

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 1, 2009

Advice Letter 3549-E

Brian K. Cherry
Vice President, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

**Subject: Revisions to Rate Schedule NEMFC – Net Energy Metering
for Fuel Cell Customer-Generators to Comply with Assembly
Bill (AB) 1551**

Dear Mr. Cherry:

Advice Letter 3549-E is effective January 1, 2010.

Sincerely,

A handwritten signature in blue ink that reads "Julie A. Fitch".

Julie A. Fitch, Director
Energy Division

October 30, 2009

Advice 3549-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California (CPUC)

Subject: Revisions to Rate Schedule *NEMFC – Net Energy Metering for Fuel Cell Customer-Generators* to Comply with Assembly Bill (AB) 1551

Purpose

Pacific Gas and Electric Company (PG&E) hereby submits for filing revisions to its electric tariff *NEMFC – Net Energy Metering for Fuel Cell Customer-Generators* and PG&E Form 79-1010, *Interconnection Agreement for Net Energy Metering of Fuel Cell Generating Facilities*.

Background

On October 11, 2009, Assembly Bill (AB) 1551 was chaptered. The new law extends the program sunset date in Public Utilities (PU) Code Section 2827.10(f) from January 1, 2010 to January 1, 2014. The new language provides:

*A fuel cell electrical generating facility shall not be eligible for participation in the tariff established pursuant to this section unless it commenced operation before **January 1, 2014**. A fuel cell customer-generator shall be eligible for the tariff established pursuant to this section only for the operating life of the eligible fuel cell electrical generating facility. [Emphasis added.]*

PG&E is filing changes to update its NEMFC tariffs sheet and interconnection agreement to reflect this new date.

Additionally, PG&E seeks to clarify the reference to PU Code Section 353.2 in PU Code 2827.10(a)(3)(C) for NEMFC:

Uses technology that meets the definition of an "ultra-clean and low emission distributed generation" in subdivision (a) of Section 353.2. and low-emission distributed generation" in subdivision (a) of Section 353.2.

PG&E believes this reference in AB 1551 to PU Code Section 353.2 was only intended to refer to PU Code Section 353.2(a)(2), instead of PU Code Section 353.2(a)(1). The entire text of PU Code Section 353.2 is as follows:

(a) As used in this article, "ultraclean and low-emission distributed generation" means any electric generation technology that meets both of the following criteria:

*(1) Commences initial operation between January 1, 2003, and **December 31, 2008**. [Emphasis added.]*

(2) Produces zero emissions during its operation or produces emissions during its operation that are equal to or less than the 2007 State Air Resources Board emission limits for distributed generation, except that technologies operating by combustion must operate in a combined heat and power application with a 60-percent system efficiency on a higher heating value.

(b) In establishing rates and fees, the Commission may consider energy efficiency and emissions performance to encourage early compliance with air quality standards established by the State Air Resources Board for ultraclean and low-emission distributed generation.

The language in PU Code Section 353.2(a)(1) indicates that initial operation can be no later than December 31, 2008, which contradicts the NEMFC program extension provided in AB 1551 since it extends the interconnection date in PU Code 2827.10(a)(3)(C) for NEMFC.

Hence, PG&E is adding language to the NEMFC tariff to refer only to PU Code Section 353.2(a)(2).

Tariffs Revisions

See the attached revised tariff sheets.

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than **November 19, 2009** which is 20 days after the date of this filing.¹ Protests should be mailed to:

¹ The 20 day protest period concludes on a weekend. PG&E is hereby moving this date to the following business day.

CPUC Energy Division
Tariff Files, Room 4005
DMS Branch
505 Van Ness Avenue
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: anj@cpuc.ca.gov and mas@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest also should be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission:

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

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

Effective Date

PG&E requests that this advice filing become effective on regular notice, **January 1, 2010**, in accordance with the effective date of the AB 1551.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list. Address changes to the General Order 96-B service list and all electronic approvals should be directed to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>.

Brian Cherry 09

Vice President, Regulatory Relations

Attachments

Advice 3549-E

- 4 -

October 30, 2009

cc: Service List R.08-03-008

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. **Pacific Gas and Electric Company (ID U39 M)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Olivia Brown

Phone #: 415.973.9312

E-mail: oxb4@pge.com

EXPLANATION OF UTILITY TYPE

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

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 3549-E

Tier: 2

Subject of AL: Revisions to Rate Schedule NEMFC – Net Energy Metering For Fuel Cell Customer-Generators to Comply with Assembly Bill (AB) AB 1551

Keywords (choose from CPUC listing): Metering, Forms

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: No

Does AL replace a withdrawn or rejected AL? No If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

Is AL requesting confidential treatment? No If so, what information is the utility seeking confidential treatment for: No

Confidential information will be made available to those who have executed a nondisclosure agreement: N/A

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: No

Resolution Required? Yes No

Requested effective date: January 1, 2010

No. of tariff sheets: 6

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). N/A

Tariff schedules affected: Electric Schedule NEMFC, Form 79-1010

Service affected and changes proposed: N/A

Protests, dispositions, 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

Tariff Files, Room 4005

DMS Branch

505 Van Ness Ave., San Francisco, CA 94102

ijnj@cpuc.ca.gov and mas@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Brian K. Cherry, Vice President, Regulatory Relations

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

**ATTACHMENT 1
Advice 3549-E**

**Cal P.U.C.
Sheet No.**

Title of Sheet

**Cancelling Cal
P.U.C. Sheet No.**

28566-E	ELECTRIC SCHEDULE NEMFC NET ENERGY METERING SERVICE FOR FUEL CELL CUSTOMER-GENERATORS Sheet 1	27248-E
28567-E	ELECTRIC SCHEDULE NEMFC NET ENERGY METERING SERVICE FOR FUEL CELL CUSTOMER-GENERATORS Sheet 2	27249-E
28568-E	Electric Sample Form No. 79-1010 Interconnection Agreement for Net Energy Metering of Fuel Cell Generating Facilities	24066-E
28569-E	ELECTRIC TABLE OF CONTENTS Sheet 1	28556-E
28570-E	ELECTRIC TABLE OF CONTENTS RATE SCHEDULES Sheet 4	28559-E
28571-E	ELECTRIC TABLE OF CONTENTS SAMPLE FORMS Sheet 14	28295-E



ELECTRIC SCHEDULE NEMFC
NET ENERGY METERING SERVICE FOR FUEL CELL CUSTOMER-GENERATORS

Sheet 1

APPLICABILITY: This schedule is applicable to Bundled Service and Community Choice Aggregation Service (CCA 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 below, with a generating capacity no greater than 1,000 kW, located on or adjacent to the customers' owned, leased or rented premises, (2) 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, (3) 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 (4) use technology that meets the definition of an "ultra-clean and low-emission distributed generation," pursuant to California Public Utilities Code Section 353.2(a)(2) (PU Code Section 353.2(a)(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). (T)

This service is not applicable to a CCA Service Fuel-Cell Customer-Generator where the customer's Community Choice Aggregator (CCA) does not offer a fuel cell net energy metering tariff. In addition, if an eligible Fuel Cell Customer-Generator participates in direct transactions with a CCA that does not provide distribution service for the direct transactions, the CCA, and not PG&E, is obligated to provide net energy metering to the customer.

The Eligible Fuel Cell Generating Facility is defined as a generating facility that meets all applicable safety and performance standards in accordance with PG&E's Electric Rule 21 and pursuant to PU Code Section 2827.10 includes 1) an integrated powerplant systems containing a stack, tubular array, or other functionally similar configuration used to electrochemically convert fuel to electric energy; 2) an inverter and fuel processing system where necessary, and 3) other plant equipment, including heat recovery equipment necessary to support the plant's operation or its energy conversion.

Customers seeking generator interconnections in portions of San Francisco and Oakland where PG&E has a network grid must contact PG&E about generation export limitations.

(Continued)



ELECTRIC SCHEDULE NEMFC
NET ENERGY METERING SERVICE FOR FUEL CELL CUSTOMER-GENERATORS

Sheet 2

APPLICABILITY:
 (Cont'd.)

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 the 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 fuel cell electrical generating facility shall not be eligible for participation in the NEMFC tariff unless it commenced operation before **January 1, 2014**. 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)

Schedule NEMFC applies also to specified Net Energy Metering-eligible (NEM-eligible) generators in a generating facility comprised of multiple NEM and non-NEM Eligible generators, served through the same Point of Common Coupling (PCC), where the NEM-eligible generating capacity is not more than 1 MW. Such facilities will be referred to as Multiple Tariff Facilities, and any group of generators within such a facility that is subject to the same tariff provisions for billing and metering purposes will be referred to as a Constituent Generator Group. In order to be eligible for this rate schedule in a Multiple Tariff Facility, the customer-generator must meet all the requirements of Special Condition 5 for the Schedule NEMFC eligible generator, and must also meet any other applicable tariffs.

(Continued)



Electric Sample Form No. 79-1010
Interconnection Agreement for Net Energy Metering of Fuel Cell Generating
Facilities

**Please Refer to Attached
Sample Form**



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, 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 December 31, 2013. 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 61st 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, 2014; 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: Manager,
Generation Interconnection Svcs

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 a 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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Advice Letter No: 3549-E
 Decision No.

Issued by
Brian K. Cherry
 Vice President
 Regulatory Relations

Date Filed October 30, 2009
 Effective January 1, 2010
 Resolution No. _____

**PG&E Gas and Electric
Advice Filing List
General Order 96-B, Section IV**

Alcantar & Kahl	Defense Energy Support Center	North Coast SolarResources
Ameresco	Department of Water Resources	Northern California Power Association
Anderson & Poole	Department of the Army	Occidental Energy Marketing, Inc.
Arizona Public Service Company	Dept of General Services	OnGrid Solar
BART	Division of Business Advisory Services	Praxair
BP Energy Company	Douglas & Liddell	R. W. Beck & Associates
Barkovich & Yap, Inc.	Douglass & Liddell	RCS, Inc.
Bartle Wells Associates	Downey & Brand	Recon Research
C & H Sugar Co.	Duke Energy	SCD Energy Solutions
CA Bldg Industry Association	Dutcher, John	SCE
CAISO	Ellison Schneider & Harris LLP	SMUD
CLECA Law Office	FPL Energy Project Management, Inc.	SPURR
CSC Energy Services	Foster Farms	Santa Fe Jets
California Cotton Ginners & Growers Assn	G. A. Krause & Assoc.	Seattle City Light
California Energy Commission	GLJ Publications	Sempra Utilities
	Goodin, MacBride, Squeri, Schlotz & Ritchie	Sierra Pacific Power Company
California League of Food Processors	Green Power Institute	Silicon Valley Power
California Public Utilities Commission	Hanna & Morton	Silo Energy LLC
Calpine	Hitachi	Southern California Edison Company
Cameron McKenna	International Power Technology	Sunshine Design
Cardinal Cogen	Intestate Gas Services, Inc.	Sutherland, Asbill & Brennan
Casner, Steve	Los Angeles Dept of Water & Power	Tabors Caramanis & Associates
Chamberlain, Eric	Luce, Forward, Hamilton & Scripps LLP	Tecogen, Inc.
Chevron Company	MBMC, Inc.	Tiger Natural Gas, Inc.
Chris, King	MRW & Associates	Tioga Energy
City of Glendale	Manatt Phelps Phillips	TransCanada
City of Palo Alto	Matthew V. Brady & Associates	Turlock Irrigation District
Clean Energy Fuels	McKenzie & Associates	U S Borax, Inc.
Coast Economic Consulting	Merced Irrigation District	United Cogen
Commerce Energy	Mirant	Utility Cost Management
Commercial Energy	Modesto Irrigation District	Utility Specialists
Consumer Federation of California	Morgan Stanley	Verizon
Crossborder Energy	Morrison & Foerster	Wellhead Electric Company
Davis Wright Tremaine LLP	New United Motor Mfg., Inc.	Western Manufactured Housing Communities Association (WMA)
		eMeter Corporation
Day Carter Murphy	Norris & Wong Associates	