



## **AB 1969 FIT Extension/Termination Policy**

Per the AB 1969 power purchase agreements (“PPAs”), PG&E is entitled to terminate an E-SRG or E-PWF PPA if the Facility has not achieved Commercial Operation within eighteen (18) months of the Execution Date (Section 10.2(a)). PG&E has developed a policy that allows extensions of this date in certain limited circumstances.

### **I. Initial 6-Month Extension**

PG&E’s AB 1969 FIT Extension/Termination Policy allows for one 6-month extension of the 18-month deadline for Commercial Operation (the “Guaranteed Commercial Operation Date” or “GCOD”). For a Seller to be eligible for a 6-month extension of the GCOD, the following conditions must have been met:

- A. The Seller must have applied for both the use permit from the applicable lead permitting agency and have an active interconnection application with PG&E’s Electric Generation Interconnection (EGI) department at least sixty (60) days in advance of the GCOD.
- B. The Seller must submit an extension request at least 60 days in advance of the GCOD that includes the following:
  - 1) A brief description of permitting and interconnection progress/status, and the cause of the delay (i.e. permitting and/or interconnection).
  - 2) Documentation of both the permit application and an active interconnection application (and/or latest interconnection study or agreement).

PG&E will use its reasonable discretion to grant or deny the requested extension. If accepted, the GCOD will be extended by six (6) months and will be referred to as the “Revised GCOD”. PG&E shall declare a Termination Event pursuant to Section 10.2 if 1) the Facility is not eligible for the Second Revised GCOD as described below and 2) the Facility has not achieved Commercial Operation by the Revised GCOD.

### **II. Second 6-Month Extension**

PG&E may allow an additional one-time, 6-month extension. For a Seller to be eligible for a Second 6-Month Extension of the GCOD, the following conditions must have been met:

- A. The Seller must notify PG&E of Seller’s intent to request an additional 6-month extension at least 60 days in advance of the Revised GCOD.

- B. The “Independent Licensed Professional Engineer” (LPE) must be approved by PG&E prior to the receipt of the documentation mentioned in part C below. Instructions for validating the LPE are described below.
- C. By no later than the Revised GCOD, the Seller must provide to PG&E a certification confirming that the Facility has achieved “Mechanical Completion”, as determined and certified by an “Independent Licensed Professional Engineer” (both terms defined below). The certification provided must contain the following:
  - 1. Project name
  - 2. Statement that the project meets the definition of Mechanical Completion as defined in this policy.
  - 3. Engineering stamp from the approved LPE
- D. By no later than the Revised GCOD, the Seller must provide to PG&E an active and fully executed interconnection agreement with a timeline that supports the Second Revised GCOD.
- E. Photos of the Facility and project Site from the LPE accompanied by a statement that the photos are of the Facility.

PG&E will use its reasonable discretion to grant or deny the requested extension. If accepted for a Second 6-Month Extension, the Revised GCOD will be extended by six (6) months and will be referred to as the “Second Revised GCOD”. PG&E will declare a Termination Event pursuant to Section 10.2 of the PPA if the Facility has not achieved Commercial Operation by the Second Revised GCOD. Additional extensions will not be granted beyond the Second 6-Month Extension.

### **Process for validating the Independent Licensed Professional Engineer:**

Please provide the proposed independent LPE’s resume, license number, a description of the LPE’s economic relationship to the company, including the project and any previous work done, as well as the project name(s) and log number(s) they would be certifying. Upon receiving this information, PG&E will review and respond within 5 business days.

### **Supporting Definitions**

- All capitalized terms not described in this policy shall have the meaning set forth in the PPA.
- Independent Licensed Professional Engineer: An “Independent Licensed Professional Engineer” means a person acceptable to PG&E in its reasonable judgment who (a) is licensed to practice engineering in California, (b) has training and experience in the power industry specific to the technology of the Facility, (c) has no economic relationship, association, or nexus with Seller, other than to meet the obligations of Seller pursuant to the PPA, (d) is not a representative of a consultant, engineer, contractor, designer or other individual involved in the development of the Facility or of a manufacturer or supplier of any equipment installed at the Facility, and (e) is licensed in an appropriate engineering discipline for the required certification being made.

- Mechanical Completion: “Mechanical Completion” means that all equipment and systems that are necessary to generate the effective capacity of the Facility are installed. The Facility is mechanically, electrically, and structurally constructed with all control systems installed and connected. The Facility is functionally complete to the extent necessary to begin commissioning and testing of the Facility, though commissioning and testing need not have commenced.