



Electric Sample Form No. 79-1136 Sheet 1
PG&E INTERCONNECTION AGREEMENT FOR AN EXISTING SMALL GENERATING FACILITY
INTERCONNECTING TO THE DISTRIBUTION SYSTEM UNDER RULE 21

**Please Refer to Attached
Sample Form**



*Pacific Gas and
Electric Company*®

**RULE 21 GENERATOR
INTERCONNECTION AGREEMENT FOR
EXPORTING GENERATING FACILITIES
INTERCONNECTING UNDER THE FAST
TRACK PROCESS**

PG&E

Interconnection Agreement

For an Existing Small Generating Facility

Interconnecting to the Distribution System

Under Rule 21



RULE 21 GENERATOR INTERCONNECTION AGREEMENT FOR EXPORTING GENERATING FACILITIES INTERCONNECTING UNDER THE FAST TRACK PROCESS

PG&E Interconnection Agreement for an Existing Small Generating Facility Connecting to the Distribution System, Under Rule 21

TABLE OF CONTENTS

Article 1. Scope and Limitations of Agreement

- 1.1 Applicability
- 1.2 Purpose
- 1.3 No Agreement to Purchase or Deliver Power
- 1.4 Limitations
- 1.5 Responsibilities of the Parties
- 1.6 Parallel Operation Obligations
- 1.7 Metering
- 1.8 Reactive Power
- 1.9 Capitalized Terms
- 1.10 Smart Inverters

Article 2. Inspection, Testing, Authorization, and Right of Access

- 2.1 Equipment Testing and Inspection
- 2.2 Authorization Required Prior to Parallel Operation.
- 2.3 Right of Access

Article 3. Effective Date, Term, Termination, and Disconnection

- 3.1 Effective Date
- 3.2 Term of Agreement
- 3.3 Termination
- 3.4 Temporary Disconnection

Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades

- 4.1 Interconnection Facilities
- 4.2 Distribution Upgrades

Article 5. Cost Responsibility for Network Upgrades

- 5.1 Applicability
- 5.2 Network Upgrades
- 5.3 [Intentionally Omitted]
- 5.4 Rights Under Other Agreements

Article 6. Billing, Payment, Milestones, and Financial Security

- 6.1 Billing and Payment Procedures and Final Accounting
- 6.2 Milestones



**RULE 21 GENERATOR INTERCONNECTION
AGREEMENT FOR EXPORTING GENERATING
FACILITIES INTERCONNECTING UNDER
THE FAST TRACK PROCESS**

Article 7. Assignment, Liability, Indemnity, Uncontrollable Force, Consequential Damages, and Default

- 7.1 Assignment
- 7.2 Limitation of Liability
- 7.3 Indemnity
- 7.4 Consequential Damages
- 7.5 Uncontrollable Force
- 7.6 Default

Article 8. Insurance

- 8.1 General Liability and Additional Insurance
- 8.2 Maintenance of Insurance
- 8.3 Notification

Article 9. Confidentiality

- 9.1 Definition of Confidential Information
- 9.2 What Isn't Confidential and Treatment of Confidential Information

Article 10. Disputes

- 10.1 Dispute Resolution

Article 11. Taxes

- 11.1 Applicable Tax Laws and Regulations
- 11.2 Maintenance of Tax Status

Article 12. Miscellaneous

- 12.1 Governing Law, Regulatory Authority, and Rules
- 12.2 Amendment
- 12.3 No Third-Party Beneficiaries
- 12.4 Waiver
- 12.5 Entire Agreement
- 12.6 Multiple Counterparts
- 12.7 No Partnership
- 12.8 Severability
- 12.9 Security Arrangements
- 12.10 Environmental Releases
- 12.11 Subcontractors
- 12.12 CPUC Modifications
- 12.13 Review of Records and Data



**RULE 21 GENERATOR INTERCONNECTION
AGREEMENT FOR EXPORTING GENERATING
FACILITIES INTERCONNECTING UNDER
THE FAST TRACK PROCESS**

Article 13. Notices

- 13.1 General
- 13.2 Billing and Payment
- 13.3 Alternative Forms of Notice
- 13.4 Designated Operating Representative
- 13.5 Changes to the Notice Information

Article 14. Signatures

Attachment 1 – Glossary of Terms

Attachment 2 – Description of costs of the Generating Facility, Interconnection Facilities, Metering Equipment,, and Distribution System Upgrades

Attachment 3 – Description of Generating Facility And Single-line Diagram (Provided by Interconnection Customer)

Attachment 4 – Milestones

Attachment 5 – Additional Operating Requirements for the Distribution Provider's Distribution System and Affected Systems Needed to Support the Interconnection Customer's Needs

Attachment 6 – Distribution Provider's Description of Its Upgrades and Cost Responsibility



RULE 21 GENERATOR INTERCONNECTION AGREEMENT FOR EXPORTING GENERATING FACILITIES INTERCONNECTING UNDER THE FAST TRACK PROCESS

PG&E Interconnection Agreement for an Existing Small Generating Facility Connecting to the Distribution System, Under Rule 21

This Interconnection Agreement ("Agreement" or "Interconnection Agreement For An Existing Small Generating Facility") is made and entered into this _____ day of _____, by PACIFIC GAS AND ELECTRIC COMPANY ("Distribution Provider"), and _____ ("Interconnection Customer") each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties."

Distribution Provider Information

[Contact Information to be supplied]

Interconnection Customer Information

[Contact Information to be supplied]

Interconnection Customer Application No:

PG&E Log ID _____ Queue# _____ -RD

WHEREAS, the effective date of the Qualifying Facility and Combined Heat and Power Program Settlement Agreement ("QF Settlement") is expected to be November 23, 2011;

WHEREAS, Interconnection Customer has a net capacity of 20 MW or less and is already interconnected to the Distribution System ("Existing Small Generating Facility");

WHEREAS, Interconnection Customer is a Qualifying Facility ("QF") selling all of its exports to the grid to the Distribution Provider under a power purchase agreement ("PPA") entered into pursuant to the Public Utility Regulatory Policies Act of 1978 ("PURPA");



RULE 21 GENERATOR INTERCONNECTION AGREEMENT FOR EXPORTING GENERATING FACILITIES INTERCONNECTING UNDER THE FAST TRACK PROCESS

WHEREAS, the Parties' existing PURPA PPA will terminate and be replaced with another PURPA PPA; and

WHEREAS, the Parties' existing interconnection agreement will be extinguished with the termination of the existing PURPA PPA and the Parties desire to replace it with this Agreement;

THEREFORE, in consideration of the mutual covenants set forth herein, the Parties agree as follows:

Article 1. Scope and Limitations of Agreement

1.1. Applicability

This Agreement shall be used for the Interconnection of an Existing Small Generating Facility that has a net capacity of 20 MW or less, and is already interconnected to the Distribution System as a QF selling all of its exports to the grid to the Distribution Provider under a PURPA PPA that will expire on _____ (date) and thereafter will be replaced with another PURPA PPA with the Distribution Provider.

1.2. Purpose

This Agreement incorporates in its entirety the Distribution Provider's California Public Utilities Commission ("CPUC") approved Electric Rule 21 ("Rule 21"), subject to any modifications the CPUC may direct in the exercise of its jurisdiction. This Agreement governs the terms and conditions under which the Interconnection Customer's Generating Facility will interconnect with, and operate in parallel with, the Distribution Provider's Distribution System. In the event of inconsistency between this Agreement and the terms of Rule 21, the provisions of the latter shall control.

1.3. No Agreement to Purchase or Deliver Power

This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements, if any. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity.

1.4. Limitations



**RULE 21 GENERATOR INTERCONNECTION
AGREEMENT FOR EXPORTING GENERATING
FACILITIES INTERCONNECTING UNDER
THE FAST TRACK PROCESS**

Nothing in this Agreement is intended to affect any other agreement between the Distribution Provider and the Interconnection Customer.

1.5. Responsibilities of the Parties

- 1.5.1. The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.
- 1.5.2. The Interconnection Customer shall construct, interconnect, operate and maintain its Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this Agreement, and with Good Utility Practice.
- 1.5.3. The Distribution Provider shall construct, operate, and maintain its Distribution System, Transmission System and Interconnection Facilities, Distribution Upgrades and Network Upgrades in accordance with this Agreement, and with Good Utility Practice.
- 1.5.4. The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Distribution Provider or any Affected Systems. The Interconnection Customer shall comply with the Distribution Provider's Interconnection Handbook. In the event of a conflict between the terms of this Agreement and the terms of the Distribution Provider's Interconnection Handbook, the terms in this Agreement shall govern.
- 1.5.5. Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership. The Distribution Provider and the Interconnection Customer, as appropriate, shall provide Interconnection



**RULE 21 GENERATOR INTERCONNECTION
AGREEMENT FOR EXPORTING GENERATING
FACILITIES INTERCONNECTING UNDER
THE FAST TRACK PROCESS**

Facilities that adequately protect the Distribution Provider's Distribution and Transmission Systems, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.

1.5.6. The Distribution Provider shall coordinate with all Affected Systems to support the interconnection.

1.5.7. The Interconnection Customer shall maintain QF status during the term of this Agreement.

1.6. Parallel Operation Obligations

Once the Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Generating Facility in the applicable balancing authority area, including, but not limited to; 1) the rules and procedures concerning the operation of generation set forth in Rule 21 or by the applicable system operator(s) for the Distribution Provider's Distribution Systems and; 2) the Operating Requirements set forth in Attachment 5 of this Agreement.

1.7. Metering

The Interconnection Customer shall be responsible for the Distribution Provider's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments 2 and 3 of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements. Nothing in this provision replaces or alters the metering requirements in the Interconnection Customer's PPA.

1.8. Reactive Power

1.8.1. The Interconnection Customer shall design its Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection and Small Generating Facility shall be capable of operating within a power factor range from 0.9 leading to 0.9 lagging unless the Distribution Provider has established different requirements that apply to all similarly situated generators in the balancing authority area on a comparable basis. Operation outside this range is acceptable provided the reactive power of the Generating Facility is used to meet the reactive



RULE 21 GENERATOR INTERCONNECTION AGREEMENT FOR EXPORTING GENERATING FACILITIES INTERCONNECTING UNDER THE FAST TRACK PROCESS

power needs of the Host Loads or that reactive power is otherwise provided under tariff by Distribution Provider. The Interconnection Customer shall notify Distribution Provider if it is using the Generating Facility for power factor correction. Unless otherwise agreed upon by the Interconnection Customer and Distribution Provider, Generating Facilities shall automatically regulate power factor, not voltage, while operating in parallel with Distribution Provider's Distribution System.

1.9. Capitalized Terms

Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement.

1.10 Smart Inverters

For Interconnection Customer applications received on or after September 9, 2017, the Interconnection Customer certifies that their inverter-based Generating Facilities fully comply with Section Hh of Rule 21, including configuration of protective settings and default settings, in accordance with the specifications therein.

Distribution Provider may require a field verification of the Interconnection Customer's inverter. Interconnection Customer further agrees to cooperate fully with any such request and make their inverter available to the Distribution Provider for such verification. Interconnection Customer understands that in the event the inverter is not set in accordance with Section Hh of Rule 21, Interconnection Customer will need to cease operation of generating facility until verification is confirmed by Distribution Provider.

(Solar inverter models and firmware versions that comply with Rule 21 Section Hh can be found at <http://www.gosolarcalifornia.org/equipment/inverters.php>.)

Verification of compliance with such requirements shall be provided by the Interconnection Customer upon request by PG&E in accordance with PG&E's Electric Rule 21.

An "existing inverter" is defined as an inverter that is a component of an existing Generating Facility that meets one or more of the following conditions:

- (a) it is already approved by PG&E for interconnection prior to September 9, 2017
- (b) the Interconnection Customer has submitted the interconnection application prior to September 9, 2017,



**RULE 21 GENERATOR INTERCONNECTION
AGREEMENT FOR EXPORTING GENERATING
FACILITIES INTERCONNECTING UNDER
THE FAST TRACK PROCESS**

- (c) the Interconnection Customer provides evidence of having applied for an electrical permit for the Generating Facility installation that is dated prior to September 9, 2017 and submitted a complete interconnection application¹ no later than March 31, 2018, or
- (d) the Interconnection Customer provides evidence of a final inspection clearance from the governmental authority having jurisdiction over the Generating Facility prior to September 9, 2017.

All “existing inverters” are not required to be Smart Inverters and are only subject to Section H of Rule 21. Interconnection Customer replacing an “existing inverter” certifies it is being replaced with either:

- (i) inverter equipment that complies with Section Hh of Rule 21, (encouraged);
or
- (ii) a conventional inverter that is of the same size and equivalent ability to that of the inverter being replaced, as allowed in Rule 21 Section H.3.d.ii.

Article 2. Inspection, Testing, Authorization, and Right of Access

2.1. Equipment Testing and Inspection

2.1.1. Pursuant to Rule 21, the Interconnection Customer shall test and inspect its Generating Facility and Interconnection Facilities. The Interconnection Customer shall notify the Distribution Provider of such activities no fewer than five Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Distribution Provider may, at its own expense, send qualified personnel to the Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the Distribution Provider a written test report when such testing and inspection is completed.

2.1.2. The Distribution Provider shall provide the Interconnection Customer written acknowledgment that it has received the Interconnection Customer's written

¹ A complete application consists all of the following without deficiencies:

1. A completed Interconnection Application including all supporting documents and required payments,
2. A completed signed Interconnection Agreement,
3. Evidence of the Distribution Provider final inspection clearance from the governmental authority having jurisdiction over the generating system



**RULE 21 GENERATOR INTERCONNECTION
AGREEMENT FOR EXPORTING GENERATING
FACILITIES INTERCONNECTING UNDER
THE FAST TRACK PROCESS**

test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Distribution Provider of the safety, durability, suitability, or reliability of the Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Generating Facility.

2.2. Authorization Required Prior to Parallel Operation

2.2.1. The Distribution Provider shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, the Distribution Provider shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Distribution Provider shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.

2.2.2. The Interconnection Customer shall not operate its Generating Facility in parallel with the Distribution Provider's Distribution System without prior written authorization of the Distribution Provider. The Distribution Provider will provide such authorization once the Distribution Provider receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3. Right of Access

2.3.1. Upon reasonable notice, the Distribution Provider may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Generating Facility (including any required testing), startup, and operation for a period of up to three Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the Distribution Provider at least five Business Days prior to conducting any on-site verification testing of the Generating Facility.

2.3.2. Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Distribution Provider shall have access to the Interconnection Customer's premises for any



**RULE 21 GENERATOR INTERCONNECTION
AGREEMENT FOR EXPORTING GENERATING
FACILITIES INTERCONNECTING UNDER
THE FAST TRACK PROCESS**

reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.

2.3.3. Each Party shall be responsible for its own costs associated with following this article.

Article 3. Effective Date, Term, Termination, and Disconnection

3.1. Effective Date

This Agreement shall become effective upon execution by the Parties or the termination of Interconnection Customer's existing interconnection agreement.

3.2. Term of Agreement

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of _____ from the Effective Date or such other longer period as Parties may agree and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article 3.3 of this Agreement.

3.3. Termination

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination.

3.3.1. The Interconnection Customer may terminate this Agreement at any time by giving the Distribution Provider 20 Business Days written notice.

3.3.2. Either Party may terminate this Agreement after Default pursuant to article 7.6. In addition, the Distribution Provider may terminate this Agreement if Interconnection Customer fails to maintain its QF status for the term of this Agreement or upon termination of Interconnection Customer's PURPA PPA.

3.3.2.1. Interconnection Customer is responsible for maintaining its QF status and must notify Distribution Provider sixty (60) days in advance of Interconnection Customer failing to maintain its QF status, selling to a third-party, or termination of its PURPA PPA. If Interconnection Customer fails to provide such notice, it is wholly responsible for any penalties incurred from any Governmental



**RULE 21 GENERATOR INTERCONNECTION
AGREEMENT FOR EXPORTING GENERATING
FACILITIES INTERCONNECTING UNDER
THE FAST TRACK PROCESS**

Authority or the California Independent System Operator Corporation (“CAISO”), including penalties incurred by the Distribution Provider, as a result of this failure to notify the Distribution Provider.

- 3.3.3. Upon termination of this Agreement, the Generating Facility will be disconnected from the Distribution Provider's Distribution System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this Agreement or such non-terminating Party otherwise is responsible for these costs under this Agreement.
- 3.3.4. The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.
- 3.3.5. This provisions of this article shall survive termination or expiration of this Agreement.
- 3.3.6. If the Generating Facility no longer falls within the scope and description provided in Section 1.1 of this Agreement, this Agreement is terminated.

3.4. Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

- 3.4.1. Emergency Conditions - “Emergency Condition” shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the Distribution Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Distribution System, the Distribution Provider's Interconnection Facilities or any Affected Systems; or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or the Interconnection Customer's Interconnection Facilities. Under Emergency Conditions, the Distribution Provider may immediately suspend interconnection service and temporarily disconnect the Generating Facility. The Distribution Provider shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Generating Facility. The



RULE 21 GENERATOR INTERCONNECTION AGREEMENT FOR EXPORTING GENERATING FACILITIES INTERCONNECTING UNDER THE FAST TRACK PROCESS

Interconnection Customer shall notify the Distribution Provider promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Distribution Provider's Distribution System or any Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of both Parties' facilities and operations, its anticipated duration, and the necessary corrective action.

3.4.2. Routine Maintenance, Construction, and Repair

The Distribution Provider may interrupt interconnection service or curtail the output of the Generating Facility and temporarily disconnect the Generating Facility from the Distribution Provider's Distribution System when necessary for routine maintenance, construction, and repairs on the Distribution Provider's Distribution System and/or Transmission System. The Distribution Provider shall provide the Interconnection Customer with five Business Days notice prior to such interruption. The Distribution Provider shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.

3.4.3. Forced Outages

During any forced outage, the Distribution Provider may suspend interconnection service to effect immediate repairs on the Distribution Provider's Distribution System and/or Transmission System. The Distribution Provider shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Distribution Provider shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

3.4.4. Adverse Operating Effects

The Distribution Provider shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Generating Facility could cause damage to the Distribution Provider's Distribution System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, the Distribution Provider may



**RULE 21 GENERATOR INTERCONNECTION
AGREEMENT FOR EXPORTING GENERATING
FACILITIES INTERCONNECTING UNDER
THE FAST TRACK PROCESS**

disconnect the Generating Facility. The Distribution Provider shall provide the Interconnection Customer with five Business Day notice of such disconnection, unless the provisions of article 3.4.1 apply.

3.4.5. Modification of the Generating Facility

The Interconnection Customer must receive written authorization from the Distribution Provider before making any change to the Generating Facility that may have a material impact on the safety or reliability of the Distribution System and/or Transmission System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without the Distribution Provider's prior written authorization, the latter shall have the right to temporarily disconnect the Generating Facility.

3.4.6. Reconnection

The Parties shall cooperate with each other to restore the Generating Facility, Interconnection Facilities, and the Distribution Provider's Distribution System and/or Transmission System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1. Interconnection Facilities

4.1.1. The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. The Distribution Provider shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, and the Distribution Provider.

4.1.2. The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection



**RULE 21 GENERATOR INTERCONNECTION
AGREEMENT FOR EXPORTING GENERATING
FACILITIES INTERCONNECTING UNDER
THE FAST TRACK PROCESS**

Facilities, and (2) operating, maintaining, repairing, and replacing the Distribution Provider's Interconnection Facilities.

4.2. Distribution Upgrades

The Distribution Provider shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If the Distribution Provider and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer.

Article 5. Cost Responsibility for Network Upgrades

5.1. Applicability

No portion of this Article 5 shall apply unless the interconnection of the Generating Facility requires Network Upgrades.

5.2. Network Upgrades

The Distribution Provider or the Transmission Owner shall design, procure, construct, install, and own the Network Upgrades described in Attachment 6 of this Agreement. If the Distribution Provider and the Interconnection Customer agree, the Interconnection Customer may construct Network Upgrades that are located on land owned by the Interconnection Customer. Unless the Distribution Provider elects to pay for Network Upgrades, the actual cost of the Network Upgrades, including overheads, shall be borne initially by the Interconnection Customer.

5.3. (Intentionally Omitted).

5.4. Rights Under Other Agreements

Notwithstanding any other provision of this Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that the Interconnection Customer shall be entitled to, now or in the future, under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Generating Facility..



**RULE 21 GENERATOR INTERCONNECTION
AGREEMENT FOR EXPORTING GENERATING
FACILITIES INTERCONNECTING UNDER
THE FAST TRACK PROCESS**

Article 6. Billing, Payment, Milestones, and Financial Security

6.1. Billing and Payment Procedures and Final Accounting

6.1.1. The Distribution Provider shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties. The Interconnection Customer shall pay each bill within 30 calendar days of receipt, or as otherwise agreed to by the Parties.

6.2. Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than an Uncontrollable Force Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) requesting appropriate amendments to Attachment 4. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

Article 7. Assignment, Liability, Indemnity, Uncontrollable Force, Consequential Damages, and Default

7.1. Assignment

This Agreement may be assigned by either Party upon 15 Business Days prior written notice and opportunity to object by the other Party; provided that:

7.1.1. Either Party may assign this Agreement without the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement, provided that the Interconnection Customer promptly notifies the Distribution Provider of any such assignment;



**RULE 21 GENERATOR INTERCONNECTION
AGREEMENT FOR EXPORTING GENERATING
FACILITIES INTERCONNECTING UNDER
THE FAST TRACK PROCESS**

7.1.2. The Interconnection Customer shall have the right to assign this Agreement, without the consent of the Distribution Provider, for collateral security purposes to aid in providing financing for the Generating Facility, provided that the Interconnection Customer will promptly notify the Distribution Provider of any such assignment.

7.1.3. Any attempted assignment that violates this article 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 Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

7.2. Limitation of Liability

Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

7.3. Indemnity

7.3.1. This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in article 7.2.

7.3.2. 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.

7.3.3. If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person may at the expense of the



**RULE 21 GENERATOR INTERCONNECTION
AGREEMENT FOR EXPORTING GENERATING
FACILITIES INTERCONNECTING UNDER
THE FAST TRACK PROCESS**

indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

7.3.4. If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this article, 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.

7.3.5. 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 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.

7.4. Consequential Damages

Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

7.5. Uncontrollable Force

7.5.1. As used in this article, an Uncontrollable Force shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond the reasonable control of the Distribution Provider or Interconnection Customer which could not be avoided through the exercise of Good Utility Practice. An Uncontrollable Force Event does not include an act of negligence or intentional wrongdoing by the Party claiming Uncontrollable Force."



**RULE 21 GENERATOR INTERCONNECTION
AGREEMENT FOR EXPORTING GENERATING
FACILITIES INTERCONNECTING UNDER
THE FAST TRACK PROCESS**

7.5.2. If an Uncontrollable Force Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Uncontrollable Force Event (“Affected Party”) shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Uncontrollable Force Event. The notification must specify in reasonable detail the circumstances of the Uncontrollable Force Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Uncontrollable Force Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Uncontrollable Force Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

7.6. Default

7.6.1. No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of an Uncontrollable Force Event as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in article 7.6.2, the defaulting Party shall have 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 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

7.6.2. If a Default is not cured as provided in this article, 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 will survive termination of this Agreement.

Article 8. Insurance



**RULE 21 GENERATOR INTERCONNECTION
AGREEMENT FOR EXPORTING GENERATING
FACILITIES INTERCONNECTING UNDER
THE FAST TRACK PROCESS**

8.1. 8.1 General Liability and Additional Insurance

The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection 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 nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in California. Certification that such insurance is in effect shall be provided upon request of the Distribution Provider, except that the Interconnection Customer shall show proof of insurance to the Distribution Provider no later than ten Business Days prior to the anticipated commercial operation date. An Interconnection Customer of sufficient credit-worthiness may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.

8.2. Maintenance of Insurance

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

8.3. Notification

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.

Article 9. Confidentiality

9.1. Definition of Confidential Information

Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.



**RULE 21 GENERATOR INTERCONNECTION
AGREEMENT FOR EXPORTING GENERATING
FACILITIES INTERCONNECTING UNDER
THE FAST TRACK PROCESS**

9.2. Treatment of Confidential Information

Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.

9.2.1. Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.

9.2.2. Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.

Article 10. Disputes

10.1. Dispute Resolution

Any dispute arising between the Parties regarding a Party's performance of its obligations under this Agreement or requirements related to the interconnection of the Generating Facility shall be resolved according to the procedures in Rule 21.

Article 11. Taxes

11.1. Applicable Tax Laws and Regulations

The Parties agree to follow all applicable tax laws and regulations, consistent with Internal Revenue Service requirements.

11.2. Maintenance of Tax Status

Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect the Distribution Provider's



**RULE 21 GENERATOR INTERCONNECTION
AGREEMENT FOR EXPORTING GENERATING
FACILITIES INTERCONNECTING UNDER
THE FAST TRACK PROCESS**

tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

Article 12. Miscellaneous

12.1. Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the State of California (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.2. Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties.

12.3. No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

12.4. Waiver

12.4.1. 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.

12.4.2. 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. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Distribution Provider. Any waiver of this Agreement shall, if requested, be provided in writing.



**RULE 21 GENERATOR INTERCONNECTION
AGREEMENT FOR EXPORTING GENERATING
FACILITIES INTERCONNECTING UNDER
THE FAST TRACK PROCESS**

12.5. Entire Agreement

This Agreement, including all Attachments, and any incorporated tariffs or Rules, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

12.6. Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

12.7. No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

12.8. Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9. Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. All public utilities are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10. Environmental Releases



**RULE 21 GENERATOR INTERCONNECTION
AGREEMENT FOR EXPORTING GENERATING
FACILITIES INTERCONNECTING UNDER
THE FAST TRACK PROCESS**

Each Party shall notify the other Party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

12.11. Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

12.11.1. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Distribution Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

12.11.2. The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

12.12. CPUC Modifications

Unless otherwise ordered by the CPUC, this Agreement at all times shall be subject to such modifications as the CPUC may direct from time to time in the exercise of its jurisdiction.

12.13. Review of Records and Data



**RULE 21 GENERATOR INTERCONNECTION
AGREEMENT FOR EXPORTING GENERATING
FACILITIES INTERCONNECTING UNDER
THE FAST TRACK PROCESS**

- 12.13.1. Distribution Provider shall have the right to review and obtain copies of Interconnection Customer's operations and maintenance records, logs, or other information such as, unit availability, maintenance outages, circuit breaker operation requiring manual reset, relay targets and unusual events pertaining to Interconnection Customer's Generating Facility or its interconnection with Distribution Provider's Distribution System.
- 12.13.2. The Interconnection Customer authorizes the Distribution Provider to release to the California Energy Commission ("CEC"), the CAISO and/or the CPUC information regarding the Generating Facility, including the Interconnection Customer's name and location, and the size, location and operational characteristics of the Generating Facility, as requested from time to time pursuant to the CEC's, CAISO's or CPUC's rules and regulations.

Article 13. Notices

13.1. General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national carrier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:

[Contact Information to be supplied]



**RULE 21 GENERATOR INTERCONNECTION
AGREEMENT FOR EXPORTING GENERATING
FACILITIES INTERCONNECTING UNDER
THE FAST TRACK PROCESS**

If to the Distribution Provider:

[Contact Information to be supplied]

13.2. Billing and Payment

Billings and payments shall be sent to the addresses set out below:

Interconnection Customer:

[Contact Information to be supplied]

Distribution Provider:

[Contact Information to be supplied]

13.3. Alternative Forms of Notice

Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below:



**RULE 21 GENERATOR INTERCONNECTION
AGREEMENT FOR EXPORTING GENERATING
FACILITIES INTERCONNECTING UNDER
THE FAST TRACK PROCESS**

If to the Interconnection Customer:

[Contact Information to be supplied]

If to the Distribution Provider:

[Contact Information to be supplied]

13.4. Designated Operating Representative

The Parties may also designate operating representatives 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 Party's facilities.

Interconnection Customer's Operating Representative:

[Contact Information to be supplied]

Distribution Provider's Operating Representative:

[Contact Information to be supplied]

13.5. Changes to the Notice Information



**RULE 21 GENERATOR INTERCONNECTION
AGREEMENT FOR EXPORTING GENERATING
FACILITIES INTERCONNECTING UNDER
THE FAST TRACK PROCESS**

Either Party may change this information by giving five Business Days written notice prior to the effective date of the change.

Article 14. Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

(Interconnection Company Name)

(Distribution Provider Company Name)

(Signature)

(SIGNATURE)

(Print Name)

(PRINT NAME)

(Title)

(TITLE)

(Date)

(DATE)



**RULE 21 GENERATOR INTERCONNECTION
AGREEMENT FOR EXPORTING GENERATING
FACILITIES INTERCONNECTING UNDER
THE FAST TRACK PROCESS**

Attachment 1

Attachment 1

Glossary of Terms

Affected System – An electric system other than the Distribution Provider's Distribution System that may be affected by the proposed interconnection, including but not limited to the Transmission System.

Applicable Laws and Regulations – All duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Business Day – Monday through Friday, excluding Federal Holidays.

Contact Information – Contact Information will include the name of business, contact name, business address including city, state and zip, phone number, e-mail address, and any other pertinent information that may be required to communicate with the Parties.

Default – The failure of a breaching Party to cure its Breach under the Interconnection Agreement For An Existing Small Generating Facility.

Distribution Owner – The entity that owns, leases or otherwise possesses an interest in the portion of the Distribution System at the Point of Interconnection and may be a Party to the Interconnection Agreement For An Existing Small Generating Facility to the extent necessary.

Distribution Provider – The public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity and provides distribution service to the Interconnection Customer. The term Distribution Provider should be read to include the Distribution Owner when the Distribution Owner is separate from the Distribution Provider.

Distribution System – Those non- California Independent System Operator Corporation (“CAISO”) transmission and distribution facilities owned, controlled and operated by the Distribution Provider that are used to provide distribution service, which facilities and equipment are used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.



**RULE 21 GENERATOR INTERCONNECTION
AGREEMENT FOR EXPORTING GENERATING
FACILITIES INTERCONNECTING UNDER
THE FAST TRACK PROCESS**

Attachment 1

Distribution Upgrades – The additions, modifications, and upgrades to the Distribution Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility. Distribution Upgrades do not include Interconnection Facilities.

Generating Facility – The Interconnection Customer's device for the production of electricity identified in Attachment 2 of the Interconnection Agreement For An Existing Small Generating Facility, but shall not include the Interconnection Customer's Interconnection Facilities.

Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority – Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Interconnection Customer, the Distribution Provider, or any Affiliate thereof.

Interconnection Customer – Any entity, including the Distribution Provider, the Distribution Owner or any of the affiliates or subsidiaries of either, that interconnected its Generating Facility with the Distribution Provider's Distribution System. The definition of "Interconnection Customer" in this Agreement is intended to be identical to and used interchangeably with the definition of "Producer" in Rule 21.

Interconnection Facilities – The Distribution Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Distribution Provider's Distribution System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.



**RULE 21 GENERATOR INTERCONNECTION
AGREEMENT FOR EXPORTING GENERATING
FACILITIES INTERCONNECTING UNDER
THE FAST TRACK PROCESS**

Attachment 1

Interconnection Handbook - A handbook, developed by the Distribution Provider and posted on the Distribution Provider's website or otherwise made available by the Distribution Provider, describing the technical and operational requirements for wholesale generators and loads connected to the Distribution System, as such handbook may be modified or superseded from time to time. In the event of a conflict between the terms of this Agreement and the terms of the Distribution Provider's Interconnection Handbook, the terms in this Agreement shall govern.

Network Upgrades – Additions, modifications, and upgrades to the Distribution Provider's Transmission System required at or beyond the point at which the Distribution System connects to the Distribution Provider's Transmission System to accommodate the interconnection of the Generating Facility to the Distribution Provider's Distribution System. Network Upgrades do not include Distribution Upgrades.

Operating Requirements – Any operating and technical requirements that may be applicable due to Regional Transmission Organization, CAISO, balancing authority area, or the Distribution Provider's requirements, including those set forth in the Interconnection Agreement For An Existing Small Generating Facility.

Party or Parties – The Distribution Provider, Distribution Owner, Interconnection Customer or any combination of the above.

Point of Interconnection – The point where the Interconnection Facilities connect with the Distribution Provider's Distribution System.

Reasonable Efforts – With respect to an action required to be attempted or taken by a Party under the Interconnection Agreement For An Existing Small Generating Facility, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Transmission System – Those facilities owned by the Distribution Provider that have been placed under the CAISO's operational control and are part of the CAISO Grid.

Upgrades – The required additions and modifications to the Distribution Provider's Distribution System and Transmission System, at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.



**RULE 21 GENERATOR INTERCONNECTION
AGREEMENT FOR EXPORTING GENERATING
FACILITIES INTERCONNECTING UNDER
THE FAST TRACK PROCESS**

Attachment 2

Attachment 2

**Description of the Generating Facility,
Interconnection Facilities, Metering Equipment and
Distribution System Upgrades**

Equipment, including the Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer, the Distribution Provider, or the Distribution Owner. The Distribution Provider will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.



*Pacific Gas and
Electric Company*[®]

**RULE 21 GENERATOR INTERCONNECTION
AGREEMENT FOR EXPORTING GENERATING
FACILITIES INTERCONNECTING UNDER
THE FAST TRACK PROCESS**

Attachment 3

Attachment 3

**Description Of Generating Facility
And Single-Line Diagram,
(Provided by Producer)**



**RULE 21 GENERATOR INTERCONNECTION
AGREEMENT FOR EXPORTING GENERATING
FACILITIES INTERCONNECTING UNDER
THE FAST TRACK PROCESS**

Attachment 4

Attachment 4

Milestones

In-Service Date: _____

Critical milestones and responsibility as agreed to by the Parties:

| | Milestone | Date | Responsible Parties |
|--|------------------|-------------|----------------------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Agreed to by:

For the Distribution Provider:

_____ Date _____

For the Transmission Owner (if applicable):

_____ Date _____

For the Interconnection Customer:

_____ Date _____



*Pacific Gas and
Electric Company*[®]

**RULE 21 GENERATOR INTERCONNECTION
AGREEMENT FOR EXPORTING GENERATING
FACILITIES INTERCONNECTING UNDER
THE FAST TRACK PROCESS**

Attachment 5

Attachment 5

**Additional Operating Requirements for the
Distribution Provider's Distribution System, and
Affected Systems Needed to Support the
Interconnection Customer's Needs**

The Distribution Provider shall also provide requirements that must be met by the Interconnection Customer for parallel operation with the Distribution Provider's Distribution System.



*Pacific Gas and
Electric Company*[®]

**RULE 21 GENERATOR INTERCONNECTION AGREEMENT
FOR EXPORTING GENERATING FACILITIES
INTERCONNECTING UNDER
THE FAST TRACK PROCESS
Attachment 6**

Attachment 6

**Distribution Provider's Description of its Upgrades
and Cost Responsibility**

The Distribution Provider shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Distribution Provider shall functionalize Upgrade costs and annual expenses as either transmission or distribution related. Alternatively, Attachments 2 and 6 can be combined in order to accommodate incorporation of the Interconnection Customer's existing agreement (i.e., Special Facilities Agreement or SFA) for the financing and ownership of facilities for this interconnection.