

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



July 13, 2021

Advice Letter 6168-E

Sidney Bob Dietz II
Director, Regulatory Relations
C/O Megan Lawson
Pacific Gas and Electric Company
77 Beale Street, Mailcode B13U
San Francisco, CA 94177

SUBJECT: PG&E Advice Letter 6168-E: Submission of Community Microgrid Enablement in Final Form and Pro Forma of Microgrid Operating Agreement

Dear Mr. Dietz:

This disposition letter approves PG&E Advice Letter 6168-E effective July 12, 2021.

Background

Decision (D.) 20-06-017 Ordering Paragraphs (OP) 16 and 17 approved the Pacific Gas and Electric Company (PG&E) Community Microgrid Enablement Program (CMEP) from 2020-2022 for use in all areas prone to outage events and subject to program evaluation. Pursuant to OP 17, PG&E filed Advice letter 5918-E on August 17, 2020, describing Community Microgrid Enablement Program implementation details, including the program scope, project applicability, and eligibility criteria. The Commission disposed of Advice Letter 5918-E via Resolution E-5127, issued on March 18, 2021; and adopted with modifications PG&E's CMEP and its Community Microgrid Enablement Tariff (CMET) for use on an experimental basis. In the same Resolution, the Commission directed PG&E to file the CMET in its final form by a Tier 1 advice letter and to make a compliance filing of its pro forma Microgrid Operating Agreement for Commission review and disposition.

On April 19, 2021, PG&E filed PG&E AL 6168-E to comply with Commission Resolution E-5127 Ordering Paragraphs 2 and 3. This Tier 1 AL provides: (1) the Community Microgrid Enablement Tariff in final form; and (2) the pro forma Microgrid Operating Agreement (MOA) for use within the Community Microgrid Enablement Program. The purpose of the PG&E pro forma Microgrid Operating Agreement is to outline the operating protocols and responsibilities between the microgrid aggregator and PG&E. PG&E modified the CMET from the pro forma previously submitted in PG&E AL 5918-E to acknowledge that the CMET was approved on an experimental basis; and to reference to Resolution E-5127 approving the CMET.

PG&E has transmitted its pro forma MOA consistent with Resolution E-5127, Ordering Paragraph 3 and consistent with Commission General Order 96-B, Section 6.3, which states when submitting a tariff for approval, the Utility shall submit the form of agreement that will be used for purposes of the tariff. Section 6.3 further requires that the form shall contain substantially the following clause: "This agreement at all times shall be subject to such modifications as the California Public Utilities Commission may direct from time to time in the exercise of its jurisdiction." This disposition letter directs PG&E to include the above clause within its finalized Microgrid Operating Agreement to fully conform with General Order 96-B, section 6.3.

Summary of Request

PG&E requests Commission review and disposition of its compliance filing in conformance with Resolution E-5127 Ordering Paragraphs 2 and 3 to issue its Community Microgrid Enablement Tariff and the Microgrid Operating Agreement for use for the purposes of the tariff.

Protests

Protests were due on May 10, 2021. Green Power Institute (GPI) filed a protest after the close of business on May 10, 2021 which per Rule 1.15 of CPUC Rules of Practice and Procedure is deemed to have occurred on May 11, 2021 and therefore is untimely. However, the Commission staff accepted the late-filed protest. Microgrid Resources Coalition (MRC) filed a timely response on May 10, 2021.

GPI objects that using the Advice Letter process is inappropriate for creating a community microgrid tariff that raises important policy questions arguing that the Commission should use R.19-09-009 Track 4 and the Resiliency & Microgrid Working Group process to develop a robust tariff. GPI further identifies issues with the cost offsets to special facilities, advocated for additional details regarding discretion for including distribution lines serving a microgrid during a public safety power shutoff.

MRC objects by stating that the Advice Letter process is inappropriate for creating a community microgrid tariff when it raises important policy questions. MRC argues that the tariff would not empower communities stating that there is no support for communities leading an effort to achieve resilience. MRC asserts that the PG&E CMET provides limited monetization opportunities by claiming the tariff appears to severely limit the ability of the community or the microgrid operator from entering contracts for the sale of power. MRC asserts that because PG&E has the sole determination of emergency events, that communities do not have any control over their microgrid operations and there is no guarantee of resilience during a PSPS event or other outage. MRC states that this substantially eliminates the resilience value of a microgrid. They suggest that the Commission develop microgrid tariffs through an open public process where thoughtful public comments can address the types of deficiencies MRC discussed in its response to the PG&E Advice Letter.

In the PG&E reply dated May 18, 2021, PG&E states that the GPI protest fails to meet any of the grounds allowed under General Order (GO) 96-B for a protest and instead relies on policy objections already decided by the Commission in previous decisions and resolutions. PG&E states that the policy issues raised by GPI should therefore be rejected as untimely and out of scope. Nonetheless, PG&E addressed issues point-by-point in its Reply to Protest.

Discussion

Commission staff has reviewed the tariff and the pro forma microgrid operating agreement. Additionally, Commission staff reviewed one response, one protest and the utility reply. Regarding GPI and MRC objections to using the Advice Letter process to address policy issues of major interest, Staff notes that the Commission directed PG&E to submit resiliency strategies in the R.19-09-009 rulemaking to mitigate the impact of PSPS events. The Commission's Decision in Track 1, D-20-06-017, was specifically targeted for adopting solutions to accelerate interconnection of resiliency projects in advance of the forthcoming wildfire seasons. The CMET was approved for a limited term 2020 to 2022 after which the Commission instructed PG&E provide a program evaluation in the PG&E 2023 General Rate Case. Hence the program and its tariff are experimental in nature and opportunities exist for the program to be evaluated and revised in a formal Commission proceeding based on experience and lessons learned.

PG&E's original proposal for CMET in R.19-09-009 received broad support. The Commission provisionally approved the program in D.20-06-017 subject to PG&E describing additional program and implementation details via the Advice Letter process. The Commission subsequently approved the modified PG&E program

in Resolution E-5127. Commission staff draws attention to GO 96-B, section 7.4.2 which states, “A protest may not rely on policy objections to an advice letter where the relief requested in the advice letter follows rules or directions established by statute or Commission order applicable to the utility.” The PG&E Advice Letter is specifically following a Commission order, therefore the GPI Protest that the Advice Letter raises new policy issues is rejected as it is not a sufficient ground for a protest.

GPI and MRC objected to allowing PG&E to exercise sole discretion regarding the definition of emergency events. Commission staff finds that these concerns are not well-founded. PG&E as distribution system operator (“DSO”), is vested with both the responsibility and liability for maintaining safe operation of the distribution system. Maintaining safe operation of the distribution system necessarily includes prompt action by PG&E in the event of an “emergency”.¹ The determination that an “emergency event” has occurred is subject to the “exercise of reasonable discretion”.² PG&E’s advanced weather, emergency monitoring capabilities and DSO operational capabilities place it in the best position to exercise reasonable judgment in determining when conditions require de-energization and are safe for islanding of a microgrid.³

GPI and MRC argued that there would be limited monetization opportunities in the tariff. Commission Staff finds these concerns are likewise without merit. CMET’s primary function is providing critical facility energy resilience for extreme weather or other Public Safety Power Shutoff events by enabling communities to island during these grid disturbances and remain energized. Electric Schedule E-CMET at sheet 7, section 9, item 3 states, “An existing power purchase agreement or other contract for energy, capacity or distribution services to PG&E, or any other counterparty, is prohibited for a CMET Project, if such PPA or other contract impedes the ability to enable Island Mode, as determined by Distribution Provider, at any time during which this tariff applies to the CMET Project or the CMET MOA for the CMET Project is in effect.” As a result, the only contractual limitation on the ability of CMET projects to participate in sales outside of islanded operations is triggered “if such PPA or other contract impedes the ability to enable Island Mode.”⁴ This prohibition is consistent with CMET’s primary goal of providing energy resilience. Moreover, the universe of contracts prohibited by the rate schedule Section 9.3 is narrow and does not restrict other contractual agreements between communities and Community Microgrid Aggregators.

The GPI Protest and the MRC response are each rejected as they do not raise an appropriate ground for protest under General Order 96-B section 7.4.2.

¹The MOA defines “emergency” as “[a]n abnormal condition or situation that adversely affects, or potentially may adversely affect, PG&E’s Electric System Integrity. MOA, Appendix I, “General Definitions”, ¶ 43.

² The MOA defines “Emergency Event” as a “condition or situation requiring prompt action by PG&E (a) to maintain the reliable operation of the Distribution System; (b) to prevent or limit the loss of load or generation; (C) to maintain public safety of PG&E’s personnel; (d) to protect PG&E, Customer, or third-party property; or as Scheduled Island Mode as a preventative action ahead of impending weather events or natural disasters or in response to other usual conditions. MOA, Appendix I, “General Definitions”, ¶ 44.

³ The exercise of reasonable judgment is determined “in light of the facts known at the time a decision is made, that could have been expected to accomplish a desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition.” MOA, Appendix I, “General Definitions”, “PG&E Process, Procedures and Standards” ¶ 69.

⁴ Electric Schedule E-CMET; Community Microgrid Enablement Tariff, § 9.3 “Service Agreements”.

Disposition

Commission staff finds that it is reasonable to accept the Community Microgrid Enablement Tariff and the pro forma Microgrid Operating Agreement for use in support of the PG&E Community Microgrid Enablement Tariff.

This disposition letter is effective on July 12, 2021.

Sincerely,

 FOR

Edward Randolph
Deputy Executive Director for Energy and Climate Policy/
Director, Energy Division

Cc:

Tam Hunt, Green Power Institute (Tam@CommunityRenewables.biz)
Allie Detrio, Microgrid Resources Coalition (allie@reimagine-power.com)
Simon Baker, (Simon.Baker@cpuc.ca.gov)
Forest Kaser, (Forest.Kaser@cpuc.ca.gov)
Molly Sterkel, (Merideth.Sterkel@cpuc.ca.gov)
Igor Grinberg, (Igor.Grinberg@pge.com)
Annie Ho, (AMHP@pge.com)
R.19-09-009 Service List
PG&E Tariffs, (PGETariffs@pge.com)
Energy Division Tariff Unit, (EDTariffUnit@cpuc.ca.gov)

April 19, 2021

Advice 6168-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Submission of Community Microgrid Enablement Tariff in Final Form and Pro Forma of Microgrid Operating Agreement

I. Purpose

Pacific Gas and Electric Company (“PG&E”) hereby submits this Tier 1 Advice Letter (“AL”) in compliance with the California Public Utilities Commission (“CPUC” or “Commission”) Resolution E-5127 Ordering Paragraphs (“OPs”) 2 and 3. The AL provides: (1) the Community Microgrid Enablement Tariff (“CMET”) in final form; and (2) the pro forma Microgrid Operating Agreement for use within the Community Microgrid Enablement Program (“CMEP”).

II. Background

The Commission initiated Rulemaking (“R.”) 19-09-009 (“Microgrid OIR”) to develop a policy framework surrounding the commercialization of microgrids and related resiliency strategies and to implement Senate Bill (SB) 1339 (Stern, 2018).

On December 20, 2019 the assigned Commissioner’s Scoping Memo and Ruling was issued, adopting a scope and schedule for Track 1 of the proceeding. Track 1 addressed deploying resiliency planning in areas that are prone to outage events and wildfires, with the goal of establishing key microgrid and resiliency strategies as soon as possible. Subsequently, on January 21, 2020, PG&E filed its *Track 1 Proposal Addressing Immediate Resiliency Strategies for Outages*. As part of that proposal, PG&E sought approval for a Community Microgrid Enablement Program (“CMEP”) to provide incremental technical and financial support on a prioritized basis for community requested microgrids for Public Safety Power Shutoff (“PSPS”) mitigation purposes.

On June 11, 2020, the Commission adopted D.20-06-017, which approves PG&E’s CMEP as set forth in PG&E’s proposal, subject to five additional program design elements and requirements. First, the Commission directed that eligibility for CMEP be expanded to all areas prone to all outage events, not just Tier 2 and 3 High Fire Threat Districts

(HFTDs).¹ Second, it directed that PG&E incorporate criteria to prioritize vulnerable communities and customers with access and functional needs that apply for CMEP funds.² Third, it approved PG&E to expand the scope to include technical support and guidance for local and tribal governments and Community Choice Aggregators (CCAs) to design and engineer behind-the-meter microgrids, in preparation for the upcoming 2020 fire season and beyond.³ Fourth, it directed that PG&E inform the development of CMEP implementation details by addressing certain questions.⁴ Finally, it directed that PG&E meet and confer with stakeholders to solicit input from local and tribal governments and CCAs to refine the program's scope, eligibility, and fund matching applicability.⁵ The Commission also deferred cost recovery for the CMEP to a separate application or a future General Rate Case, allowing the costs to be tracked in a new Microgrid Memorandum Account in the meantime.⁶

On August 17, 2020, PG&E submitted Advice Letter 5918-E providing details on: (1) the program scope of the CMEP, project applicability, and eligibility criteria; (2) the outreach conducted with local and tribal governments and CCAs to refine program scope, project eligibility and matching funds applicability; and (3) provided evidence of completion for the meet and confer sessions held.

On March 18, 2021, the Commission adopted Resolution E-5127, which approved, with modifications, PG&E's CMEP and the complementary CMET.

III. Submission of the CMET in Final Form and Pro Forma of PG&E's Microgrid Operating Agreement

Pursuant to OPs 2 and 3 of Resolution E-5127, PG&E is providing the following two attachments in support of the CMEP:

- Attachment 1: CMET in final tariff form, which will be published in PG&E's tariff book and available on pge.com/tariffs. Resolution E-5127 approved the CMET structure and design on an experimental basis as part of the CMEP. PG&E made the following two minor edits to the CMET from the pro forma previously submitted: (1) added language that the CMET was approved on an experimental basis; and (2) reference to Resolution E-5127 approving the CMET.
- Attachment 2: Pro Forma of PG&E's Microgrid Operating Agreement, which outlines the operating protocols and responsibilities between the microgrid aggregator and PG&E.

¹ D.20-06-017, p. 85.

² *Id.*

³ *Id.*

⁴ *Id.*, pp. 86-87.

⁵ *Id.*, p. 86.

⁶ *Id.*, pp. 130-131 (OP 16).

Protests

*****Due to the COVID-19 pandemic and the shelter at home orders, PG&E is currently unable to receive protests or comments to this advice letter via U.S. mail or fax. Please submit protests or comments to this advice letter to EDTariffUnit@cpuc.ca.gov and PGETariffs@pge.com*****

Any party wishing to protest this submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than May 10, 2021, which is 21 days⁷ after the date of this submittal. Protests must be submitted to:

CPUC Energy Division
ED Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: EDTariffUnit@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 shall also be sent to PG&E either via E-mail or U.S. mail (and by facsimile, if possible) at the address shown below on the same date it is mailed or delivered to the Commission:

Erik Jacobson
Director, Regulatory Relations
c/o Megan Lawson
Pacific Gas and Electric Company
77 Beale Street, Mail Code B13U
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-3582
E-mail: PGETariffs@pge.com

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that the protest was

⁷ The 20-day protest period concludes on a weekend, therefore, PG&E is moving this date to the following business day.



ADVICE LETTER 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 E)

Utility type:

- ELC GAS WATER
 PLC HEAT

Contact Person: Annie Ho

Phone #: (415) 973-8794

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: AMHP@pge.com

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 6168-E

Tier Designation: 1

Subject of AL: Submission of Community Microgrid Enablement Tariff in Final Form and Pro Forma of Microgrid Operating Agreement

Keywords (choose from CPUC listing): Compliance, Agreement

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: Resolution E-5127

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

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

Confidential treatment requested? Yes No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? Yes No

Requested effective date: 4/19/21

No. of tariff sheets: 16

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: Electric Schedule E-CMET

Service affected and changes proposed¹: N/A

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

¹Discuss in AL if more space is needed.

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

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

Name: Erik Jacobson, c/o Megan Lawson
Title: Director, Regulatory Relations
Utility Name: Pacific Gas and Electric Company
Address: 77 Beale Street, Mail Code B13U
City: San Francisco, CA 94177
State: California Zip: 94177
Telephone (xxx) xxx-xxxx: (415)973-2093
Facsimile (xxx) xxx-xxxx: (415)973-3582
Email: PGETariffs@pge.com

Name:
Title:
Utility Name:
Address:
City:
State: District of Columbia Zip:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
49632-E	ELECTRIC SCHEDULE E-CMET COMMUNITY MICROGRID ENABLEMENT TARIFF Sheet 1	
49633-E	ELECTRIC SCHEDULE E-CMET COMMUNITY MICROGRID ENABLEMENT TARIFF Sheet 2	
49634-E	ELECTRIC SCHEDULE E-CMET COMMUNITY MICROGRID ENABLEMENT TARIFF Sheet 3	
49635-E	ELECTRIC SCHEDULE E-CMET COMMUNITY MICROGRID ENABLEMENT TARIFF Sheet 4	
49636-E	ELECTRIC SCHEDULE E-CMET COMMUNITY MICROGRID ENABLEMENT TARIFF Sheet 5	
49637-E	ELECTRIC SCHEDULE E-CMET COMMUNITY MICROGRID ENABLEMENT TARIFF Sheet 6	
49638-E	ELECTRIC SCHEDULE E-CMET COMMUNITY MICROGRID ENABLEMENT TARIFF Sheet 7	
49639-E	ELECTRIC SCHEDULE E-CMET COMMUNITY MICROGRID ENABLEMENT TARIFF Sheet 8	
49640-E	ELECTRIC SCHEDULE E-CMET COMMUNITY MICROGRID ENABLEMENT TARIFF Sheet 9	
49641-E	ELECTRIC SCHEDULE E-CMET COMMUNITY MICROGRID ENABLEMENT TARIFF Sheet 10	
49642-E	ELECTRIC SCHEDULE E-CMET COMMUNITY MICROGRID ENABLEMENT TARIFF Sheet 11	
49643-E	ELECTRIC SCHEDULE E-CMET COMMUNITY MICROGRID ENABLEMENT TARIFF Sheet 12	
49644-E	ELECTRIC SCHEDULE E-CMET COMMUNITY MICROGRID ENABLEMENT TARIFF Sheet 13	
49645-E	ELECTRIC SCHEDULE E-CMET COMMUNITY MICROGRID ENABLEMENT TARIFF Sheet 14	

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
49646-E	ELECTRIC TABLE OF CONTENTS Sheet 1	49326-E
49647-E	ELECTRIC TABLE OF CONTENTS Sheet 7	49183-E



ELECTRIC SCHEDULE E-CMET
COMMUNITY MICROGRID ENABLEMENT TARIFF

Sheet 1

(N)
(N)

1. APPLICABILITY: The Community Microgrid Enablement Tariff (CMET) schedule (Schedule CMET or this Schedule) implements, in part, on an experimental basis the Community Microgrid Enablement Program (CMEP) pursuant to Public Utilities Commission (CPUC) Decision (D.) D.20-06-017 and CPUC Resolution E-5127. This CMET governs the eligibility, engineering studies, development, and island and transitional operation of Community Microgrids, as defined herein, under the CMEP. As an experimental tariff associated with a limited CMEP, this Schedule is available, on a first-come, first-served basis, to applicants (CMET Applicants) who (i) meet the CMET Eligibility Criteria in Section C, and (ii) submit a complete CMET Application (Application). This Schedule will close to CMET Applicants on the date set forth in Section D, below. Capitalized terms specific to this tariff are defined in section N below.

(N)

2. TERRITORY: This schedule applies throughout PG&E’s electric service area.

3. CMET ELIGIBILITY CRITERIA: A CMET Applicant must meet all of the eligibility criteria outlined below (CMET Eligibility Criteria):

1. Community Microgrid: The CMET Project, consistent with the framework for the CMEP approved in CPUC D.20-06-017, must meet the needs of at least one Critical Facility and at least one additional customer within the Microgrid Boundary.
2. Location: The CMET project must be located either in a Tier 2 or Tier 3 High Fire Threat District (HFTD), in an area that has been impacted by a Public Safety Power Shutoff (PSPS) event in the past, or is in an Outage Prone Area. CMET Projects located in areas that have been excluded from all reasonably anticipated potential future PSPS events due to other PSPS mitigation activities will not be eligible, regardless of whether they have previously experienced a PSPS event.

(N)

(Continued)



ELECTRIC SCHEDULE E-CMET
COMMUNITY MICROGRID ENABLEMENT TARIFF

Sheet 3

(N)
(N)

4. CMET PERIOD CMET Availability Period: The CMET shall begin on the Effective Date and shall continue thereafter until the close on December 31, 2022. At the close of the CMET, this Schedule will close to new Applications and no new CMET MOAs will be offered by PG&E. Applications submitted prior to the close will continue to be processed under this Schedule. Any MOA executed under this Schedule will continue in effect pursuant to the terms of the agreement.

(N)

5. INTERCONNECTION STUDIES

1. Each Project Resource is required to be interconnected to PG&E's Distribution System under PG&E's WDT or Electric Rule 21, according to the applicability of each of those tariffs.
2. Interconnection Study: A CMET Project will require a separate application for Interconnection Study of a CMET Project's proposed Project Resources pursuant to PG&E's WDT or Electric Rule 21, as applicable for each of the Generating Facilities participating as a Project Resource.
3. Interconnection Agreement: The Interconnection Study will identify any required Interconnection Facilities, Distribution Upgrades, or Network Upgrades consistent with PG&E's WDT and Electric Rule 21, as applicable. The CMET Project is required to execute an Interconnection Agreement for each Project Resource.
4. A CMET Applicant will have up to 30 calendar days to review the Interconnection Study. The CMET Applicant, after review, will notify PG&E in writing within 5 calendar days its agreement to proceed with a Microgrid Islanding Study and pay any additional fees for this study, or its withdrawal of the Application. If the CMET Applicant fails to notify PG&E in writing within 5 calendar days after review of the Interconnection Study, the Application for the purpose of CMET Project development will be deemed withdrawn.
5. Applicant may continue with the interconnection of resources under PG&E's WDT or Rule 21 independent of a withdrawn CMET Application.

(N)

(Continued)



ELECTRIC SCHEDULE E-CMET
COMMUNITY MICROGRID ENABLEMENT TARIFF

Sheet 5

(N)
(N)

7. COMMUNITY MICROGRID DEVELOPMENT AND OPERATION

CMET Project development and operation will be governed by the MOA. A CMET Project's use of PG&E's Distribution System to form a Community Microgrid requires operational coordination for public safety and overall Distribution System operation.

(N)

1. Roles and Responsibilities.

- a. Distribution Provider. PG&E as utility distribution owner and operator is responsible for Distribution Service under both Blue Sky and Island Modes including the sole determination of Emergency Events.
- b. Distribution Service. PG&E will provide Distribution Service for the customers and resources within the CMET Project during Blue Sky and Island Modes pursuant to all applicable rules on file with the CPUC.
- c. Community Microgrid Aggregator (CMG Aggregator). A third-party aggregator that coordinates control of distributed resources, including Project Resources and any demand side management resources, consistent with relevant provisions of Electric Rule 2, PG&E's WDT, and Electric Rule 21 including frequency and voltage and other power quality requirements within PG&E established control parameters to enable the CMET Project to operate in Island Mode.

2. Microgrid Operating Agreement. An MOA between the CMG Aggregator and PG&E will govern CMET Project development testing and commercial operations. The MOA will include operational coordination requirements applicable to the unique characteristics of the CMET Project and general requirements consistent with relevant provisions of Electric Rule 2, Electric Rule 21, PG&E's WDT and associated interconnection agreements, Project SFA and operating protocols of the Distribution Provider to ensure operational coordination for public safety and overall system operation. The MOA is dependent upon execution of any required Interconnection Agreements and Special Facilities Agreements.

(N)

(Continued)



ELECTRIC SCHEDULE E-CMET
COMMUNITY MICROGRID ENABLEMENT TARIFF

Sheet 7

(N)
(N)

9. PG&E
TARIFFS,
PROGRAMS
AND SERVICE
AGREEMENTS

1. PG&E Tariffs During Island and Blue Sky Modes. Billing for PG&E Bundled Customers will continue to occur under their applicable PG&E tariff provisions and rules.
2. Participation in PG&E Programs. Project Resources are eligible to provide distribution services and/or participate in demand side management programs during Blue Sky Mode consistent with applicable PG&E tariffs, programs or procurements. However, participation in PG&E programs shall not impede the ability to enable Island Mode, as determined by the Distribution provider, Island Mode, at any time during which this tariff applies to the CMET Project or the CMET MOA for the CMET Project is in effect.
3. Services Agreements. An existing power purchase agreement or other contract for energy, capacity or distribution services to PG&E, or any other counterparty, is prohibited for a CMET Project, if such PPA or other contract impedes the ability to enable Island Mode, as determined by Distribution Provider, at any time during which this tariff applies to the CMET Project or the CMET MOA for the CMET Project is in effect.

(N)

10. CAISO
MARKET
PARTICIPAT-
ION

1. Participation in CAISO Market: Project Resources are eligible to participate in the CAISO markets consistent with applicable tariffs and the governing Interconnection Agreement for each Generating Facility during Blue Sky Mode. During Island Mode, the settlement of energy transactions associated the Project Resources will continue to occur according to applicable CAISO tariff provisions and rules, as further described in the CMET MOA.

11. METERING

CMET Project metering requirements are defined in the applicable PG&E Electric Rules including, but not limited to, 2, 15, 16, 17, 18, 21, and PG&E's WDT.

(N)

(Continued)



ELECTRIC SCHEDULE E-CMET
COMMUNITY MICROGRID ENABLEMENT TARIFF

Sheet 8

(N)
(N)

12. TERMINATION

1. Applicant Termination:

- a. Applicant may terminate the application process, including Microgrid Islanding Study, for any reason with 30 days written notice. Applicant will be responsible for any PG&E costs incurred through termination date.
- b. CMET Project development or operation may be terminated pursuant to the terms of the MOA.

2. PG&E Termination: PG&E may terminate a CMET Project pursuant to the terms of the MOA.

13. CMET SPECIAL CONDITIONS

The following Special Conditions apply to PG&E's CMET:

- 1. CMET Suspension: Because this is an experimental tariff, PG&E may file a Tier 2 Advice Letter (AL) with the CPUC to suspend service under this Schedule. The AL will be served on the applicable CPUC service list and will be served on CMET Aggregators, CMET Applicants and any CMET Customers. The AL shall identify the portion of the CMET suspended, the reasons for the suspension, and PG&E's proposal for resolving the issue.

(N)

(N)

(Continued)



ELECTRIC SCHEDULE E-CMET
COMMUNITY MICROGRID ENABLEMENT TARIFF

Sheet 9

(N)
(N)

14. CMET
DEFINITIONS

Capitalized terms in this Schedule have the meaning as defined in this Section.

(N)

1. Affected System. An electric system other than the Distribution Provider's Distribution System that may be affected by a Material Modification.
2. Blue Sky Mode. The normal mode of operation when the Community Microgrid is Interconnected to and operating in parallel with the Distribution System, is not operating in Island Mode, and PG&E maintains operational coordination of the delivery of electric service.
3. CMET Applicant. The person or entity who submits an Application for a CMET Project to PG&E to apply to participate on this Schedule.
4. CMET Customer. A customer receiving PG&E distribution service within the CMET Project Microgrid Boundary.
5. CMET Project. Facilities and equipment needed to create and operate a Community Microgrid, including the generation, breakers, protective and associated equipment, improvements, and other tangible assets, contract rights, easements, rights of way, licenses and other interests or rights in real estate reasonably necessary for the construction, operation, and maintenance of the Community Microgrid subject to this CMET.
6. Community Microgrid. For the purposes of this Schedule, a Community Microgrid is defined as a microgrid with distribution system connected Project Resources that supply energy to at least one Critical Facility and at least one other customer within a Microgrid Boundary capable of Island Mode.
7. Community Microgrid Aggregator (CMG Aggregator). The entity that is providing microgrid forming service to PG&E under an executed CMET MOA pursuant to Rule 24.

(N)

(Continued)



ELECTRIC SCHEDULE E-CMET
COMMUNITY MICROGRID ENABLEMENT TARIFF

Sheet 14

(N)
(N)

14. CMET
DEFINITIONS
(Cont'd.)

- 31. Service Facilities. PG&E's Service Facilities shall consist of (a) primary or secondary underground or overhead service conductors, (b) poles to support overhead service conductors, (c) service transformers, (d) PG&E-owned metering equipment, and (e) other PG&E-owned service-related equipment that extend from PG&E's Distribution Facilities to the Customer's Service Delivery Point as defined in PG&E's Electric Rule 16.
- 32. Special Facilities Agreement. Special facilities will be installed under the terms and conditions of a contract in the form on file with the Commission, pursuant to Electric Rule 2.
- 33. Unscheduled Island Mode Operation. A Microgrid operating in Island Mode that is not scheduled or coordinated between the CMG Aggregator and PG&E in response to an unplanned event on the Distribution System.

(N)

(N)

(Continued)



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Sheet 1

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Advice 6168-E
Decision

Issued by
Robert S. Kenney
Vice President, Regulatory Affairs

Submitted	<u>April 19, 2021</u>
Effective	<u>April 19, 2021</u>
Resolution	<u>E-5127</u>



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Advice 6168-E
April 19, 2021

Attachment 2

Pro Forma of PG&E's Microgrid Operating Agreement

**COMMUNITY MICROGRID ENABLEMENT TARIFF
MICROGRID OPERATING AGREEMENT**

between

PACIFIC GAS AND ELECTRIC COMPANY

and

Dated:

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This Community Microgrid Enablement Tariff Microgrid Operating Agreement (“Agreement” or “MOA”), together with the appendices and any other attachments referenced herein, is made and entered into between Pacific Gas and Electric Company, a California corporation (“PG&E”) and _____ a _____ as (“Community Microgrid Aggregator” or “CMG Aggregator”) as of _____ (the “Effective Date”). CMG Aggregator and PG&E are referred to individually as “Party” or collectively as “Parties”. PG&E and CMG Aggregator hereby agree to the following:

RECITALS

- A. Whereas, PG&E is a public utility providing both wholesale and retail electric power and energy sales and transmission in northern and central California and which owns an extensive electric transmission and distribution system within that area; and,
- B. Whereas, the CMG Aggregator is a _____ that wishes to develop, own and operate distributed energy resources as a CMG Aggregator and provide energy resiliency for end use customers through development of a Community Microgrid (“CMG”), and,
- C. Whereas, PG&E desires to enter an agreement to enable the development and operation of a Community Microgrid under PG&E’s Community Microgrid Enablement Tariff (“CMET”), which was approved by California Public Utilities Commission (“CPUC”) _____ and,
- D. Whereas, Parties agree that the CMET Project is governed by existing rules and tariffs and required CMET Project Resource interconnection agreements when the normal mode of operation is when the Community Microgrid is interconnected to and operating in parallel with the Distribution System beyond the CMET Project Electrical Boundary (“Blue Sky Mode”), and
- E. Whereas, Parties agree that the CMET Project is governed by the CMET and existing rules and tariffs when operating in disconnected mode (“Island Mode”) from PG&E’s distribution system at the microgrid islanding point (“MIP”), which includes transitioning into, operating in, transitioning out of Island Mode, and safe reconnection back to PG&E’s broader Distribution System, and that a Microgrid Operating Agreement (“Agreement” or “MOA”) is needed to define the roles and responsibilities of the Parties for the development and commissioning, and for safe, reliable operation of a CMET Project, and,
- F. Whereas, CMG Aggregator’s CMET Project has undergone a Microgrid Islanding Study performed by PG&E, and the CMG Aggregator has reviewed and accepted the applicable PG&E Microgrid Islanding Study for the proposed CMG and the resultant Description of Operations, the PG&E CMET Project Special Facilities Agreement and the required CMG Aggregator supplied CMET Project Balance of System requirements and has committed in writing to enter into this Agreement and to proceed with development of the CMET Project.

Now, therefore, in consideration of the agreements contained herein, the Parties, intending to be legally bound, agree as follows:

AGREEMENT

This Agreement shall be binding as of the Effective Date.

Capitalized terms used in this Agreement are defined in Appendix I – General Definitions.

1. TERM & TERMINATION

1.1. Term

The Term of this Agreement shall commence upon the Effective Date and shall continue until the earliest of (i) expiration of the Development Term if CMET Project does not successfully achieve Commercial Operations, (ii) expiration of the Operating Term, or (iii) termination pursuant to Section 1.2 of this Agreement, provided that the terms and conditions of this Agreement shall thereafter remain in effect until the Parties have fulfilled all obligations arising under this Agreement:

A. Development Term

The “Development Term” is the period commencing on the Effective Date and shall remain in effect until the CMET Project Commercial Operation Date (COD), unless sooner terminated in accordance with Section 1.2 of this Agreement.

B. Operating Term

The “Operating Term” is the period commencing on the CMET Project Commercial Operation Date, as such term is defined in Section 2.2, and shall remain in effect for a period of ten (10) years from the COD or such other longer period as the CMG Aggregator may request and shall be automatically renewed for each successive one-year period thereafter, unless terminated in accordance with Section 1.2 of this Agreement.

1.2. Termination

This Agreement shall continue in full force and effect until the occurrence of one or more of the following events:

- A. Parties mutually agree in writing to terminate the Agreement, or
- B. The termination of any existing executed CMET Project Resource Interconnection Agreement(s), which if terminated would result in the CMET Project no longer being in compliance with the CMET requirements per the Microgrid Islanding Study, or
- C. An Order from the CPUC or other Regulatory Authority with jurisdiction over either of the Parties requires that the Agreement or the CMET Project be terminated, or
- D. As provided in Section 5.2(b) for an Event of Default.

In the event of a termination of this Agreement pursuant to Section 1.2(a), such termination will

be effective as of the date designated in writing by the Parties. In the event of a termination pursuant to Section 1.2(b), such termination will be effective as of the earliest termination date of the applicable CMET Project Resource Interconnection Agreement(s), without need for further Notice by either of the Parties. In the event of a termination pursuant to Sections 1.2(c) or (d), PG&E will send a Notice specifying the basis for termination and designating a termination date.

1.3. CMET Project Suspension

During the Operating Term, this Agreement may be suspended by mutual agreement of the Parties for a period of time not to exceed six (6) months as a result of:

- A. A System Change as described in Article 4, or
- B. Written request to PG&E by the CMG Aggregator, or
- C. Written request to CMG Aggregator by PG&E.

During any such suspension period, the operational capability of the CMET Project to transition into, operate in and transition out of Island Mode will be suspended, disabled and physically locked out as prescribed in the applicable Operating Procedures and Protocols detailed in Appendix XII.

2. **CMET PROJECT DEVELOPMENT**

2.1. CMET Project Development Responsibilities

- A. CMET Project Resources and CMET Project Balance of System Facilities. The CMG Aggregator is responsible for the design, procurement, construction, installation and maintenance of the CMET Project Resources and the CMET Project Balance of System consistent with the Microgrid Islanding Study requirements and all associated costs. The CMG Aggregator shall take all actions and obtain all approvals necessary to develop the CMET Project Resources and CMET Project Balance of System pursuant to the terms of this Agreement and must complete the Development Conditions in accordance with Section 2.2.
- B. CMET Project Distribution System Upgrades. The CMG Aggregator shall execute a CMET Project Special Facilities Agreement for PG&E's incremental Distribution Upgrades necessary to enable the CMET Project to operate in Island Mode as identified in the Microgrid Islanding Study. PG&E shall own and maintain these Distribution Upgrades. The CMET Project Special Facilities Agreement is incorporated in Appendix IV-B.
- C. CMG Aggregator and PG&E shall work together to develop, construct, install, and test the CMET Project in accordance with the CMET Project Implementation Plan (PIP) as set forth in Appendix III-B, and in accordance with CMET Project Commissioning Criteria and Commissioning Test Plan as set forth in Appendix VIII. PG&E will collaborate in good faith with the CMG Aggregator to meet and complete the Development Conditions successfully and expeditiously.

D. CMG Aggregator acknowledges that it is responsible for working with PG&E in developing the operating protocols, procedures and guidelines consistent with and pursuant to this Agreement, including, as applicable, requirements as may be contained in the CMET Project Resource Interconnection Agreement(s) and/or Agreement to Perform Tariff Schedule Related Work, and the CMET Microgrid Islanding Study that are attached hereto as Appendix IV-A, Appendix IV-B, and Appendix II, respectively.

2.2. CMET Project Development Conditions

The CMG Aggregator and PG&E will each, as applicable, take all reasonable actions required to demonstrate the satisfaction of each of the following development conditions consistent with both (1) the CMET Project Milestones for which each Party is responsible, as detailed in the attached Appendix III-A, and (2) the CMET Project Implementation Plan (PIP) attached as Appendix III-B (collectively, the “Development Conditions”):

A. CMG Aggregator shall have prepared a Project Safety Plan that is acceptable to PG&E no later than the applicable Milestone presented in Appendix III-A. The Project Safety Plan shall incorporate the elements described in Appendix VI and will describe how the CMG Aggregator will demonstrate compliance with the Safety Requirements during the Development Term, on the CMET Project COD and during the Operating Term.

B. At CMG Aggregator’s expense, CMG Aggregator or Contractor shall have constructed or caused to be constructed the CMET Project and shall have demonstrated to PG&E’s satisfaction that the CMET Project Resources and Project Balance of System have been installed, constructed and configured consistent with the requirements detailed in the CMET Microgrid Islanding Study, attached to this Agreement as Appendix II,

C. CMG Aggregator shall have developed Operating Procedures and Protocols for the CMET Project that is acceptable to PG&E no later than the applicable Milestone presented in Appendix III-A which must be met a minimum of sixty (60) days prior to CMG Aggregator requesting Permission To Operate the CMET Project. The Operating Procedures and Protocols shall be consistent with the provisions in Article 3 and be incorporated as Appendix XII of this Agreement.

D. CMG Aggregator shall have developed Commissioning Criteria and a Commissioning Test Plan that is acceptable to PG&E no later than the applicable Milestone presented in Appendix III-A which must be met a minimum of sixty (60) days prior to CMG Aggregator requesting Permission To Operate the CMET Project. The Commissioning Criteria and Commissioning Test Plan shall be incorporated as Appendix VIII of this Agreement.

E. CMG Aggregator shall have demonstrated to PG&E’s satisfaction that its operating personnel are familiar with the procedures and guidelines in this Agreement as part of the Commissioning Plan prior to the CMET Project operating in Blue Sky Mode or in Island Mode.

F. CMG Aggregator shall have delivered to PG&E the Safety Attestation in accordance with Appendix VI and in the form of Appendix VII-A, and in accordance with Milestones presented in Appendix III-A and at a minimum of sixty (60) days prior to receiving Permission To Operate the

CMET Project.

G. CMG Aggregator shall have delivered to PG&E the Multiple Use Attestation in accordance with Section 7.1(d) of this Agreement in the form of Appendix VII-B, and in accordance with Milestones presented in Appendix III-A and at a minimum of sixty (60) days prior to receiving Permission To Operate the CMET Project.

2.3. Satisfaction of Development Conditions and Commercial Operation Date

A. The CMG Aggregator will provide PG&E with Notice(s) that must contain sufficient documentation to demonstrate satisfaction of the Development Conditions and the CMG Aggregator will provide additional documentation as may be requested by PG&E to demonstrate or verify such satisfaction. Upon receipt of PG&E's confirmation that CMG Aggregator has satisfied all of Development Conditions set forth in Section 2.2, CMG Aggregator will request Permission To Operate the CMET Project by completing the form attached as Appendix V-A and submitting it to PG&E for review and approval, such approval not to be unreasonably be withheld, conditioned or delayed.

B. Following receipt of Permission To Operate the CMET Project, the CMG Aggregator will demonstrate CMET Project performance and operational compliance with PG&E-Approved Commissioning Criteria and the Commissioning Test Plan as detailed in Appendix VIII and will conduct CMET Project Commissioning Test of the CMET Project which may include, at PG&E's discretion, but not be limited to: operational demonstration in Blue Sky Mode, transition to and operation in Island Mode, and transition from Island Mode to Blue Sky Mode through resynchronization with PG&E's electric system in accordance with the PG&E-approved Commissioning Plan.

C. The date upon which all of requirements of Section 2.3(a) and (b) have been completed to the reasonable satisfaction of PG&E will be the "Commercial Operation Date" or "COD" for the CMET Project. The Parties shall memorialize the Commercial Operation Date by mutual execution of the "Commercial Operation Date Confirmation Letter" attached as Appendix V-B.

2.4. Failure to Meet Development Conditions

If CMG Aggregator fails to satisfy all of the Development Conditions as set forth in Section 2.2 by the applicable CMET Project Milestones set forth in Appendix III-A, then PG&E may declare a CMG Aggregator's Event of Default as provided in Section 5.1 of this Agreement, and CMG Aggregator may be required to develop a plan for cure or risk termination of the CMET Project pursuant to Article 5 of this Agreement.

3. CMET PROJECT OPERATIONS

3.1. CMET Project Operation

The CMET Project shall be capable of operation in Blue Sky Mode and Island Mode without adversely affecting the operations of the connected electric grid or the operations of the

Distribution Customers within the CMET Project Electrical Boundary and without presenting safety hazards to the public, PG&E's or CMG Aggregator's personnel.

3.2. Roles & Responsibilities – General

- A. PG&E is the Distribution Provider that is responsible for providing Distribution Service under both Blue Sky and Island Modes pursuant to all applicable Laws. PG&E will operate and maintain the Distribution System, including any Distribution Upgrades.
- B. The CMG Aggregator is a third-party aggregator that coordinates control of distributed resources, including CMET Project Resources and any demand-side management resources, consistent with relevant provisions of Applicable Rules and Standards and Operating Procedures and Protocols as detailed in Appendix XII to enable the CMET Project to operate in Island Mode.
- C. During the Operating Term, CMG Aggregator shall at all times (i) retain operational coordination with PG&E for the CMET Project pursuant to this Agreement and applicable Operating Procedures and Protocols as shown in Appendix XII, (ii) be responsible for or cause CMG Aggregator's agent to be responsible for maintenance of the CMET Project Resources and CMET Project Balance of System, and (iii) bear all costs related to ownership, operation, scheduling, and maintenance of the [CMET Project Resources and]CMET Project Balance of System as required for the CMET Project to safely and reliably transition to, operate in and transition from Island Mode.

3.3. Roles and Responsibilities - Modes of Operation

A. Blue Sky Mode

Blue Sky Mode is when the CMET Project is operating connected and synchronized to the PG&E Distribution System at the Microgrid Islanding Point (MIP).

- a) CMG Aggregator is responsible for monitoring CMET Project Resources and Balance of Systems that are under their ownership and/or control, to assure availability and readiness to transition to Island Mode, either on a planned/scheduled basis or as a result of an unplanned outage of the PG&E distribution system at or beyond the MIP. CMG Aggregator is responsible for managing CMET Project Resources and Balance of System under their ownership and/or control or obligation in a manner consistent with Applicable Rules and Standards. CMG Aggregator is responsible for periodic testing to demonstrate availability and capability of the CMET Project pursuant to Section 3.4.3 and consistent with applicable Operating Procedures and Protocols prescribed in Appendix XII.
- b) PG&E is responsible for monitoring and control of the CMET Project equipment and systems via PG&E's SCADA system for operational availability, readiness and compliance with PG&E designated and approved control and protection configuration and settings and for monitoring the PG&E Distribution System within the CMET Project Electrical Boundary consistent with PG&E's role and responsibility as Distribution Provider and in conformance with all Applicable Rules and Standards. PG&E will notify

CMG Aggregator of a planned transition or a PSPS event which could result in a transition from Blue Sky Mode to Island Mode either at the same time (to the extent the CMG Aggregator is classified as a Public Safety Partner) or at the earliest reasonably practicable opportunity after it notifies Public Safety Partners and posts to its website notice of an anticipated de-energization of transmission infrastructure, in accordance with the CMET Project Operating Procedures and Protocols set forth in Appendix XII.

B. Island Mode

Island Mode is when the CMET Project has disconnected from the broader PG&E Distribution System at the Microgrid Islanding Point and is providing power to the Distribution Customers within the CMET Project Electrical Boundary:

- a) CMG Aggregator is responsible for monitoring and operating CMET Project Resources and Balance of System to maintain service quality as prescribed in Section 3.2. CMG Aggregator will provide on-site inspection during Island Mode operation in accordance with the Operating Procedures and Protocols set forth in Appendix XII.
- b) PG&E is responsible for monitoring the CMET Project via PG&E's SCADA system, as well as limited control for operational compliance with PG&E designated and approved control and protection configuration and settings, and for monitoring the PG&E Distribution System within the CMET Project Electrical Boundary consistent with PG&E's role and responsibility as Distribution Provider. PG&E is responsible for notifying CMG Aggregator of a planned transition from Island Mode to Blue Sky Mode in accordance with the Operating Procedures and Protocols set forth in Appendix XII.

C. Maintenance

- a) The CMG Aggregator agrees to maintain all PG&E-required CMET Project devices as identified in the Microgrid Islanding Study and Description of Operations in service, with controller and protection settings as recorded on a PG&E-approved relay test report and G5-1 forms.
- b) Proposed changes in controller and protection settings must be submitted in writing to PG&E for review and approval, which approval will not be unreasonably withheld, conditioned, delayed. PG&E will review proposed changes and modifications of the existing Islanding control, protection or cybersecurity schemes and associated implementation and test plan, and will provide CMG Aggregator with Notice of any required modifications. Upon confirmation that such modifications have been made by CMG Aggregator, PG&E will provide Notice of approval to CMG Aggregator, with confirmation that CMG Aggregator may proceed with its implementation and test plan and consistent with Operating Procedures and Protocols in Appendix XII as applicable.
- c) The CMG Aggregator agrees to comply with the requirements identified in this Agreement for CMET Project Island Mode operation and the PG&E Interconnection Handbooks for all such equipment and generation sources capable of parallel operation with PG&E's electrical system.

3.4. Operational Coordination

A. Communications

During the Operating Term, CMG Aggregator shall coordinate CMET Project operations with PG&E and maintain the Project pursuant to the Operating Procedures and Protocols as described in Appendix XII.

- a) The CMG Aggregator shall maintain operating communications with the Designated PG&E Switching Center at all times during the Operating Term. The operating communications shall include, but not be limited to, CMET Project status, CMET Project Resource separation, scheduled and unscheduled shutdowns, Unscheduled Island Mode and CMET Project equipment clearances, and notifications of security updates and support pursuant to Section 12.3.4 of this Agreement. Communications can be a combination of real-time telemetry through SCADA and person to person communications as described in Appendix XII.
- b) All oral operating communications shall be conducted through the Designated PG&E Switching Center. The CMG Aggregator agrees to maintain direct phone service staffed 24 hours so that PG&E can give instructions to the CMG Aggregator or its designated CMET Project operations coordinator.
- c) Parties will develop Operating Procedures and Protocols as provided in Section 2.2(c), to be incorporated as Appendix XII of this Agreement. The Operating Procedures and Protocols may include, but shall not be limited to, the following elements:
 1. Identify and describe parties' detailed operational roles and responsibilities under defined operating modes of i) Blue Sky Mode and ii) Island Mode, including during the transitions between such operating modes as prescribed in this Agreement.
 2. Identify responsible entities and respective Designated CMET Project Operating Representatives for specific operational activities associated with the CMET Project and PG&E.
 3. Identify communications requirements for operational notification and coordination that may include:
 - i. Any Emergency situation or any CMG Aggregator request that PG&E de-energize a portion of the PG&E Distribution System within the CMET Project.
 - ii. Any Emergency situation or any PG&E need to de-energize a portion of the PG&E Distribution System within or outside the CMET Project electrical boundary that impacts the ability of the CMET Project to transition to and operate in Island Mode.
 - iii. Any changes in the mechanical or electric condition of the CMET Project that may affect the reliability of the PG&E electric system.
 - iv. Immediately upon discovery, any mis-operation or inoperable condition of a PG&E-required CMET Project controller, relay, circuit breaker, or other protective device.

- v. Any curtailment or limitation in CMET Project operation resulting from any type of communications, control or hardware failure.
- vi. Immediately upon discovery, any operation of a PG&E-required CMET Project, circuit breaker, or other protective device, including a listing and description of the protection alarm points that caused the circuit breaker or protective device to operate.
- vii. Emergency CMET Project transition to Island Mode shall be reported as soon as conditions permit.
- viii. Planned/Scheduled transition between Operating Modes.
 - ix. Planned maintenance outage requests of the CMET Project, consistent with PG&E process, procedures and standards as applicable and as may be incorporated or referenced in Appendix XII.
 - x. Planned maintenance outage of PG&E Distribution System that may impact the CMET Project that impacts the ability of the CMET Project to transition to and operate in Island Mode.
 - xi. Procedures for switching, energizing/de-energizing of the PG&E Distribution and/or CMET Project.
 - xii. Periodic capability and functional testing.
 - xiii. Personnel authorization to access CMET Project control facilities and equipment.

B. Special Operations & Clearance Requests

- a) CMG Aggregator may request a special operation to manually island the CMET Project from the PG&E system for testing or other reasons. CMG Aggregator must provide PG&E notice pursuant to the Operating Procedures and Protocols prior to any such proposed special operation, including the reasons and objectives for the request, planned date/time of Island Mode operation, Island Mode duration and planned date/time of transitioning back to Blue Sky Mode. PG&E, in its sole discretion, may provide CMG Aggregator confirmation and approval of the request and will coordinate transition to Island Mode and return to Blue Sky Mode operations with the Designated PG&E Switching Center in real time when proceeding with the approved special operations.
- b) Under normal conditions, PG&E will give advance notice of plans to perform work that may affect the CMET Project access to the PG&E system, consistent with PG&E process, procedures and standards as may be applicable and incorporated or referenced in Appendix XII. The CMG Aggregator may request that such work be performed during times other than regular business hours (Non-Holidays, Monday through Friday, 8:00 A.M. to 5:00 p.m.), which PG&E may accommodate, provided that PG&E reserves the right to charge the CMG Aggregator the additional cost for work performed during times other than normal business hours when the schedule of such work is negotiable, as solely determined by PG&E. PG&E will provide the CMG Aggregator with an estimate of the additional cost and if the CMG Aggregator still desires the work to be performed during non-normal

business hours and PG&E does perform the work, PG&E shall charge the CMG Aggregator the actual additional costs for the work, the amount of which shall not exceed the cost estimate.

- c) Under Emergency conditions, the Designated PG&E Switching Center may, without notice and at any time, interrupt service to the CMET Project if a situation exists which may adversely affect the PG&E Electric System Integrity or upon any emergency request that PG&E de-energize a portion of the Distribution System under its control pursuant to Electric Rule 14.

3.5. Operating Performance Requirements

During the Operating Term:

- a) PG&E and CMG Aggregator will mutually develop and perform an annual CMET Project Performance Test to demonstrate that the CMET Project can successfully meet the operating requirements and required performance pursuant to the CMET Project Description of Operations in Appendix XII and the Microgrid Islanding Study in Appendix II as applicable. Project Performance test reports shall be mutually reviewed by PG&E and CMG Aggregator to confirm compliance with the Description of Operations.
- b) PG&E and CMG Aggregator will mutually develop and coordinate annual review and testing of the CMET Project Balance of System to demonstrate compliance with manufacturer's accepted specifications and applicable operating requirements pursuant to CMET Project Description of Operations detailed in Appendix XII. CMET Project Balance of System test reports shall be mutually reviewed by PG&E and CMG Aggregator to confirm compliance with the Description of Operations.
- c) As part of the annual CMET Project Performance Test, PG&E may, at its option, request CMG Aggregator to demonstrate to PG&E's satisfaction that its operating personnel are familiar with the Operating Procedures and Protocols in this Agreement to the CMET Project operating in Blue Sky Mode or in Island Mode and associated transitions between these operating modes.
- d) The CMET Project must successfully meet the minimum availability and capability performance requirements specified in the Description of Operations and Microgrid Islanding Study as applicable and detailed in Appendix II.
- e) The CMG Aggregator shall demonstrate to PG&E's satisfaction, compliance with the requirements for Operational Coordination for communications, special operations and clearance requests pursuant to Section 3.4.

3.6. Failure to Meet CMET Operating Performance Requirements

If CMG Aggregator fails to satisfy all of the Operating Performance Requirements as set forth in Section 3.5, then PG&E may declare a CMG Aggregator's Event of Default as provided in Section 5.1 of this Agreement, and CMG Aggregator may be required to develop a cure or be subject to termination of the CMET Project pursuant to Section 5.2 of this Agreement.

4. SYSTEM CHANGE

4.1. Periodic Review

At any time and at its sole discretion, PG&E may perform a review of an existing CMET Project's Microgrid Islanding Study and evaluate the impact of any substantive changes in the original assumptions used in the CMET Project's applicable Microgrid Islanding Study regarding customer load, resources, or other operational or safety issues inside or outside the Electrical Boundary of an existing CMET Project that may represent a System Change which could render the CMET Project incapable of safely operating in Island Mode.

If PG&E determines, in its sole discretion, that such a System Change has occurred, PG&E will notify the CMG Aggregator of this determination and perform, at its own expense a new Microgrid Islanding Study to determine what modifications, if any, to the existing CMET Project will be needed to allow the CMET Project to be capable of safely transitioning from Blue Sky Mode, operating in Island Mode and transitioning back to Blue Sky Mode.

4.2. CMG Aggregator Proposed Changes

A. Change or Modify CMET Project Resources or Loads

- a) During the Operating Term, the CMG Aggregator may need or want to change, modify or add CMET Project Resources or incorporate CMG Aggregator-initiated changes in end-use customer loads (e.g. behind the meter resources or programs, new loads, etc.) within the existing CMET Project Electrical Boundary. CMG Aggregator must notify PG&E of any such proposed changes in sufficient detail to allow PG&E to make a preliminary assessment if the proposed changes would constitute a System Change. CMG Aggregator will not make any changes to the existing CMET Project without first providing Notice to PG&E and fulfilling the requirements of this Section 4.2.
- b) Upon receipt of CMG Aggregator's Notice of a proposed change as described in 4.2.1.a, PG&E will conduct a preliminary assessment to determine if the proposed changes would constitute a System Change. If, in PG&E's sole discretion, the proposed changes would not constitute a System Change, PG&E will provide Notice to CMG Aggregator if the proposed change is acceptable, or provide feedback on necessary modifications to the proposed change. If, in PG&E's sole discretion, the proposed changes constitute a System Change, PG&E will advise CMG Aggregator and request written authorization from CMG Aggregator to proceed with a new Microgrid Islanding Study.
- c) If CMG Aggregator authorizes PG&E to proceed, PG&E will develop a new Microgrid Islanding Study, based on the CMG Aggregator's proposed changes as well as any other relevant operational conditions inside or outside the CMET Project Electrical Boundary that PG&E deems appropriate. PG&E will provide the new Microgrid Islanding Study to the CMG Aggregator upon its completion for review. The Microgrid Islanding Study will identify what new or incremental additions to existing CMET Project Resources, Special Facilities or Balance of System are required and what the cost estimate is for these changes.

- d) The CMG Aggregator will have thirty (30) Calendar Days after receipt of the new Microgrid Islanding Study and the revised Description of Operations to review and sign the new/incremental PG&E Project Special Facilities Agreement and the new/revised CMET Project Balance of System requirements. CMG Aggregator shall commit in writing to amend or revise this Agreement as applicable and to proceed with implementation of prescribed changes to enable the CMET Project to continue to safely operate in Island Mode.
- e) If the CMG Aggregator rejects the results of the new Microgrid Islanding Study, then no modifications will be made to the existing CMET Project and it will continue to operate under the existing MIS and Description of Operations.

B. Cost Responsibility

- a) CMG Aggregator is responsible for the cost of a new Microgrid Islanding Study conducted under Section 4.2.
- b) The CMG Aggregator is responsible for all incremental costs associated with changes to the CMET Project SFA and CMET Project Balance of System identified in any new Microgrid Islanding Study undertaken pursuant to Section 4.2, including any required changes to IAs associated with non-participating generation within the scope of the Microgrid Islanding Study (either existing or new).

4.3. PG&E System Changes

A. New Microgrid Islanding Study

- a) At any time during the Operating Term, PG&E may need to accommodate new generation interconnection, customer load changes/new connections or accommodate other operational conditions within and/or outside the electrical boundary of an existing CMET Project which may, in PG&E's sole determination result in a System Change.
- b) PG&E will notify the CMG Aggregator of any System Change identified pursuant to Section 4.3.1(a). If the System Change includes a new generation interconnection within the existing CMET Project Electrical Boundary, PG&E will notify the CMG Aggregator and the CMG Aggregator, in its sole discretion, and may approach the owner of the new generation about potentially participating in the CMET Project.
- c) Within fifteen (15) days of PG&E notifying the CMG Aggregator of a System Change involving new generation interconnection, PG&E will initiate a new Microgrid Islanding Study, assuming the new generation interconnection will not be participating in the existing CMET Project, unless specifically notified by the CMG Aggregator otherwise.
- d) PG&E will provide the new Microgrid Islanding Study to the CMG Aggregator upon completion for CMG Aggregator's review. The Microgrid Islanding Study will identify what new or incremental additions to existing CMET Project resources, Special Facilities or Balance of System are required and provide a cost estimate for these changes.
- e) The CMG Aggregator will have thirty (30) Calendar Days after receipt of the new Microgrid

Islanding Study (which will include a revised Description of Operations) to review and sign the new/incremental PG&E CMET Project Special Facilities Agreement and the new/revised CMET Project Balance of System requirements. CMG Aggregator shall commit in writing to amend or revise this Agreement as applicable and to proceed with implementation of prescribed changes to enable the CMET Project to continue to safely operate in Islanding Mode.

- f) If the CMG Aggregator rejects the results of the new Microgrid Islanding Study, then PG&E will provide CMG Aggregator with an estimate of when the existing CMET Project will be terminated or suspended under provisions described in Section 1.2.

B. Cost Responsibility:

- a) PG&E is responsible for the cost of a new Microgrid Islanding Study prepared pursuant to Section 4.3.
- b) The CMG Aggregator is responsible for all incremental costs associated with changes to CMET Project SFA and CMET Project Balance of System identified in any new Microgrid Islanding Study undertaken pursuant to Section 4.1 and Section 4.3, including any incremental required changes to IA requirements associated with non-participating generation within the scope of the Microgrid Islanding Study (either existing or new).

5. EVENTS OF DEFAULT, REMEDIES AND DEFAULT

5.1. Events of Default

A. CMG Aggregator

The CMG Aggregator will be deemed a "Defaulting Party" upon the occurrence of any of the following (each a "CMG Aggregator's Event of Default"):

- a) CMG Aggregator fails to satisfy a Development Condition by the required Milestone date.
 - 1. If a CMG Aggregator anticipates that it will be unable to meet a Development Condition or Milestone for any reason, it shall immediately notify PG&E of the reason(s) for not meeting the Development Condition or Milestone and (1) propose the earliest reasonable alternate date and the means by which CMG Aggregator can attain this and future Development Conditions or Milestones, and, (2), if PG&E agrees with such extension request, the Parties will make appropriate amendments to Appendix III-A and/or Appendix III-B.
 - 2. PG&E may decline to enter into such an amendment in its reasonable discretion, including, without limitation, if (1) it anticipates that it may suffer uncompensated economic or operational harm from the delay, (2) attainment of the same Development Condition or Milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the Development Condition or Milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

- b) The CMG Aggregator fails to satisfy the Operating Performance Requirements for the CMET Project as set forth in Section 3.5 of this Agreement, as determined by PG&E in its reasonable discretion.

B. Either Party

Either Party will be deemed a “Defaulting Party” if a Party fails to perform any of its material obligations or covenants under this Agreement when and as required, and such failure is not otherwise addressed in this Section 5.1 (each an “Event of Default”).

5.2. Default Notice & Remedy

A. Upon a Default, the non-defaulting Party shall give written notice of such Default to the Defaulting Party. The defaulting Party shall have sixty (60) Calendar Days from receipt of the Default Notice within which to cure such Default; provided however, if such Default is not capable of cure within sixty (60) Calendar Days, the defaulting Party shall commence such cure within twenty (20) Calendar Days after notice and continuously and diligently complete such cure within six (6) months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

B. If a Default is not cured as provided in this Section 5.2, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this Article 5 will survive termination of this Agreement.

5.3. Waiver

A. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

B. Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Any waiver of this Agreement shall, if requested, be provided in writing.

6. GOVERNMENTAL CHARGES

6.1. Cooperation

Each Party shall use reasonable efforts to implement the provisions of and to administer this Agreement in accordance with the intent of the Parties to minimize all taxes, so long as neither Party is materially adversely affected by such efforts.

6.2. Governmental Charges

CMG Aggregator shall pay or cause to be paid all taxes or fees imposed by any Governmental Authority (Governmental Charges) on or with respect to the CMET Project, by reason of the execution, delivery, performance or enforcement of this Agreement. Nothing shall obligate or cause a Party to pay or be liable to pay any Governmental Charges for which it is exempt under Law.

7. COVENANTS

7.1. General Covenants

Each Party covenants throughout the Term of this Agreement as follows

- A. It shall continue to be duly organized, validly existing and in good standing under the Laws of the jurisdiction of its formation and qualified to conduct business in the State of California and in all jurisdictions where ownership of its properties or its operations require such qualifications, except where the failure to do so would not have a material adverse effect on its financial condition, its ability to own its properties or transact its business, or to carry out the transactions contemplated hereby;
- B. It shall maintain (or obtain from time to time as required, including through renewal, as applicable) all Governmental Approvals necessary for it to legally perform its obligations under this Agreement;
- C. It shall perform its obligations under this Agreement in a manner that does not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any Law applicable to it;
- D. It shall follow all rules, orders and tariffs approved or established by the CPUC and the CAISO with respect to any energy storage CMET Project Resource, including, but not limited to the multiple use application rules set forth in Appendix A of CPUC Decision 18-01-003 as that Decision may be revised in the future.

7.2. Covenants of CMG Aggregator

CMG Aggregator covenants to and for the benefit of PG&E that throughout the Operating Term (unless another time period is specified):

- A. It shall operate the Project during the Operating Term in accordance with the Operating Procedures and Protocols in Appendix XII and the Safety Requirements, and,
- B. It shall comply with all applicable Laws, Applicable Rules and Standards, and Utility Distribution Company, Participating Transmission Owner, and CAISO Tariff requirements applicable to the CMET Project.

8. LIABILITY, INDEMNITY, CONSEQUENTIAL DAMAGES AND INSURANCE

8.1. Limitation of Remedies, Liability and Damages

EXCEPT AS MAY OTHERWISE BE EXPRESSLY PROVIDED IN THIS AGREEMENT, THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED UNLESS THE PROVISION IN QUESTION PROVIDES THAT THE EXPRESS REMEDIES ARE IN ADDITION TO OTHER REMEDIES THAT MAY BE AVAILABLE. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED UNLESS EXPRESSLY HEREIN PROVIDED. NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION (OTHER THAN IN SECTION 8.2) OR OTHERWISE EXCEPT TO THE EXTENT PART OF AN EXPRESS REMEDY OR MEASURE OF DAMAGES HEREIN. UNLESS EXPRESSLY HEREIN PROVIDED, AND SUBJECT TO THE PROVISIONS OF SECTION 8.2, IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

8.2. Indemnity

- A. This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement as applicable to the CMET Project. Liability under this provision is exempt from the general limitations on liability found in Section 8.1.
- B. The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs,

attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

C. If an indemnified person is entitled to indemnification under this Section 8.2 as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this Section 8.2, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

D. If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this Section 8.2, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.

E. Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this Article 8 may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.

8.3. Insurance

A. The CMG Aggregator shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the CMET Project as applicable undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and operational nature of the CMET Project. Such insurance shall be obtained from an insurance provider authorized to do business in the State where the CMET Project is located. Certification that such insurance is in effect shall be provided upon request of PG&E, except that the CMG Aggregator shall show proof of insurance to PG&E no later than ten (10) Business Days prior to the anticipated commercial operation date. A CMG Aggregator of sufficient credit-worthiness may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.

B. PG&E agrees to maintain general liability insurance or self-insurance consistent with the PG&E's commercial practice. Such insurance or self-insurance shall not exclude coverage for the PG&E's liabilities undertaken pursuant to this Agreement.

C. The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

9. **ASSIGNMENT**

9.1. General Assignment

Neither Party will assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent will not be unreasonably conditioned, delayed, or withheld so long as (a) the assignee assumes the transferring Party's performance obligations under this Agreement, (b) the assignee agrees in writing to be bound by the terms and conditions hereof, (c) the transferring Party delivers evidence satisfactory to the non-transferring Party of the proposed assignee's technical and financial capability to fulfill the assigning Party's obligations hereunder, (d) the transferring Party delivers such tax and enforceability assurance as the other Party may reasonably request, and (e) in the case of CMG Aggregator as the transferring Party with a transfer to an assignee that will have operational control of the CMET Project, CMG Aggregator delivers to PG&E, upon PG&E's request, documentation to demonstrate the assignee is capable of satisfying and complying with all provisions of this Agreement.

9.2. Assignment in Connection with a Change in Control

Any direct change of control of CMG Aggregator or CMG Aggregator's Parent (whether voluntary or by operation of Law) is deemed an assignment and shall require the prior written consent of PG&E which consent shall not be unreasonably conditioned, delayed or withheld, provided that the requirements identified in Section 9.1(a) through (e) are met. CMG Aggregator shall use commercially reasonable efforts to provide PG&E (a) Notice at least ten (10) days prior to the effectiveness of any indirect change in control, and shall in any event provide such Notice no later than ten (10) Business Days after the indirect change in control, and (b) such other information as PG&E may reasonably request in connection with such change in control.

9.3. Unauthorized Assignment

Any attempted assignment that violates this Article 9 is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the CMG Aggregator. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

10. DISPUTE RESOLUTION

The Parties agree to attempt to resolve all disputes associated with this Agreement according to the provisions of this Article 10.

10.1. Notification and Negotiation

A. In the event of a dispute, the dispute shall be documented in a written Notice by the aggrieved Party 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 this Article 10. The Notice shall be sent to the Party's email address and physical address set forth under Notices in Appendix IX. A copy of the Notice shall also be sent to the Energy Division, Office of the Director, at the Commission. The receiving

Party shall acknowledge the notice within five (5) Calendar Days of its receipt.

B. 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 to review the dispute within seven (7) Calendar Days.

C. Upon receipt of Notice, receiving Party shall provide the aggrieved Party with all relevant regulatory and/or technical details and analysis regarding CMET Project under dispute within twenty-one (21) Calendar Days.

D. Within forty-five (45) Calendar Days of the date of the Notice, the Parties' authorized representatives will be required to meet and confer to try to resolve the dispute. Parties are expected to operate in good faith and use best efforts to resolve the dispute.

E. If a resolution is not reached in forty-five (45) Calendar Days from the date of the notice, either 1) a Party may request to continue negotiations for an additional forty-five (45) Calendar Days or 2) the Parties may by mutual agreement make a written request for mediation to the Alternative Dispute Resolution (ADR) Coordinator in the Commission's Administrative Law Judge (ALJ) Division. The request may be submitted by electronic mail to adr_program@cpuc.ca.gov. Alternatively, both Parties by mutual agreement may request mediation from an outside third-party mediator with costs to be shared equally between the Parties.

F. At any time, either Party may file a formal complaint before the Commission pursuant to California PUC section 1702 and Article 4 of the Commission's Rules of Practice and Procedure. Nothing in this section shall be construed to limit the rights of any Party to exercise rights and remedies under Commission law.

10.2. Performance During Dispute

A. Pending resolution of any dispute under this Article 10, the Parties shall proceed diligently with the performance of their respective obligations under this Agreement unless this Agreement has been terminated.

B. If a dispute for which a Party has provided a Notice pursuant to this Article 10 remains unresolved to the satisfaction of either Party more than sixty (60) days following receipt of the Notice, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

11. INTELLECTUAL PROPERTY, AGREEMENT DELIVERABLES AND USE RIGHTS

11.1. OWNERSHIP OF DELIVERABLES AND PROPRIETARY RIGHTS. PG&E shall own all data, reports, information, manuals, computer programs or other written, recorded, photographic or visual materials, proprietary rights, intellectual property or other deliverables produced or owned by PG&E in the performance of this Agreement. CMG Aggregator shall retain no interest, title or ownership including, but not limited to energy usage data and customer specific information, provided by PG&E.

11.2. CMG AGGREGATOR'S USE OF PG&E PROPERTY: All records, reports, computer programs, written procedures and similar materials, documents or data, in whatever form, provided by PG&E for CMG Aggregator's use to perform Work, shall remain PG&E's Confidential Information and property and be returned immediately upon completion of CMG Aggregator's use for performance of the Work or earlier upon PG&E's request. Alternatively, CMG Aggregator may destroy such information, provided an officer of CMG Aggregator certifies the destruction in writing.

12. CONFIDENTIALITY AND DATA SECURITY

12.1. CONFIDENTIALITY:

- A. In performing Work, CMG Aggregator may have access to, or be provided with, PG&E, Customer, consumer, household and/or employee commercial or personal confidential information. CMG Aggregator agrees not to disclose or otherwise make available any confidential information to others, including any affiliate of PG&E that produces energy or energy-related products or services, without PG&E's written consent. CMG Aggregator also agrees it shall not collect, use, retain or disclose personal information as defined in California Civil Code Section 1798.140(o)(1) for any purpose other than for the specific purpose of performing the Work or providing products under this Agreement. CMG Aggregator shall not sell personal information as defined in California Civil Code 1798.140(o)(1) under any circumstances. "Confidential Information" shall mean:
- a) the Customer's personal identifiable information, energy use data, billing data, account information and information relating to their facilities, equipment, processes, products, specifications, designs, records, data, software programs, finances, technologies, trade secrets, marketing plans or manufacturing processes or products; and
 - b) information about PG&E employees and business operations, informational or technological practices, ratemaking, legislative matters, reports, strategies, analysis, specifications, designs, records, data, software programs, finances, computer models, trade secrets, and other related documentation or information related to PG&E, its parent company, subsidiaries, affiliates, third parties, suppliers; and
 - c) any confidential information of any third party disclosing such confidential information to PG&E or CMG Aggregator in the course of such third party's engagement, business, or other relationship with PG&E or its parent, subsidiary, or affiliated companies,
 - d) Personal information as defined in California Civil Code 1798.140(o)(1), and
 - e) PG&E Data as defined in Appendix X, Confidentiality and Data Security.

CMG Aggregator represents, certifies and warrants that it understands and will comply with the foregoing restrictions and that CMG Aggregator has no intent or reason to believe it will violate these restrictions. Upon request by PG&E, in PG&E's sole discretion, CMG Aggregator will delete or destroy any Confidential Information obtained from PG&E or in performing the Work or providing products under this Agreement, unless CMG Aggregator documents that it is lawfully prohibited from deleting or destroying such Confidential Information.

- B. If CMG Aggregator is in doubt about whether certain information is Confidential Information, CMG Aggregator agrees to treat such information as Confidential Information.
- C. CMG Aggregator agrees to use the Confidential Information strictly for the purpose of carrying out its obligations to perform the Work and will restrict access to the Confidential Information to those of its personnel with a need to know basis and will promptly inform PG&E if such personnel include any affiliate of PG&E that produces energy or energy-related products or services.
- D. CMG Aggregator agrees to implement and maintain reasonable security procedures and practices to protect the unauthorized disclosure, destruction, and/or use of the Confidential Information.
- E. The Requirements of Appendix X, Confidentiality and Data Security, and Appendix XI, Non-Disclosure and Use of Information Agreement, applies to every CMG Aggregator employee and CMG Aggregator subcontractor handling such PG&E Confidential Information and CMG Aggregator further agrees prior to its employees and/or Subcontractor's receiving this Confidential Information, CMG Aggregator will have them first execute a copy of Appendix XI. The attached Appendix X and Appendix XI are hereby incorporated by reference and are made part of this Agreement.

12.2. SECURITY: CMG Aggregator hereby represents, warrants, and covenants to PG&E that the Work, including any hardware, software, firmware, equipment and other Deliverables, does not and will not contain or make available any Malicious Code. Without limiting any of PG&E's rights and remedies with respect thereto (all of which are expressly reserved), if CMG Aggregator detects or is made aware of Malicious Code in the Work, CMG Aggregator shall notify PG&E immediately, remove such Malicious Code, remediate the effects of such Malicious Code, and restore any lost or corrupt data if applicable.

12.3. CYBER PROTECTION FOR PROGRAMMABLE DEVICES: The following requirements apply to any Deliverables under this Agreement containing software, firmware, microcode or other programmable features. These requirements apply on a continuing basis for the longer of five years and the expected service life of the deliverables as disclosed by CMG Aggregator in its product descriptions (the "Service Life"):

- A. MALICIOUS CODE: CMG Aggregator represents, warrants, and covenants to PG&E that upon delivery to PG&E the Deliverables will not contain or make available any Malicious Code. Without limiting any of PG&E's rights and remedies with respect thereto (all of

which are expressly reserved), if CMG Aggregator detects or is made aware of Malicious Code in the Deliverables during the Service Life, CMG Aggregator shall immediately notify PG&E. If PG&E has not put the Deliverables into use, CMG Aggregator shall remove such Malicious Code, remediate its effects and certify the Malicious Code has been removed. If the Deliverables are in use, CMG Aggregator shall assist PG&E to remove the Malicious Code in accordance with the Section below “Security Updates and Support.”

- B. CYBERSECURITY SPECIFICATIONS: CMG Aggregator hereby represents, warrants, and covenants that the Deliverables comply with the cybersecurity features and functions, if any, described in the associated specifications.
- C. SECURITY VULNERABILITIES AND TESTS: CMG Aggregator acknowledges the Deliverables may be subject to security testing by PG&E or its security testing consultants before the Deliverables are accepted, or at any time during their Service Life. If the Deliverables are integrated with products supplied by third parties, that third party may also be involved in the testing process. CMG Aggregator agrees to fully cooperate with such tests that may include: (a) providing source code and other documentation (which PG&E shall use solely for testing purposes), and (b) providing a representative with suitable technical expertise to participate in the tests. The conduct and results of the tests, including any security vulnerabilities identified in or during the tests, shall be PG&E Confidential Information. Tests identifying any security vulnerabilities will be resolved in accordance with the following Section, Security Updates and Support.
- D. SECURITY UPDATES AND SUPPORT: Should CMG Aggregator detect or become aware of any Malicious Code or security vulnerability in the Deliverables during their Service Life, CMG Aggregator without delay shall notify PG&E. If Malicious Code or security vulnerability is identified during the Service Life, CMG Aggregator shall provide an update or revision to the Deliverables to remove the Malicious Code and/or cure the vulnerability (a “Security Patch”) without delay and at no charge. Upon PG&E’s request, CMG Aggregator also agrees to assist PG&E in implementing the Security Patch and at no charge.

13. GENERAL PROVISIONS

13.1. General

This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof. No amendment or modification to this Agreement shall be enforceable unless reduced to a writing signed by all Parties. This Agreement shall not impart any rights enforceable by any third party (other than a permitted successor or assignee bound to this Agreement). The headings used herein are for convenience and reference purposes only.

13.2. Severability

If any provision in this Agreement is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Agreement and the Parties shall use their best efforts to modify this Agreement to give effect to the original intention of the Parties.

13.3. Counterparts

This Agreement may be executed in one or more counterparts each of which shall be deemed an original and all of which shall be deemed one and the same Agreement. Delivery of an executed counterpart of this Agreement by e-mail will be deemed as effective as delivery of an originally executed counterpart. Any Party delivering an executed counterpart of this Agreement by e-mail will also deliver an originally executed counterpart, but the failure of any Party to deliver an originally executed counterpart of this Agreement will not affect the validity or effectiveness of this Agreement.

13.4. Mobile Sierra

Notwithstanding any provision of this Agreement, neither Party shall seek, nor shall they support any third party seeking, to prospectively or retroactively revise the rates, terms or conditions of service of this Agreement through application or complaint to the FERC pursuant to the provisions of the Federal Power Act, absent prior written agreement of the Parties. Further, absent the prior written agreement in writing by both Parties, the standard of review for changes to the rates, terms or conditions of service of this Agreement proposed by a Party, a non-Party, or the FERC acting sua sponte shall be the “public interest” standard of review set forth in United States Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956) , and clarified by Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish, 554 U.S. 527 (2008).

13.5. Interpretation

The following rules of interpretation apply:

- A. The term “including” means “including without limitation”; the terms “year” and “calendar year” mean the period of months from January 1 through and including December 31; the term “month” means a calendar month unless otherwise indicated, and a “day” means a 24-hour period beginning at 12:00:01 a.m. and ending at 12:00:00 midnight; provided that a “day” may be 23 or 25 hours on those days on which daylight saving time begins or ends, respectively.
- B. Unless otherwise specified herein, where the consent of a Party is required, such consent shall not be unreasonably withheld, unreasonably conditioned or unreasonably delayed.
- C. Unless otherwise specified herein, all references herein to any agreement or other document of any description shall be construed to give effect to amendments, supplements, modifications or any superseding agreement or document as then exist at the applicable time to

which such construction applies unless otherwise specified.

D. In the event of any conflict between the terms and conditions of this Agreement and any of the following agreements, the terms and conditions of the following agreements will control: the CMET, any CMET Project Interconnection Agreements under PG&E's Rule 21 or PG&E's Wholesale Distribution Tariff, PG&E's Electric Rule 2, and any CMET Project Special Facilities Agreements.

E. Capitalized terms used in this Agreement, including the appendices hereto, have the meaning set forth in Appendix I, unless otherwise specified.

F. References in the singular include references in the plural and vice versa, pronouns having masculine or feminine gender will be deemed to include the other, and words denoting natural persons include partnerships, firms, companies, corporations, limited liability companies, joint ventures, trusts, associations, organizations or other entities (whether or not having a separate legal personality). Other grammatical forms of defined words or phrases have corresponding meanings.

G. Words not otherwise defined herein that have well known and generally accepted technical or trade meanings are used herein in accordance with such recognized meanings. Words referring to market rules, activities and practice have the meaning generally ascribed to such words in California.

H. References to a particular Article, subsection, paragraph, subparagraph, appendix or attachment will, unless specified otherwise, be a reference to that Article, subsection, paragraph, subparagraph, appendix or attachment in or to this Agreement.

I. Any reference in this Agreement to any natural person, Governmental Authority, corporation, limited liability company, partnership or other legal entity includes its permitted successors and assigns or to any natural person, Governmental Authority, corporation, limited liability company, partnership or other legal entity succeeding to its functions.

J. All references to dollars or "\$" are to U.S. dollars.

K. When an action is required to be completed on a Business Day, such action must be completed prior to 5:00 p.m. on such day, Pacific prevailing time, and actions occurring after 5:00 p.m. (such as the delivery of a Notice) will be deemed to have occurred on the following Business Day.

13.6. Recordings

Unless a Party expressly objects to a recording at the beginning of a telephone conversation, each Party consents to the creation of an electronic recording of all telephone conversations between the Parties to this Agreement related to the scheduling of any transition to or return from Island Mode or any other operational coordination or maintenance request, and that any such recordings will be retained in confidence, secured from improper access, and may be submitted in evidence in any proceeding or action relating to this Agreement, subject to the confidentiality provisions of Article 12. Each Party waives any further notice of such monitoring or recording

and agrees to notify its officers and employees of such monitoring or recording and to obtain any necessary consent of such officers and employees. Failure of a Party either to provide such notification or obtain such consent shall not in any way limit the use of the recordings pursuant to this Agreement.

13.7. Authorized Representatives

Each Party shall provide Notice to the other Party of the persons authorized to make or receive other Notices on behalf of such Party or to represent a Party (“Authorized Representative”) and in connection with such Notices and specify the scope of their individual authority and responsibilities. Either Party may change its designation of such persons and the scope of their individual authorities and responsibilities from time to time in its sole discretion by providing Notice.

13.8. No Dedication

Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any Person not a Party to this Agreement. No undertaking by one Party to the other Party under any provision of this Agreement shall constitute the dedication of that Party’s system or any portion thereof to the other Party or the public, nor affect the status of PG&E as an independent public utility corporation or CMG Aggregator as an independent individual or entity.

13.9. Governing Law

THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. TO THE EXTENT ENFORCEABLE AT SUCH TIME, EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT.

13.10. Taxes

- A. The Parties agree to follow all applicable tax laws and regulations.
- B. Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect PG&E's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

14. NOTICES

14.1. Notices

Whenever this Agreement requires or permits delivery of a Notice (or requires a Party to

“Notify”), the Party with such right or obligation shall provide a written communication in the manner specified below. Notices may be sent by overnight mail or courier or e-mail. Invoices may be sent by e-mail. A Notice sent by e-mail will be recognized and shall be deemed received on the Business Day on which such Notice was transmitted if received before 5 p.m. Pacific prevailing time (and if received after 5 p.m., on the next Business Day) and a Notice by overnight mail or courier shall be deemed to have been received two (2) Business Days after it was sent or such earlier time as is confirmed by the receiving Party. Appendix XI contains the names and addresses to be used for Notices.

SIGNATURES

Agreement Execution

In WITNESS WHEREOF, each Party has caused this Agreement to be duly executed by its Authorized Representative as of the dates provided below:

_____ ***[CMG Aggregator]***, **PACIFIC GAS AND ELECTRIC COMPANY, a**
a _____ company **California corporation**

Signature: _____

Signature: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

APPENDIX I – General Definitions

1. **Affiliate.** Affiliate of a Person means any other Person that (a) directly or indirectly controls the specified Person; (b) is controlled by or is under direct or indirect common control with the specified Person; or (c) is an officer, director, employee, representative or agent or subsidiary of the Person. For the purposes of this definition, “control”, when used with respect to any specified Person, means the power to direct the management or policies of the specified Person, directly or indirectly, through one or more intermediaries, whether through the ownership of voting securities, partnership or limited liability company interests, by contract or otherwise.
2. **Agreement to Perform Tariff Schedule Related Work.** PG&E Form 62-4527, wherein PG&E agrees to perform the Customer requested work and furnish all necessary labor, equipment, materials and related facilities required and is used for interconnecting Rule 21 CMET Project Resources.
3. **Alternative Dispute Resolution (ADR).** ADR means processes, such as facilitation, negotiation, mediation, and early neutral evaluation (or a combination of those techniques), that help disputants resolve a conflict without a formal decision by a court or agency.
4. **Applicable Rules and Standards:** Electric Rule 2, PG&E’s Wholesale Distribution Tariff, CMET and Electric Rule 21.
5. **Authorized Representative.** As defined in Section 13.7.
6. **Balancing Authority.** Has the meaning set forth in the CAISO Tariff.
7. **Blue Sky Mode.** The normal mode of operation when the Community Microgrid is Interconnected to and operating in parallel with the Distribution System is not operating in Island Mode, and PG&E maintains operational coordination of the delivery of electric service.
8. **Business Day:** Monday through Friday, excluding Federal Holidays and the Friday after Thanksgiving
9. **CAISO.** The California Independent System Operator Corporation or any successor entity performing similar functions.
10. **CAISO Tariff.** The CAISO Fifth Replacement FERC Electric Tariff and protocol provisions, including any CAISO-published procedures or business practice manuals, as they may be amended, supplemented or replaced (in whole or in part) from time to time.
11. **Calendar Day.** Any day, including Saturday, Sunday or a Federal and State Holiday
12. **CMET Project.** Facilities and equipment needed to create and operate a Community Microgrid, including the CMET Project Resources, CMET Project Balance of System, breakers, protective and associated equipment,

improvements, other tangible assets, contract rights, easements, rights of way, licenses and other interests or rights in real estate reasonably necessary for the construction, operation, and maintenance of the Community Microgrid subject to this CMET.

13. CMET Project Balance of System. All of the microgrid components owned or controlled by the CMG Aggregator, other than the CMET Project Resources and any demand resources, necessary to meet the requirements of the CMET Project as identified in the Microgrid Islanding Study.
14. CMET Commissioning Criteria and Commissioning Test Plan. As defined in Appendix VIII.
15. CMET Project Commissioning Test. All required operational testing of the CMET Project individual components and integrated system requirements as identified in the CMET Project commissioning criteria necessary to achieve commercial operation.
16. CMET Project Electrical Boundary. An electrically contiguous area beyond a Microgrid Islanding Point on the Distribution System that defines a microgrid as a single controllable entity.
17. CMET Project Performance Test. Test procedures to verify the CMET Project's ability to operate safely and meet the performance obligations according to the requirements specified in this Agreement. Each CMET Project Performance Test will be conducted in general accordance with the procedures set forth in the Operational Protocols and Procedures detailed in Appendix XII [and as applicable: other performance test codes, depending on the technology, products, and operational limitations].
18. CMET Project Special Facilities. PG&E's Distribution Upgrades to enable CMET Project microgrid operation identified in the Microgrid Islanding Study and subject to the CMET Project Special Facilities Agreement pursuant to Rule 2.
19. CMET Project Special Facilities Agreement or "Project SFA". A Special Facilities Agreement for the PG&E Distribution Upgrades necessary to enable Blue Sky and Island Mode operations pursuant to Rule 2.
20. CMET Project Resource(s). Electric generation and storage technology used to form a microgrid that are interconnected to the Distribution System pursuant to PG&E's Wholesale Distribution Tariff or Electric Rule 21 within the CMET Project Microgrid Electrical Boundary that complies with the emissions standards adopted by the State Air Resources Board pursuant to the distributed generation certification program requirements of Section 94203 of Title 17 of the California Code of Regulations, or any successor regulation.
21. Community Microgrid. For the purposes of this Schedule, a Community Microgrid is defined as a microgrid with distribution system connected Project Resources that supply energy to at least one Critical Facility and at least one other customer within a Microgrid Boundary capable of Island Mode.

22. Commercial Operation Date. Means the date stated in CMG Aggregator's Notice, substantially in the form of Appendix V upon which the CMET Project begins Commercial Operations.
23. Commercial Operations. Means that a "Commercial Operation Date Confirmation Letter" attached as Appendix V-B has been mutually executed and the CMET Project is placed into service for the purposes of providing energy resiliency for end use customers.
24. California Public Utility Commission or Commission or CPUC. The Public Utilities Commission of the State of California
25. Community Microgrid. As defined in PG&E's Community Microgrid Enablement Tariff.
26. Community Microgrid Aggregator (CMG Aggregator). The entity that is counterparty to PG&E in this agreement.
27. Community Microgrid Aggregator Parent (CMG Aggregator Parent). Any entity or Person that directly holds fifty percent (50%) or more of the equity interests in CMG Aggregator.
28. Confidential Information. As defined in Article 12 of this Agreement
29. Contractor. The engineering, procurement and construction contractor and its subcontractors, as well as Seller or Seller's Affiliates and their subcontractors if any such entities are developing, constructing, operating or maintaining the CMET Project during the Term, and any entity or person under contract with Seller or Seller's Affiliates for the purpose of developing, constructing, operating or maintaining the CMET Project during the Term.
30. Contractor Safety Program Requirements. Means all of the following:
 - (a) The standards in PG&E's Contractor Safety Program Contract Requirements regarding pre-qualification requirements and safety requirements for work, which as of the Effective Date can be found at https://www.pge.com/includes/docs/pdfs/b2b/purchasing/suppliers/contractorsafety/ContractorSafetyProgram_Requirements.pdf; and
 - (b) The standards in Section 2.2 of the Settlement Agreement and Corrective Action Plan of Pacific Gas and Electric Company before the CPUC dated February 10, 2015 (Investigation 14-08-022).
 - (c) Any additional, supplementary or successor safety standards, processes, or requirements, implemented or deemed appropriate by PG&E during the Term and applicable to CMG Aggregator, its Contractors and Subcontractors performing work related to the CMET Project.
31. Defaulting Party. The Party that is subject to an Event of Default
32. Description of Operations. The engineering report resulting from the Microgrid Islanding Study that describes the CMET Project functional operation and

identifies the technical requirements for PG&E's Distribution System and the CMG Aggregator's Balance of System and Project Resources to provide the Microgrid Boundary and Island mode operation including minimum Project Resource energy production availability and capabilities. The Description of Operations will also identify the protection and control and related systems requirements for safe operation and to maintain voltage, frequency and power quality within PG&E control parameters in accordance with Rule 2.

33. Designated CMET Project Operating Representative - Designated operating representative(s) to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the CMET Project.
34. Designated PG&E Switching Center --The PG&E location identified in of this Agreement, with operational jurisdiction over the Load Entity's Substation. The Designated PG&E Switching Center is staffed 24 hours a day.
35. Development Conditions. The actions that CMG Aggregator must take and provide PG&E with notification of during the Development Term.
36. Development Term. The "Development Term" is the period commencing on the Effective Date and shall remain in effect until the CMET Project Commercial Operation Date (COD), unless sooner terminated in accordance with Section 1.2 of this Agreement.
37. Distribution Customer. An end-use customer taking Distribution Service from PG&E.
38. Distribution Provider. PG&E, which owns, controls, or operates facilities used for the delivery of electric energy and provides Distribution Service under this CMET.
39. Distribution Service. The transporting of electric power over and through various PG&E facilities for delivery to a Distribution Customer. The Distribution Service provided under this CMET is the distribution of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery under this CMET.
40. Distribution System. PG&E's distribution system broadly consists of the stepdown substations, the primary distribution circuits, and the secondary distribution system. The secondary distribution system consists of the line transformers that step the primary voltage down to a secondary voltage, and the secondary conductors.
41. Distribution Upgrades. The additions, modifications, and upgrades to PG&E's Distribution System to facilitate construction and microgrid operation of the CMET Project. Distribution Upgrades do not include the CMG Aggregator's CMET Project Balance of System.
42. Effective Date. The later of the date upon which both Parties have executed this Agreement.

43. **Emergency.** An abnormal condition or situation that adversely affects, or potentially may adversely affect, PG&E's Electric System Integrity.
44. **Emergency Event.** As determined by PG&E in its reasonable discretion, a condition or situation requiring prompt action by PG&E (a) to maintain the reliable operation of the Distribution System; (b) to prevent or limit the loss of load or generation; (c) to maintain public safety or the safety of PG&E's personnel; (d) to protect PG&E, Customer, or third-party property; or as a Scheduled Island Mode as a preventative action ahead of impending weather events or natural disasters or in response to other unusual conditions.
45. **Event of Default.** The failure of a Defaulting Party to cure a default under this Agreement.
46. **Federal Power Act.** 16 U.S. Code Chapter 12 – Federal Regulation and Development of Power
47. **Governmental Authorities.** Any federal, state, local or municipal government, governmental department, commission, board, bureau, agency, or instrumentality, or any judicial, regulatory or administrative body, having jurisdiction as to the matter in question.
48. **In-Service Date.** The date upon which the CMG Aggregator, in coordination with PG&E, reasonably expects it will have received Permission to Operate the CMET Project and be ready to begin joint CMET Project Commissioning Testing.
49. **Interconnection Agreement.** The agreement and associated documents (or any successor agreement and associated documentation approved by the CPUC) by and among Seller and the Utility Distribution Company governing the terms and conditions of the interconnection of the Project with the Utility Distribution Company's grid, including any description of the plan for interconnecting the Project to the applicable grid.
50. **Island Mode.** A mode of operation when a Microgrid that normally operates in Grid-Connected or "Blue Sky" Mode is disconnected from the Distribution System at the Microgrid Islanding Point, and the Microgrid is generating or producing energy to provide electric service within the Microgrid under the operational coordination of the CMG Aggregator and the Distribution Provider.
51. **Law:** Any statute, law, treaty, rule, regulation, ordinance, code, Permit, enactment, injunction, order, writ, decision, authorization, judgment, decree or other legal or regulatory determination or restriction by a court or Governmental Authority of competent jurisdiction, including any of the foregoing that are enacted, amended, or issued after the Effective Date, and which become effective during the Term; or any binding interpretation of the foregoing.
52. **Licensed Professional Engineer.** 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 Project, (c) has no economic relationship, association, or nexus with CMG Aggregator or PG&E, other than to meet the obligations of CMG Aggregator pursuant to this

Agreement, (d) is not a representative of a consultant, engineer, contractor, designer or other individual involved in the development of the Project or of a manufacturer or supplier of any equipment installed at the Project, and (e) is licensed in an appropriate engineering discipline for the required certification being made.

53. Microgrid. An interconnected system of loads and energy resources, including, but not limited to, distributed energy resources, energy storage, demand response tools, or other management, forecasting, and analytical tools, appropriately sized to meet customer needs, within a clearly defined electrical boundary that can act as a single, controllable entity, and can connect to, disconnect from, or run in parallel (Blue Sky Mode) with, larger portions of the electrical grid, or can be managed and isolated to withstand larger disturbances and maintain electrical supply to connected critical infrastructure.
54. Microgrid Islanding Point or MIP. The point on PG&E's distribution System that establishes the microgrid interface consistent with applicable standards and Laws, including, without limitation, IEEE 1547-2018 and IEEE 519. The Microgrid Islanding Point will be owned and operated by PG&E.
55. Microgrid Islanding Study. An engineering study conducted by PG&E to determine the required modifications to PG&E's Distribution Facilities, including the cost and scheduled completion date for such modifications, that will be required to provide the requested Microgrid Boundary and Island Mode operation capable of maintaining voltage, frequency and power quality within PG&E control parameters in accordance with Rule 2.
56. Milestones. Key development activities and the agreed upon completion dates required for the development and operation of the CMET Project as set forth in Appendix VII-A of this Agreement.
57. Non-Holiday. Any day that is not a National Electric Reliability Council defined holiday which includes New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.
58. Notice. Unless otherwise specified in this Agreement, means a written communication which is delivered by overnight mail or courier service or electronic messaging (email), and in the manner required by Article 13, as applicable to a given communication.
59. Operating Performance Requirements. As defined in Section 3.5 of this Agreement.
60. Operating Procedures and Protocols. As described and defined in Appendix XII
61. Operating Term. The Operating Term is the period commencing on the CMET Project Commercial Operation Date, as such term is defined in Section 2.2 and ending upon expiration or termination of the Agreement.
62. Participating Transmission Owner or Participating TO. An entity that (a) owns, operates and maintains transmission lines and associated facilities and/or has entitlements to use certain transmission lines and associated facilities and (b) has

transferred to the CAISO operational control of such facilities and/or entitlements to be made part of the CAISO Grid.

63. Permission to Operate. The permission granted by PG&E to a CMG Aggregator to operate a CMET Project when the CMET Project is ready to maintain voltage, frequency and power quality within PG&E control parameters in accordance with Rule 2 in Island Mode and safely transition from Blue Sky Mode to Island Mode, operate in Island Mode and transition back to Blue Sky Mode.
64. Permit. Any waiver, exemption, variance, franchise, permit, authorization, consent, ruling, certification, license or similar order of or from, or filing or registration with, or notice to, any Governmental Authority that authorizes, approves, limits or imposes conditions upon a specified activity.
65. Personal Information. Any data or information defined as personal information in California Civil Code Section 1798.140(o) and any information that can be used to directly or indirectly identify a PG&E customer or employee.
66. PG&E Data. As defined in Appendix X of this MOA
67. PG&E Electric System Integrity. The state of operation of PG&E's electric system in a manner that is deemed to minimize the risk of injury to persons and/or property and enable PG&E to provide adequate and reliable electric service to its customers.
68. PG&E Interconnection Handbooks. PG&E's manual that provides information on how to interconnect generating facilities or distributed generation to PG&E's electrical distribution system as currently in effect at https://www.pge.com/en_US/large-business/services/alternatives-to-pge/distribution-handbook.page
69. PG&E Process, Procedures and Standards. Practices, policies, methods, codes and acts engaged in or approved by PG&E and applicable to the CMET Project during the relevant time period, or any of the practices, policies, methods, codes and acts which, in the exercise of reasonable judgment in light of the facts known at the time a decision is made, that could have been expected to accomplish a desired result at reasonable cost consistent with good business practices, reliability, safety and expedition.
70. Project Implementation Plan. A detailed description of actions that demonstrate how the CMET Project shall be developed to meet Milestones and operational requirements such as the Parties' best estimate of task, schedule and dependencies for design, construction, development various test plans, operational and maintenance procedures and protocols for the CMET Project.
71. Project Safety Plan. CMG Aggregator's written plan that includes the Safeguards and plans to comply with the safety requirements and shall include the items that are generally outlined in Appendix VI.
72. Project Safety Plan Documents. Information and documentation listed in Appendix VI.

73. Public Safety Partner. Law enforcement, fire, emergency and disaster relief professional organizations.
74. Regulatory Authority. A government agency or body that regulates businesses or other entities under their jurisdiction in the public interest.
75. Safeguard. Any procedures, practices, or actions with respect to the Project, a Site or Work for the purpose of preventing, mitigating, or containing foreseeable accidents, injuries, damage, release of hazardous material or environmental harm
76. Safety Attestation. A written attestation or certification from a Licensed Professional Engineer substantially in the form attached hereto as Appendix VII-A.
77. Safety Requirements. Prudent Electrical Practices, CPUC General Order No. 167, Contractor Safety Program Standards, and all applicable requirements of Law, the Utility Distribution Company, the Transmission Provider, Governmental Approvals, the CAISO, CARB, NERC and WECC.
78. Scheduled Island Mode. A Microgrid operating in Island Mode that is scheduled and coordinated between the CMG Aggregator and PG&E.
79. Site(s). The real property or properties on which one or more CMET Project Resources or CMET Project Balance of System comprising the CMET Project is located, as identified in Appendix II and as may be updated from time to time.
80. State. The State of California
81. System Change. Any change to customer load, resources or other operational or safety conditions inside or outside the electrical boundary of a community microgrid, that creates a system condition that renders the microgrid incapable of safely and reliably transitioning to, operating in, or transition from Island Mode as determined by PG&E. System Change as used in this Agreement is intended to be interpreted in the same manner as the defined term “Material Modification” used in the Community Microgrid Enablement Tariff.
82. Term. The Development Term AND the Operating Term of this MOA.
83. Transmission Provider means the CAISO.
84. Unscheduled Island Mode. A Microgrid operating in Island Mode that is not scheduled or coordinated between the CMG Aggregator and PG&E in response to an Emergency Event on the Distribution System.

APPENDIX II – CMET Project Microgrid Islanding Study

{ATTACH / INCORPORATE COMPLETED MIS DOCUMENT}

1. Project Description
2. Functional Design Specifications
3. Preliminary / draft Description of Operations (Final Description of Operations to be included in Appendix XII in accordance with Section 2.2.c.)
4. Other

APPENDIX III-A – CMET Project Milestones

B. CMET Project Milestones

Target Permission to Operate CMET Project: mm/dd/yyyy
 Target Commission Testing: mm/dd/yyyy
 Target Commercial Operation Date: mm/dd/yyyy

Item	Milestone	Date	Responsible Party
1	Update PIP		
2	Develop Commissioning Criteria		
3	Develop Commissioning Plan		
4	Develop Safety Plan		
5	Permission to Operate CMET Project Confirmed		
6	In-Service Date		
7	Commissioning Tests		
8	Commercial Operation - Attestation		

{Milestones shown for illustration. Specific Milestones to be developed by Parties}

1. Ability To Meet Milestone Dates

The ability to meet these Milestone dates requires that all tasks identified specifically in the Project Implementation Plan, including tasks preceding the Milestones listed above, to be completed in a timely fashion and does not account for unanticipated delays, including but not limited to delays caused by: emergency response due to wildfires or storms; time to complete environmental studies; availability of needed resources (e.g., materials or crews); difficulties securing necessary permits, easements, right of ways, licenses or other approvals; construction additional information needed to complete the project implementation process; or delays scheduling clearances of the PG&E distribution system to complete CMET Project.

Agreed to by:

For PG&E: _____ Date: _____

For the CMG Aggregator: _____ Date: _____

APPENDIX III-B - CMET Project Implementation Plan

A. Project Implementation Plan (PIP) will include Parties' best estimate of task, schedule and dependencies for design, construction, development various test plans, operational and maintenance procedures and protocols for the CMET Project. The PIP may incorporate by reference any implementation plan(s) associated with CMET Project Resource Interconnection(s) and Special Facilities and Project Special Facilities for purposes or presenting an overall view of the CMET Project development; however, this Agreement does not govern those interconnection and associated special facilities schedules, milestone dates or commitments.

A Party shall not make any material modifications to the CMET Project Implementation Plan or Milestones as presented in Appendix III without the prior review and written consent of the other Party, which consent shall be in Parties reasonable discretion.

As of the Effective Date, parties agree to develop within ninety (90) days, a CMET Project Implementation Plan ("PIP") that will identify responsible parties, identify workstreams, interim reporting requirements, and dependencies. The implementation plan may include but not be limited to the following components:

1.) Component Plan Development

- a. CMET Project Operational Review & Commissioning Test Plan
 - i. Commissioning Testing plan and schedule associated with CMET Project Resource interconnection
 1. Existing Resources
 2. CAISO New Resource Implementation Plan
 - ii. Commissioning Testing Plan and schedule for CMET Balance of System pursuant to Appendix VIII
- b. Operating Procedures and Protocols which include CMET Project Description of Operations, identify events and scenarios
 - i. Planned Event
 - ii. Unplanned event
 - iii. Failsafe
- c. Communications plan and plan of action for each scenario/event type
- d. CMET Project Safety Plan

2.) Development and Testing Schedule

- a. CMET Project Resource Special Facilities and Interconnection development and testing schedule
- b. CMET Balance of System development and testing schedule
- c. PG&E CMET Project Special Facilities development and testing schedule

3.) Project Management

- a. PMO approach and plan
- b. Progress meetings and reports
- c. Overall project plan management and dependencies
- d. Development & Implementation risk identification and mitigation

APPENDIX IV-A – CMET Project Resource Interconnection Agreement

[Executed CMET Project Resource Interconnection Agreement(s) attached here]

APPENDIX IV-B – CMET Project Special Facilities Agreement

[Attach CMET Project Special Facilities Agreement]

APPENDIX V-A – Permission to Operate CMET Project Confirmation Letter

In accordance with the terms of CMET Microgrid Operating Agreement, dated _____ (“Agreement”) by and between _____ (“PG&E”) and _____ (“CMG Aggregator”), and Section 2.2 and Section 2.3 of that Agreement, this letter (“Permission to Operate CMET Project Confirmation Letter”) serves to document the Parties’ further agreement that the Development Conditions prescribed in the Agreement Section 2.2.a through Section 2.2.(g) have been satisfied or waived in writing by PG&E. All capitalized terms not defined herein shall have the meaning set forth in the Agreement.

IN WITNESS WHEREOF, each Party has caused this Permission to Operate CMET Project Confirmation Letter to be duly executed by its Authorized Representative as of the date of last signature provided below:

<i>[INSERT CMG Aggregator’s NAME HERE]</i>	PACIFIC GAS AND ELECTRIC COMPANY
Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

APPENDIX V-B – CMET Project Commercial Operation Date Confirmation

In accordance with the terms of CMET Microgrid Operating Agreement, dated _____ (“Agreement”) by and between _____ (“PG&E”) and _____ (“CMG Aggregator”), and Section 2.3 of that Agreement, this letter (“Commercial Operation Date Confirmation Letter”) serves to document the Parties’ further agreement that the Development Conditions to the Commercial Operation Date have been satisfied or waived in writing by PG&E. All capitalized terms not defined herein shall have the meaning set forth in the Agreement.

IN WITNESS WHEREOF, each Party has caused this Commercial Operation Date Confirmation Letter to be duly executed by its Authorized Representative as of the date of last signature provided below:

<i>[INSERT CMG Aggregator’s NAME HERE]</i>	PACIFIC GAS AND ELECTRIC COMPANY
Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

APPENDIX VI – CMET Project Safety Plan and Supporting Documentation

CMG Aggregator shall develop a Safety Plan in accordance with (i) requirements stated in this [Appendix VI](#), and (ii) pursuant to the schedule presented in [Appendix III - Project Implementation Plan](#), and (iii) pursuant to the Safety Requirements. The Safety Plan will include but may not be limited to the following:

Part One: Safety Requirements and Safety Programs

Identify the applicable safety-related Codes, Standards, and regulations (CSR) which govern the design, construction, operation, maintenance of the Project using the proposed technology.

Describe the CMG Aggregator's and the CMG Aggregator's Contractor(s)' safety programs and policies. Describe CMG Aggregator's compliance with any safety-related industry standards or any industry certifications (American National Standards Institute (ANSI), International Organization for Standardization (ISO), etc.), if applicable.

Part Two: Project Design and Description

Describe CMG Aggregator's safety engineering approach to select equipment and design systems and the Project to reduce risks and mitigate the impacts of safety-related incidents, including cascading failures, excessive temperatures, thermal runaways, fires, explosions, pressure relief rupture disk fractures, hazardous chemical releases.

Describe the results of any failure mode effects analyses (FMEA) or similar safety engineering evaluations. In the case of lithium ion batteries, describe the safety-related reasons, including design features and historical safety records, for selecting particular anode and cathode materials and a particular manufacturer.

In addition to the information provided in the CMET Project Description [Appendix II](#), provide a list which includes but is not limited to, the following information:

- a) Equipment safety-related certifications (e.g. UL),
- b) Safety-related systems, and
- c) Approximate volumes and types of hazardous materials expected to be on Site.

Part Three: Project Safety Management

Identify and describe any hazards and risks to life, safety, public health, property, or the environment due to or arising from the CMET Project. Describe the CMG Aggregator's applicable site-specific safety plans, risk mitigation, Safeguards and layers of protection, including but not necessarily limited to:

- a) Engineering controls,
- b) Work practices,
- c) Administrative controls,
- d) Personal protective equipment and procedures,
- e) Incident response and recovery plans,
- f) Contractor management,

- g) Operating procedures,
- h) Emergency plans,
- i) Training and qualification programs,
- j) Disposal, recycle, transportation and reuse procedures, and
- k) Physical security measures.

APPENDIX VII-A – Safety Attestation

This Safety Attestation is delivered by _____ (“Licensed Professional Engineer”) to Pacific Gas and Electric Company (“PG&E”) in accordance with Section 2.2(f) of the Microgrid Operating Agreement with an Effective Date of _____ (“Agreement”) by and between _____ (“CMG Aggregator”) and PG&E. All capitalized terms used in this Safety Attestation but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement.

Licensed Professional Engineer _____ hereby certifies the following:

- (1) The Project is able to operate in a manner consistent with the Safety Requirements;
- (2) The Project Safety Plan demonstrates compliance with all applicable Safety Requirements and reasonably takes into account the items in Appendix VI to the Agreement; and
- (3) If a Remediation Event has occurred, CMG Aggregator has taken into account its Safety Remediation Plan for the CMET Project [and the applicable Site(s)].

[Licensed Professional Engineer] _____

Signature
:

Name: _____

Title: _____

Date: _____

License Number and LPE Stamp _____

APPENDIX VII-B – Multiple Use Attestation

This Multiple-Use Attestation is delivered by _____ (“CMG Aggregator”) to Pacific Gas and Electric Company (“PG&E”) in accordance with Section 2.2(g) of the Microgrid Operating Agreement with an Effective Date of _____ (“Agreement”) by and between CMG Aggregator and PG&E. All capitalized terms used in this attestation but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement.

CMG Aggregator hereby certifies and represents to PG&E, as of the date set forth below, that with regard to the Project, CMG Aggregator is following all the rules set forth in Appendix A of the MUA Decision.

EXECUTED by CMG Aggregator this _____ day of _____, 20__.

Signature
: _____

Name: _____

Title: _____

APPENDIX VIII - CMET Project Commissioning Criteria and Commissioning Test Plan

1. Commissioning Criteria
2. Commissioning Test Plan

APPENDIX IX - Notices

Name: _____ (“CMG Aggregator”)

All Notices:

Delivery Address:

Street:

City:

Mail Address:

Attn:

Phone:

Invoices and Payments:

Attn:

Phone:

Wire Transfer:

BNK:

ACCT Title:

ABA:

ACCT:

DUNS:

Federal Tax ID Number:

Credit and Collections:

Attn:

Phone:

With additional Notices of an Event of Default to Contract Manager:

Attn:

Phone:

Designated CMET Project Operating Representative

Attn:

Phone:

Name: Pacific Gas and Electric Company, a California corporation (“PG&E” or “PG&E”)

All Notices:

Delivery Address:

77 Beale Street, 14th Floor

San Francisco, CA 94105

Mail Address:

P.O. Box 770000

San Francisco, CA 94177

Attn:

Sr. Director, Distribution Asset Management

Phone: (415) 973-

Invoices and Payments:

Attn:

Phone: (415) 973-

Wire Transfer:

BNK:

ACC Title:

ABA:

ACCT:

DUNS:

Federal Tax ID Number:

Credit and Collections:

Attn: Credit Risk Management

PGERiskCredit@Exchange.pge.com

Phone: (415) 972-5188

Fax: (415) 973-7301

With additional Notices of an Event of Default to Contract Manager:

Attn:

Phone: (415) 973-

Designated CMET Project Operating Representative

Attn:

Phone:

APPENDIX X – Confidentiality & Data Security

1. In addition to the requirements set out in Article 11 and 12, CMG Aggregator shall comply with the following additional terms of this Appendix X (Confidentiality and Data Security) regarding the handling of Confidential Information and PG&E Data from PG&E or its customers or employees.

2. **NON-DISCLOSURE AGREEMENTS:** CMG Aggregator shall have all of its employees, Subcontractors, and Subcontractor employees who will perform Work or services under this Agreement sign a non-disclosure agreement in the form attached hereto as Appendix XI (Non-Disclosure and Use of Information Agreement [“NDA”]). Prior to starting said Work or services, CMG Aggregator shall promptly furnish the original signed non-disclosure agreements to PG&E.

3. **SECURITY MEASURES:** CMG Aggregator shall take “Security Measures” with the handling of Confidential Information to ensure that the Confidential Information will not be compromised and shall be kept secure. Security Measures shall mean adoption and employment of industry standards and techniques, physical and logical, including but not limited to:

- a. written policies regarding information security, disaster recovery, third-party assurance auditing, penetration testing,
- b. password protected workstations at CMG Aggregator’s premises, any premises where Work or services are being performed and any premises of any person who has access to such Confidential Information,
- c. encryption of Confidential Information, and
- d. measures to safeguard against the unauthorized access, destruction, use, alteration or disclosure of any such Confidential Information including, but not limited to, restriction of physical access to such data and information, implementation of logical access controls, sanitization or destruction of media, including hard drives, and establishment of an information security program that at all times is in alignment with the industry requirements of ISO 2700X or SOC2 Type 2.

4. **COMPLIANCE AND MONITORING:** CMG Aggregator shall comply with the following security policies relating to the handling of Confidential Information.

a. Prior to PG&E’s first transfer of Confidential Information to CMG Aggregator, CMG Aggregator shall provide PG&E with documentation satisfactory to PG&E that it has undertaken satisfactory Security Measures.

b. CMG Aggregator and PG&E agree to meet periodically, if requested by PG&E, to evaluate CMG Aggregator’s Security Measures and to discuss, in good faith, means by which the Parties can enhance such protection, if necessary.

c. CMG Aggregator shall update its Security Measures, including procedures, practices, policies and controls so as to keep current with industry standards, including but not limited to National Institute of Standards and Technology (NIST), North American Electric Reliability Corporation (NERC), and Critical Infrastructure Protection (CIP) standards and requirements, as applicable.

d. PG&E reserves the right to perform onsite security assessments of CMG Aggregator sites to verify the implementation and ongoing operation and maintenance of security controls. At least annually, CMG Aggregator shall assist PG&E in obtaining a copy of any report that documents CMG Aggregator’s Security Measures.

e. In the event, PG&E determines CMG Aggregator has not complied with Security Measures, PG&E shall provide written notice to CMG Aggregator describing the deficiencies. CMG Aggregator shall then have sixty (60) Calendar Days to cure. If CMG Aggregator has not cured the deficiencies within sixty (60) Calendar Days, PG&E may cancel this Agreement for cause in accordance with the Contract’s termination provisions.

5. **PG&E DATA:** PG&E Data shall mean:

a. all data or information provided by or on behalf of PG&E, including, but not limited to, personally identifiable information relating to, of, or concerning, or provided by or on behalf of any Customers, including without limitation any personal information as defined in California Civil Code Section 1798.140(o)(1),

b. all proprietary data, intellectual property, trade secrets, market-sensitive information, security-sensitive information, or other confidential information input, transferred, uploaded, migrated, or otherwise sent by or on behalf of PG&E to CMG Aggregator as PG&E may approve of in advance and in writing (in each instance),

c. account numbers, forecasts, and other similar information disclosed to or otherwise made available to CMG Aggregator by or on behalf of PG&E and Customers, and

d. all data provided by PG&E's licensors, including any and all survey responses, feedback, and reports, as well as information entered by PG&E, CMG Aggregator or Contractor, and Customers.

6. SECURITY OF PG&E DATA: CMG Aggregator agrees that CMG Aggregator's collection, management and use of PG&E Data during the Term shall comply with these security requirements and all applicable laws, regulations, directives, and ordinances.

a. Vendor Security Review: Before receiving any PG&E Data, CMG Aggregator shall undergo PG&E's Vendor Security Review process. CMG Aggregator may receive PG&E Data only if PG&E's security review reveals no high-risk security control deficiencies. If CMG Aggregator's security review reveals high-risk security control deficiencies, CMG Aggregator shall not receive PG&E Data until such time CMG Aggregator mitigates the risk(s).

7. USE OF PG&E DATA:

a. License: PG&E may provide PG&E Data to CMG Aggregator to perform its obligations hereunder. Subject to the terms of the Agreement, PG&E grants CMG Aggregator a personal, non-exclusive, non-assignable, non-transferable limited license to use the PG&E Data solely for the limited purpose of performing the Work or services during the Term, but not otherwise.

b. Limited Use of PG&E Data: CMG Aggregator agrees that PG&E Data will not be (a) used by CMG Aggregator for any purpose other than that of performing CMG Aggregator's obligations under this Agreement, (b) disclosed, sold, assigned, leased or otherwise disposed of or made available to third parties by CMG Aggregator, (c) commercially exploited by or on behalf of CMG Aggregator, nor (d) provided or made available to any other party without written authorization, subject to this Agreement and this Appendix X (Confidentiality and Data Security).

c. Under no circumstances shall PG&E Data be disclosed, accessed, or used outside the United States

d. Application Development: CMG Aggregator agrees that it will not engage in any application development without or until it has demonstrated compliance with the Agreement provisions and this Appendix X.

e. Upon the termination of this Agreement, CMG Aggregator shall destroy or delete all Confidential Information in its possession and certify in writing to PG&E that it has done so, unless it demonstrates that it is legally obligated to retain such Confidential Information.

8. SECURITY BREACH: CMG Aggregator shall immediately notify PG&E in writing of any unauthorized access or disclosure of Confidential Information and/or PG&E Data.

a. CMG Aggregator shall immediately take reasonable measures within its control to immediately stop the unauthorized access or disclosure of Confidential Information and/or PG&E Data to prevent recurrence and to return to PG&E any copies.

b. CMG Aggregator shall promptly provide PG&E (i) a brief summary of the issue, facts and status of CMG Aggregator's investigation; (ii) the potential number of individuals affected by the security

breach; (iii) the Confidential Information and/or PG&E Data that may be implicated by the security breach; and (iv) any other information pertinent to PG&E's understanding of the security breach and the exposure or potential exposure of Confidential Information and/or PG&E Data.

c. CMG Aggregator shall promptly investigate such breach or potential breach, and shall promptly inform PG&E, in writing, of the results of such investigation, and assist PG&E (at CMG Aggregator's sole cost and expense) in maintaining the confidentiality of such Confidential Information and/or PG&E Data. CMG Aggregator agrees to provide, at CMG Aggregator's sole cost and expense, appropriate data security monitoring services for all potentially affected persons for one (1) year following the breach or potential breach, subject to PG&E's prior approval.

d. If requested in advance and in writing by PG&E, CMG Aggregator shall notify the potentially affected persons regarding such breach or potential breach within a reasonable time period determined by PG&E and in a form as specifically approved in writing by PG&E. In addition, in no event shall CMG Aggregator issue or permit to be issued any public statements regarding the security breach involving Confidential Information and/or PG&E Data unless PG&E requests CMG Aggregator to do so in writing.

9. **RIGHT TO SEEK INJUNCTION:** CMG Aggregator agrees that any breach of this Appendix X (Confidentiality and Data Security) would constitute irreparable harm and significant injury to PG&E. Accordingly, and in addition to PG&E's right to seek damages and any other available remedies at law or in equity in accordance with this Agreement, CMG Aggregator agrees that PG&E shall have the right to obtain, from any competent civil court, immediate temporary or preliminary injunctive relief enjoining any breach or threatened breach of this Agreement, involving the alleged unauthorized access, disclosure or use of any Confidential Information and/or PG&E Data. CMG Aggregator hereby waives any and all objections to the right of such court to grant such relief, including, but not limited to, objections of improper jurisdiction or forum non convenient.

10. **CPUC and IOU DISCLOSURE:** Notwithstanding anything to the contrary contained herein, but without limiting the general applicability of the foregoing, CMG Aggregator understands, agrees and acknowledges as follows.

a. PG&E hereby reserves the right in its sole and absolute discretion to disclose any and all terms of this Agreement and all exhibits, attachments, and any other documents related thereto to the CPUC, and that the CPUC may reproduce, copy, in whole or in part or otherwise disclose the Agreement to the public.

b. PG&E may be required or may deem it to be in the best interest of the Work being performed under this Agreement that any Work-related information be disclosed to other IOUs (excluding any pricing information).

11. **SUBPOENAS:** In the event that a court or other governmental authority of competent jurisdiction, including the CPUC, issues an order, subpoena or other lawful process requiring the disclosure by CMG Aggregator of Confidential Information and/or PG&E Data provided by PG&E, CMG Aggregator shall notify PG&E immediately upon receipt thereof to facilitate and support PG&E's efforts to prevent such disclosure, or otherwise preserve the proprietary or confidential nature of the Confidential Information and/or PG&E Data. If PG&E is unsuccessful at preventing the disclosure or otherwise preserving the proprietary or confidential nature of the Confidential Information and/or PG&E Data, or has notified CMG Aggregator in writing that it will take no action to prevent disclosure or otherwise preserve the proprietary or confidential nature of such Confidential Information and/or PG&E Data, then CMG Aggregator shall not be in violation of this Agreement if it complies with an order of such court or governmental authority to disclose such Confidential Information and/or PG&E Data.

APPENDIX XI – Non-Disclosure & Use of Information Agreement

THIS NON-DISCLOSURE AND USE OF INFORMATION AGREEMENT (NDA) is entered into by and between _____ (“Company”), _____, (“Undersigned”) authorized employee, contractor, agent, or representative of Company (together, Company and Undersigned are referred to as the “Recipient”), and PACIFIC GAS AND ELECTRIC COMPANY (“PG&E”) on the date set forth below. Undersigned and Company agree as follows:

1. The Recipient acknowledges that in the course of performing services or Work for PG&E under the Agreement, the Recipient will be given access to certain Confidential Information, which may include (a) PG&E residential or commercial Customer’s (Customer) account information and information relating to their facilities, equipment, processes, products, specifications, designs, records, data, software programs, Customer identities, marketing plans or manufacturing processes or products, (b) any technical, commercial, financial, or Customer information of PG&E obtained by Contractor in connection with the Parties Agreement, either during the Contract or applicable CWA Terms or prior to these Terms but in contemplation that CMG Aggregator might be providing the Work or services, including, but not limited to a Customer’s energy usage and billing data, data, matters and practices concerning technology, ratemaking, personnel, business, marketing or manufacturing processes, PG&E’s proprietary information or intellectual property, personal information as defined in the Agreement, or products, which may be information owned by PG&E or by a third party and which may be in the custody of PG&E or third party and which constitutes valuable confidential and proprietary information and or trade secrets belonging to PG&E, and/or third parties, (c) any such confidential information of any third party disclosing such confidential information to PG&E or Contractor in the course of such third party’s employment, engagement, business, or other relationship with PG&E or its parent, subsidiary, or affiliated companies and (d) PG&E Data as defined in Appendix XI, Confidentiality and Data Security (collectively, “Confidential Information”). Recipient acknowledges having carefully read and reviewed the Agreement, including without limitation, Articles 11 and 12 of the Agreement and Appendix X (Confidentiality and Data Security) before executing this NDA.

2. In consideration of being made privy to such Confidential Information, and of the contracting for the Recipient’s professional services by PG&E and/or CMG Aggregator, the Recipient hereby agrees to be bound by this NDA and shall hold all Confidential Information and PG&E Data in strict confidence, and shall not disclose it, or otherwise make it available, to any person or third party (including but not limited to any affiliate of PG&E that produces energy or energy-related products or services) without the prior written consent of PG&E. The Recipient agrees that all such Confidential Information:

- a. Shall be used only for the purpose of providing Work or services for PG&E under the terms of the Agreement; and
- b. Shall not be reproduced, copied, in whole or in part, in any form, except as specifically authorized and in conformance with PG&E's instructions when necessary for the purposes set forth in (a) above; and
- c. Shall, together with any copies, reproductions or other records thereof, in any form, and all information and materials developed by Undersigned there from, be destroyed or returned to PG&E when no longer needed for the performance of Undersigned's Work or services for PG&E or upon the termination of the Agreement, whichever comes first.

3. The Recipient hereby agrees that PG&E and any third parties owning any Confidential Information are express third party beneficiaries of this Agreement.

4. The Recipient hereby acknowledges and agrees that because (a) an award of money damages is inadequate for any breach of this NDA by the Recipient or any of its representatives and (b) any breach causes PG&E irreparable harm, that for any violation or threatened violation of any provision of this NDA, in addition to any remedy PG&E may have at law, PG&E is entitled to equitable relief, including injunctive relief and specific performance, without proof of actual damages.

5. This NDA shall be governed by and interpreted in accordance with the laws of The State of California, without regard to its conflict of laws principles.

UNDERSIGNED

By: _____

Name: _____

Title: _____

Company: _____

Date: _____

CONTRACTOR

Company Name: _____

Authorized Agent: _____

Name: _____

Title: _____

Date: _____

APPENDIX XII – Operating Procedures and Protocols

{ATTACH / INCORPORATE CMET Project OPERATING PROCEDURES AND PROTOCOLS DOCUMENT & FINAL DESCRIPTION OF OPERATIONS AS APPROPRIATE}

For Information Only – The Following are Articles in the Agreement that point to this Appendix:

- 1.3 Term & Termination: CMET Project Suspension (lock out procedures)
- 2.2. CMET Project Development Conditions
- 3.2 Roles and Responsibilities – General
- 3.3 Roles and Responsibilities – Modes of Operation
- 3.4 Operational Coordination
- 3.5 Operating Performance Requirements
- 4.1 & 4.2 – System Change
- 7.2 Covenants of CMG Aggregator

END OF AGREEMENT

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

AT&T
Albion Power Company

Alta Power Group, LLC
Anderson & Poole

Atlas ReFuel
BART

Barkovich & Yap, Inc.
California Cotton Ginners & Growers Assn
California Energy Commission

California Hub for Energy Efficiency
Financing

California Alternative Energy and
Advanced Transportation Financing
Authority
California Public Utilities Commission
Calpine

Cameron-Daniel, P.C.
Casner, Steve
Cenergy Power
Center for Biological Diversity

Chevron Pipeline and Power
City of Palo Alto

City of San Jose
Clean Power Research
Coast Economic Consulting
Commercial Energy
Crossborder Energy
Crown Road Energy, LLC
Davis Wright Tremaine LLP
Day Carter Murphy

Dept of General Services
Don Pickett & Associates, Inc.
Douglass & Liddell

East Bay Community Energy Ellison
Schneider & Harris LLP Energy
Management Service
Engineers and Scientists of California

GenOn Energy, Inc.
Goodin, MacBride, Squeri, Schlotz &
Ritchie

Green Power Institute
Hanna & Morton
ICF

IGS Energy
International Power Technology
Intestate Gas Services, Inc.
Kelly Group
Ken Bohn Consulting
Keyes & Fox LLP
Leviton Manufacturing Co., Inc.

Los Angeles County Integrated
Waste Management Task Force
MRW & Associates
Manatt Phelps Phillips
Marin Energy Authority
McKenzie & Associates

Modesto Irrigation District
NLine Energy, Inc.
NRG Solar

Office of Ratepayer Advocates
OnGrid Solar
Pacific Gas and Electric Company
Peninsula Clean Energy

Pioneer Community Energy

Redwood Coast Energy Authority
Regulatory & Cogeneration Service, Inc.
SCD Energy Solutions
San Diego Gas & Electric Company

SPURR
San Francisco Water Power and Sewer
Sempra Utilities

Sierra Telephone Company, Inc.
Southern California Edison Company
Southern California Gas Company
Spark Energy
Sun Light & Power
Sunshine Design
Tecogen, Inc.
TerraVerde Renewable Partners
Tiger Natural Gas, Inc.

TransCanada
Utility Cost Management
Utility Power Solutions
Water and Energy Consulting Wellhead
Electric Company
Western Manufactured Housing
Communities Association (WMA)
Yep Energy