.5 The Fuel Cell Customer-Generator warrants that pursuant to section 2827.10 (a)(2), of the California Public Utilities Code, it meets the definition of an "Eligible fuel cell electrical generating facility" and its facility includes the following:
  - (a) Integrated power plant systems containing a stack, tubular array, or other functionally similar configuration used to electrochemically convert fuel to electric energy.
  - (b) An inverter and fuel processing system where necessary.
  - (c) Other plant equipment, including heat recovery equipment, necessary to support the plant's operation or its energy conversion.

## 7. INTERCONNECTION FACILITIES

- 7.1 Fuel Cell Customer-Generator and/or PG&E, as appropriate, shall provide Interconnection Facilities that adequately protect PG&E's Distribution System, personnel, and other persons from damage or injury, which may be caused by the operation of Fuel Cell Customer-Generator's Generating Facility.
- 7.2 Fuel Cell Customer-Generator shall be solely responsible for the costs, design, purchase, construction, operation, and maintenance of the Interconnection Facilities that Fuel Cell Customer-Generator owns.

- 7.3 If the provisions of PG&E's Electric Rule 21, or any other tariff or rule approved by the Commission, requires PG&E to own and operate a portion of the Interconnection Facilities, Fuel Cell Customer-Generator and PG&E shall promptly execute an Special Facilities Agreement that establishes and allocates responsibility for the design, installation, operation, maintenance, and ownership of the Interconnection Facilities. This Special Facilities Agreement shall be attached to and made a part of this Agreement as Appendix B.

**8. 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.

**9. INSURANCE**

- 9.1 In connection with Customer-Generator's performance of its duties and obligations under this Agreement, Customer-Generator 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 PG&E.

Such 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."

- 9.2 The general liability insurance required in this Section shall, by endorsement to the policy or policies, (a) include PG&E as an additional insured; (b) contain a severability of interest clause or cross-liability clause; (c) provide that PG&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 PG&E prior to cancellation, termination, alteration, or material change of such insurance.

- 9.3 If Fuel Cell Customer-Generator's Generating Facility is connected to an account receiving residential service from PG&E and the requirement of Section 9.2(a) prevents Fuel Cell Customer-Generator from obtaining the insurance required in this Section, then upon Fuel Cell Customer-Generator's written Notice to PG&E in accordance with Section 11.1, the requirements of Section 9.2(a) shall be waived.
- 9.4 Evidence of the insurance required in Section 9.2 shall state that coverage provided is primary and is not in excess to or contributing with any insurance or self-insurance maintained by PG&E.
- 9.5 Fuel Cell Customer-Generator agrees to furnish the required certificates and endorsements to PG&E prior to Initial Operation. PG&E shall have the right to inspect or obtain a copy of the original policy or policies of insurance.
- 9.6 If Fuel Cell Customer-Generator is self-insured with an established record of self-insurance, Fuel Cell Customer-Generator may comply with the following in lieu of Section 9.2:
- (a) Fuel Cell Customer-Generator shall provide to, PG&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 9.1.
  - (b) If Fuel Cell Customer-Generator ceases to self-insure to the level required hereunder, or if Fuel Cell Customer-Generator is unable to provide continuing evidence of Fuel Cell Customer-Generator's ability to self-insure, Fuel Cell Customer-Generator agrees to immediately obtain the coverage required under Section 9.1.
- 9.7 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:

Pacific Gas and Electric Company  
Attn: Manager, Generation Interconnection Services.  
PO Box 770000  
Mail Code N7L  
San Francisco, California 94177

**10 INDEMNITY FOR FAILURE TO COMPLY WITH INSURANCE PROVISIONS**

- 10.1 If Fuel Cell Customer-Generator fails to comply with the insurance provisions of this Agreement, Fuel Cell Customer-Generator shall, at its own cost, defend, save harmless and indemnify PG&E, its directors, officers, employees, agents, assignees, and successors in interest from and against any and all loss, liability, damage, claim, cost, charge, demand, or expense of any kind or nature (including attorney's fees and other costs of litigation) resulting from the death or injury to any person or damage to any property, including the personnel and property of the utility, to the extent that the utility would have been protected had Fuel Cell Customer-Generator complied with all such insurance provisions. The inclusion of this Section 10.1 is not intended to create any expressed or implied right in Fuel Cell Customer-Generator to elect not to provide any such required insurance.

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

**11 NOTICES**

- 11.1 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 PG&E: Pacific Gas and Electric Company  
Attention: Business Customer Services  
P.O. Box 770000  
Mail Code B19H  
San Francisco, California 94177  
Phone: (800) 468-4743  
FAX: (415) 972-5309

If to Fuel Cell Customer-Generator:

Fuel Cell Customer-Generator Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_

Phone: ( ) \_\_\_\_\_

FAX: ( ) \_\_\_\_\_

- 11.2 A Party may change its address for Notices at any time by providing the other Party notice of the change in accordance with Section 11.1.
- 11.3 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.

**12. REVIEW OF RECORDS AND DATA**

- 12.1 PG&E shall have the right to review and obtain copies of Fuel Cell Customer-Generator's operations and maintenance records, logs, or other information such as, Generation Unit availability, maintenance outages, circuit breaker operation requiring manual reset, relay targets and unusual events pertaining to Fuel Cell Customer-Generator's Generating Facility or its interconnection with PG&E's Distribution System.
- 12.2 Fuel Cell Customer-Generator authorizes to release to the California Energy Commission (CEC) information regarding Fuel Cell Customer-Generator's facility,

including customer name, location, size, and operational characteristics of the unit, as requested from time to time pursuant to the CEC's rules and regulations.

**13. ASSIGNMENT**

Fuel Cell Customer-Generator shall not voluntarily assign its rights nor delegate its duties under this Agreement without PG&E's written consent. Any assignment or delegation Fuel Cell Customer-Generator makes without PG&E's written consent shall not be valid. PG&E shall not unreasonably withhold its consent to Fuel Cell Customer-Generator's assignment of this Agreement.

**14. 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.

**15. GOVERNING LAW, JURISDICTION OF COMMISSION, INCLUSION OF PG&E's TARIFF SCHEDULES AND RULES**

15.1 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.

15.2 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.

15.3 The interconnection and services provided under this Agreement shall at all times be subject to the terms and conditions set forth in the Tariff Schedules and Rules applicable to the electric service provided by, PG&E, which Tariff Schedules and Rules are hereby incorporated into this Agreement by this reference.

15.4 Notwithstanding any other provisions of this Agreement, PG&E shall have the right to unilaterally file with the Commission, pursuant to the Commission's rules and regulations, an application for change in rates, charges, classification, service, tariff or rule or any agreement relating thereto.

**16. AMENDMENT AND MODIFICATION**

This Agreement can only be amended or modified by a writing signed by both Parties.

**17. ENTIRE AGREEMENT**

This Agreement, including any incorporated Tariff Schedules 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 tariff schedules and rules.

**18. 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.

FUEL CELL CUSTOMER- GENERATOR'S NAME	PACIFIC GAS AND ELECTRIC COMPANY
By: _____	By: _____
Name _____	Name: _____
Title: _____	Title: <u>Manager,</u> <u>Generation Interconnection Svcs</u>
Date: _____	Date: _____

**APPENDIX A  
DESCRIPTION OF GENERATING FACILITY  
AND SINGLE-LINE DIAGRAM,  
(Provided by Fuel Cell Customer-Generator)**

**APPENDIX B  
(If Applicable)  
RULE 21 "SPECIAL FACILITIES" AGREEMENT  
(Formed between the Parties)**

APPENDIX C

FUEL CELL CUSTOMER-GENERATOR'S WARRANTY THAT IT MEETS THE REQUIREMENTS FOR AN ELIGIBLE FUEL CELL CUSTOMER-GENERATOR AND THE GENERATING FACILITY IS AN ELIGIBLE FUEL CELL ELECTRICAL GENERATING FACILITY PURSUANT TO SECTION 2827.10 OF THE CALIFORNIA PUBLIC UTILITIES CODE

Fuel Cell Customer-Generator has declared that it meets the requirements for an Eligible Fuel Cell customer-generator and the Generating Facility meets the requirements of an "Eligible Fuel Cell Electrical Generating Facility", as defined section 2827.10 of the California Public Utilities Code. ("Eligibility Requirements")

Fuel Cell Customer-Generator warrants that, beginning on the date of Initial Operation and continuing throughout the term of this Agreement, Fuel Cell Customer-Generator and the Generating Facility shall continue to meet the Eligibility Requirements. If Fuel Cell Customer-Generator or the Generating Facility ceases to meet the Eligibility Requirements, Fuel Cell Customer-Generator shall promptly provide PG&E with Notice of such change pursuant to Section 11 of this Agreement. If at any time during the term of this Agreement PG&E determines, in its sole discretion, that Fuel Cell Customer-Generator or Generating Facility may no longer meet the Eligibility Requirements, PG&E may require Fuel Cell Customer-Generator to provide evidence, that Fuel Cell Customer-Generator and/or Generating Facility continues to meet the Eligibility Requirements, within 15 business days of PG&E's request for such evidence. Additionally, PG&E may periodically (typically, once per year) inspect Producer's Generating Facility and/or require documentation from Fuel Cell Customer-Generator to monitor the Generating Facility's compliance with the Eligibility Requirements. If PG&E determines in its sole judgment that Fuel Cell Customer-Generator 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 Eligibility Status shall be deemed ineffective until such time as Fuel Cell Customer-Generator gain demonstrates to PG&E's reasonable satisfaction that Fuel Cell Customer-Generator meets the requirements for an Eligible Fuel Cell customer-generator and/or the Generating Facility meets the requirements for a Eligible Fuel Cell electrical generating facility (the "Eligibility Status Change").

PG&E shall revise its records and the administration of this Agreement to reflect the Eligibility Status Change and provide Notice to Fuel Cell Customer-Generator of the Eligibility Status Change pursuant to Section 11 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 PG&E determines in its sole discretion that the Fuel Cell Customer-Generator and/or Generating Facility first ceased to meet the Eligibility Requirements. PG&E shall invoice the Fuel Cell Customer-Generator 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 Fuel Cell Customer-Generator's representations that Fuel Cell Customer-Generator and/or Generating Facility complied with the Eligibility Requirements and therefore was eligible for the rate treatment available under the Net Energy Metering provisions of PG&E's Schedule NEMFC, Net Energy Metering Service for NEMFC Customer-Generators.

Any amounts to be paid or refunded by Fuel Cell Customer-Generator, as may be invoiced by PG&E pursuant to the terms of this warranty, shall be paid to PG&E within 30 days of Fuel Cell Customer-Generator's receipt of such invoice.

Fuel Cell Customer-Generator's Initials \_\_\_\_\_



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62-1420	06/05	Application for Tenants of Sub-Metered Facilities (English/Chinese).....	23436-E
62-1422	06/05	Application for Tenants of Sub-Metered Facilities (English/Spanish).....	23437-E
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79-978	REV 1/05	Interconnection Agreement for Net Energy Metering of Solar or Wind Electric Generating Facilities 1,000 kW or less, other than Residential or Small Commercial Facilities of 10 kW or less .....	22695-E
79-994	REV 2/05	Application for Interconnecting Residential or Small Commercial Net Energy Metering (NEM) Customers With Solar or Wind Electric Generating Facilities of 10 Kilowatts or less .....	23049-E
79-997	REV 12/05	Interconnection Agreement for Net Energy Metering of Qualifying Biogas Digester Generating Facilities .....	24061-E
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ABAG Power Pool	DGS Natural Gas Services	Northern California Power Agency
Accent Energy	DMM Customer Services	Office of Energy Assessments
Aglet Consumer Alliance	Douglass & Liddell	Palo Alto Muni Utilities
Agnews Developmental Center	Downey, Brand, Seymour & Rohwer	PG&E National Energy Group
Ahmed, Ali	Duke Energy	Pinnacle CNG Company
Alcantar & Elsesser	Duke Energy North America	PITCO
Anderson Donovan & Poole P.C.	Duncan, Virgil E.	Plurimi, Inc.
Applied Power Technologies	Dutcher, John	PPL EnergyPlus, LLC
APS Energy Services Co Inc	Dynegy Inc.	Praxair, Inc.
Arter & Hadden LLP	Ellison Schneider	Price, Roy
Avista Corp	Energy Law Group LLP	Product Development Dept
Barkovich & Yap, Inc.	Energy Management Services, LLC	R. M. Hairston & Company
BART	Enron Energy Services	R. W. Beck & Associates
Bartle Wells Associates	Exelon Energy Ohio, Inc	Recon Research
Blue Ridge Gas	Exeter Associates	Regional Cogeneration Service
Bohannon Development Co	Foster Farms	RMC Lonestar
BP Energy Company	Foster, Wheeler, Martinez	Sacramento Municipal Utility District
Braun & Associates	Franciscan Mobilehome	SCD Energy Solutions
C & H Sugar Co.	Future Resources Associates, Inc	Seattle City Light
CA Bldg Industry Association	G. A. Krause & Assoc	Sempra
CA Cotton Ginners & Growers Assoc.	Gas Transmission Northwest Corporation	Sempra Energy
CA League of Food Processors	GLJ Energy Publications	Sequoia Union HS Dist
CA Water Service Group	Goodin, MacBride, Squeri, Schlotz &	SESCO
California Energy Commission	Hanna & Morton	Sierra Pacific Power Company
California Farm Bureau Federation	Heeg, Peggy A.	Silicon Valley Power
California Gas Acquisition Svcs	Hitachi Global Storage Technologies	Smurfit Stone Container Corp
California ISO	Hogan Manufacturing, Inc	Southern California Edison
Calpine	House, Lon	SPURR
Calpine Corp	Imperial Irrigation District	St. Paul Assoc
Calpine Gilroy Cogen	Integrated Utility Consulting Group	Stanford University
Cambridge Energy Research Assoc	International Power Technology	Sutherland, Asbill & Brennan
Cameron McKenna	Interstate Gas Services, Inc.	Tabors Caramanis & Associates
Cardinal Cogen	IUCG/Sunshine Design LLC	Tansev and Associates
Cellnet Data Systems	J. R. Wood, Inc	Tecogen, Inc
Chevron Texaco	JTM, Inc	TFS Energy
Chevron USA Production Co.	Kaiser Cement Corp	Transcanada
Childress, David A.	Luce, Forward, Hamilton & Scripps	Turlock Irrigation District
City of Glendale	Manatt, Phelps & Phillips	U S Borax, Inc
City of Healdsburg	Marcus, David	United Cogen Inc.
City of Palo Alto	Masonite Corporation	URM Groups
City of Redding	Matthew V. Brady & Associates	Utility Cost Management LLC
CLECA Law Office	Maynor, Donald H.	Utility Resource Network
Commerce Energy	McKenzie & Assoc	Wellhead Electric Company
Constellation New Energy	McKenzie & Associates	Western Hub Properties, LLC
Cooperative Community Energy	Meek, Daniel W.	White & Case
CPUC	Mirant California, LLC	WMA
Cross Border Inc	Modesto Irrigation Dist	
Crossborder Inc	Morrison & Foerster	
CSC Energy Services	Morse Richard Weisenmiller & Assoc.	
Davis, Wright, Tremaine LLP	Navigant Consulting	
Defense Fuel Support Center	New United Motor Mfg, Inc	
Department of the Army	Norris & Wong Associates	
Department of Water & Power City	North Coast Solar Resources	