

Island Energy  
Interconnection and Net Metering Agreement

This Interconnection and Metering Agreement for Renewable Electric Generation Facilities ("Agreement") is made and entered into by and between \_\_\_\_\_ ("Customer"), whose mailing address is \_\_\_\_\_ and Island Energy ("IE"), sometimes also referred to herein jointly as "Parties" or individually as "Party."

1. APPLICABILITY

This Agreement is applicable only to customers who satisfy all requirements of the definition of an Eligible Customer-Generator as set forth in Section 2827(b)(4) of the California Public Utilities Code on the effective date of this Agreement. Customer represents that Customer is an Eligible Customer-Generator.

This Agreement is available on a first-come, first-served basis, until the total rated generating capacity of Eligible Customer Generators exceeds five percent of IE's aggregate customer peak demand. Once the total rated generation capacity reaches five percent of IE's aggregate customer peak demand, IE's Net Energy Metering program may be closed to new customers at IE's sole discretion.

2. DESCRIPTION OF CUSTOMER'S RENEWABLE ELECTRIC GENERATION FACILITY

2.1 Customer elects to interconnect and operate a renewable electric generation facility, as defined in Section 25741(a)(1) of the California Public Resources Code, located on Customer's owned, leased or rented premises within IE's service area ("Generating Facility") in parallel with IE's electric grid. Customer represents that the Generating Facility is intended primarily to offset part or all of the Customer's own electrical requirements.

2.2 Generating Facility Identification Number: \_\_\_\_\_

2.3 Customer Meter Number: \_\_\_\_\_

2.4 Customer Service Account Number: \_\_\_\_\_

2.5 Applicable Rate Schedule: \_\_\_\_\_

2.6 Generating Facility Location: \_\_\_\_\_

2.7 Generating Facility Technology: \_\_\_\_\_

2.8 Generating Facility Nameplate Rating (kW): \_\_\_\_\_

2.9 Estimated monthly energy production of Generating Facility (kWh): \_\_\_\_\_

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- 2.10 Estimated date when Generating Facility will be ready to commence parallel operation with IE's electric system:
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### 3. INTERCONNECTION, DESIGN AND CUSTOMER REQUIREMENTS

- 3.1 Customer shall deliver the available energy to IE at the Required Meter (as defined in Subsection 4.1 below) located on the Customer's premises.
- 3.2 Customer shall be responsible for the design, installation, operation, and maintenance of the Generating Facility and shall obtain and maintain any required governmental authorizations and permits.
- 3.3 Customer shall conform to all applicable solar electrical generating system safety and performance standards established by the National Electrical Code ("NEC"), the Institute of Electrical and Electronics Engineers ("IEEE"), and accredited, nationally recognized testing laboratories such as Underwriters Laboratories, applicable building codes and to all applicable IE Operational Standards, as may be amended from time to time.
- 3.4 Customer shall not commence parallel operation of the Generating Facility until Customer receives written approval from IE. IE shall consider such written approval upon IE's receipt of a copy of the final inspection or approval of the Generating Facility that has been issued by the governmental authority having jurisdiction to inspect and approve the installation. Such approval shall not be unreasonably withheld.
- 3.5 IE shall have the right to have a representative present at the final inspection made by the governmental authority having jurisdiction to inspect and approve the installation of the Generating Facility. Customer shall notify IE in accordance with the terms of Section 13, herein, at least five days prior to such inspection.
- 3.6 Customer shall not add generation capacity in excess of the Nameplate Rating set forth in Section 2.8 of this Agreement, or otherwise modify the Generating Facility without the prior written permission of IE.
- 3.7 Customer shall install a visible disconnect switch for the Generating Facility. The disconnect switch shall be lockable in the open position and directly accessible to IE employees at all times. Disconnect shall be installed in close proximity to, or no more than eight (8') feet from the utility's electric meter

### 4. METER REQUIREMENTS

- 4.1 IE shall own, operate and maintain on Customer's premises a single meter capable of registering the flow of electricity in two directions ("Required Meter"). In addition, the meter shall be capable of recording time-of-use information for all customers. IE

may waive metering requirements of this Section; provided such waiver shall be applied in a non discriminatory manner.

- 4.2 If the existing electrical meter of Customer is not capable of measuring the flow of electricity in two directions or supplying time-of-use information, Customer shall be responsible for all expenses involved in IE's purchase and installation of a Required Meter. IE may waive metering expenses of this Section; provided such a waiver shall be applied in a non discriminatory manner.
- 4.3 An additional meter or meters to monitor the flow of electricity in each direction may be installed with the consent of Customer, at the expense of IE, and the additional metering shall be used only to provide the information necessary to accurately bill or credit Customer pursuant to Section 9 below, or to collect generating system performance information for research purposes.
- 4.4 If an additional meter or meters are installed, the Net Energy Metering (as defined in Subsection 9.1 below) calculation shall yield a result identical to that of a single meter.

5. DISCONNECTION, INTERRUPTION OR REDUCTION OF DELIVERIES

- 5.1 IE shall not be obligated to accept or pay for, and may require Customer to curtail, interrupt or reduce, deliveries of available energy from its Generating Facility:
  - (a) Whenever IE deems it necessary in its sole judgment, to construct, install, maintain, repair, replace, remove, investigate, or inspect any of its equipment or any part of its electric system; or
  - (b) Whenever IE determines in its sole judgment, that curtailment, interruption, or reduction of Customer's electrical generation is otherwise necessary due to emergencies, forced outages, force majeure, or compliance with prudent electrical practices.
- 5.2 Whenever reasonably possible, IE shall give Customer reasonable notice of the possibility that curtailment, interruption or reduction of such deliveries may be required.
- 5.3 Notwithstanding any other provision of this Agreement, if at any time IE determines that either (a) the Generating Facility or its operation may endanger the health, safety or welfare of IE personnel, any person or the public, or (b) the continued operation of the Generating Facility may endanger the integrity of IE's electric system, any property or the environment, IE shall have the right to enter onto Customer's premises and disconnect Customer's Generating Facility from IE's system. Customer's Generating Facility shall remain disconnected until such time as IE is satisfied that the condition(s) referenced in (a) and (b) of this Subsection 5.3 have been corrected.

6. ACCESS TO PREMISES

IE may enter Customer's premises at all reasonable hours without notice to Customer for the following purposes:

- (a) To inspect Customer's protective devices and read or test meter(s); and
- (b) To disconnect the Generating Facility and/or service to Customer, whenever in IE's sole opinion, a hazardous condition exists and such immediate action is necessary to protect persons, IE's facilities, or property of others from damage or interference caused by the Generating Facility, or the absence or failure of properly operating protective devices.

7. PERMITS AND MAINTENANCE

Customer shall, at its sole cost and expense, (a) maintain the Generating Facility and interconnection facilities in a safe and prudent manner and in conformance with all applicable laws and regulations including, but not limited to Section 3, and (b) obtain any governmental authorizations and permits required for the construction and operation of the Generating Facility and interconnection facilities and performance of this Agreement. Customer shall reimburse IE for any and all losses, damages, claims, penalties, or liability it incurs as a result of Customer's failure to obtain or maintain any governmental authorizations and permits required for construction and operation of Customer's Generating Facility and performance of this Agreement.

8. INDEMNITY AND LIABILITY

- 8.1 Each Party as indemnitor shall defend, hold harmless, and indemnify the other Party and the directors, officers, employees, and agents of the other Party against and from any and all loss, liability, damage, claim, cost, charge, demand, or expense (including any direct, indirect or consequential loss, liability, damage, claim, cost, charge, demand, or expense, including attorneys' fees) for injury or death to persons, including employees of either Party, and damage to property, including property of either Party, arising out of or in connection with (a) the engineering, design, construction, maintenance, repair, operation, supervision, inspection, testing, protection or ownership of the indemnitor's facilities, or (b) the making of replacements, additions, betterments to, or reconstruction of the indemnitor's facilities. This indemnity shall apply notwithstanding the active or passive negligence of the indemnitee. However, neither Party shall be indemnified hereunder for its loss, liability, damage, claim, cost, charge, demand, or expense resulting from its sole negligence or willful misconduct.
- 8.2 The indemnitor shall, on the other Party's request, defend any suit asserting a claim covered by this indemnity and shall pay for all costs, including reasonable attorney fees that may be incurred by the other Party in enforcing this indemnity.
- 8.3 The provisions of this Section shall not be construed to relieve any insurer of its obligations to pay any insurance claims in accordance with the provisions of any valid insurance policy.

- 8.4 Except as otherwise provided in Section 8.1, neither Party shall be liable to the other Party for consequential damages incurred by that Party.
- 8.5 Nothing in this Agreement shall create any duty to, any standard of care with reference to, or any liability to any person who is not a Party to it.
- 8.6 Notwithstanding the provisions of Section 8.1, Customer shall be responsible for protecting its Generating Facility from damage by reason of the electrical disturbances or faults caused by the operation, faulty operation, or non-operation of IE's facilities and IE shall not be liable for any such damage so caused.

9. RATES AND BILLING

- 9.1 All rates charged will be in accordance with Customer's otherwise applicable tariff (Rate Schedule), as in effect from time to time, on a Net Energy Metering basis. "Net Energy Metering" means measuring the difference between the electricity supplied through the electric grid to the Customer and the electricity generated by Customer's Generating Facility and fed back to the electric grid over the 12-month period as described in Subsection 9.4 and Subsection 9.5 below.
- 9.2 Customer's otherwise applicable tariff (Rate Schedule) or "Rate Schedule" means the Rate Schedule in IE's published Electric Rate Schedules that would otherwise apply to Customer in the absence of this Agreement.
- 9.3 Customer is responsible for paying all charges in its Rate Schedule including the minimum charge (such as the Basic Charge), when applicable, regardless of Customer's monthly or annual net generation.
- 9.4 Customer will be billed on a monthly basis, regardless of the customer's previous billing cycle. The monthly Net Energy Metering calculation shall be made by measuring the difference between the electricity supplied to the Customer and the electricity generated by the Customer and fed back to the grid over a normal one-month billing period.
- 9.5 At the end of each one-month billing period following the date of first interconnection, IE shall determine if Customer was a net consumer or a net producer of electricity during the one-month time period.
- 9.6 In the event the electricity supplied by IE during the one-month period exceeds the electricity generated and fed back to the grid by Customer during the same period, Customer is a net energy consumer. If Customer is a net energy consumer, IE shall bill Customer for the net energy consumption during such billing period based on the Customer's Rate Schedule and Customer shall pay for such net energy consumption monthly in accordance with Customer's monthly billing statement.
- 9.7 In the event the electricity supplied by IE during the one-month period is less than the electricity generated and fed back to the grid by Customer during the same period, Customer is a net energy producer. If Customer is a net energy producer, any excess

kilowatt-hours generated during the billing cycle shall be carried over to the following billing period on a monetary basis until the end of the 12-month period.

- 9.8 If Customer's otherwise applicable tariff employs "baseline" and "over baseline" rates, any net monthly consumption of electricity shall be calculated according to the terms of the rate schedule. If Customer is a net generator over a billing period, the net kilowatt-hours generated shall be valued at the same price per kilowatt-hour as IE would charge for the baseline quantity of electricity during that billing period, and if the number of kilowatt-hours generated exceeds the baseline quantity, the excess shall be valued at the same price per kilowatt-hour as IE would charge electricity over the baseline quantity during the billing period.
- 9.9 If Customer terminates service under this Agreement prior to the end of any 12-month period, IE shall reconcile Customer's consumption and production of electricity and bill Customer for Net Energy Metering charges, if any, and if Customer has generated excess energy during the most recent billing period or if Customer has credits carried forward from previous billing periods, Utility shall issue a final payment for such credits based on the Net Surplus Compensation rate.
- 9.10 At the end of each 12-month period, the following provisions apply:
- 9.10.1 IE shall retain any Net Surplus Energy generated by Customer, including any associated environmental attributes or renewable energy credits ("REC"), and Customer's credits shall be reset to zero for the subsequent 12-month period. No payment will be made to Customer for the excess energy delivered to IE's grid, unless Customer elects a compensation option in Subsection 9.10.3.
- 9.10.2 Customer may be eligible for Net Surplus Energy Compensation. The Customer's Net Surplus Energy Compensation shall be calculated over a 12-month period. If Customer is eligible for Net Surplus Compensation, customer shall be compensated pursuant to the method selected by Customer in Subsection 9.10.3. Such Net Surplus Compensation Rate shall provide just and reasonable compensation for the value of the Net Surplus Energy, and shall be adopted in Rate Schedule NEM. Such Net Surplus Compensation Rate shall be reviewed and subject to change on an annual basis.
- 9.10.3 At the end of the 12-month period, upon certification by the Customer that they have sole ownership of the environmental attributes and REC associated with the energy generated from the Generating Facility in accordance with Subsection 9.10.5, Customer may receive Net Surplus Energy Compensation for Net Surplus Energy by affirmatively electing one of the following methods (Please initial just one):
- (a). \_\_\_ *Receive monetary compensation for Net Surplus Generation exported to IE during the prior 12-month period at the Net Surplus Energy Compensation Rate.*

(b).\_\_\_\_ *Receive the Net Surplus Energy Compensation as a kilowatt-hour credit calculated using the Net Surplus Energy Compensation rate and applied against future billing periods.*

\_\_\_\_ *(Please initial) By making this election, I also agree that all environmental attributes and REC associated with the kilowatt-hours generated shall be the property of IE.*

- 9.10.4 Affirmative elections remain effective for each 12-month period following the execution of such election. Customers are eligible to revise their net surplus energy compensation elections by giving written notice to IE at least thirty-days prior to the beginning of each succeeding 12-month period.
- 9.10.5 Customer hereby certifies that they have sole ownership of the environmental attributes and REC associated with the energy generated from the Generating Facility. For Customers who elect to receive Net Surplus Energy Compensation based on a per kilowatt-hour rate in accordance with Subsection 10.9.3, the environmental attributes and REC associated with the kilowatt-hours in which the Customer received Net Surplus Energy Compensation at the per kilowatt-hour rate shall be the property of IE. Customer hereby transfers to IE all rights, title, and interest Customer has to such environmental attributes and REC. Customers who elect to receive Net Surplus Energy Compensation based on a per kilowatt-hour credit calculated using the net surplus energy compensation rate and applied in accordance with Subsection 10.9.3 may elect to transfer to IE all rights, title, and interest Customer has to such environmental attributes and REC.

## 10. INSURANCE

Customer shall maintain and keep in force for as long as Customer is interconnected to IE's system, Commercial General Liability or Personal Liability insurance, as appropriate, covering its real property improvements. Such insurance shall be duly endorsed to provide thirty (30) days written notice to IE prior to cancellation, termination, alteration or material change in the terms and conditions of the coverage. In the event of such cancellation, termination, alteration or material change in the terms and conditions of the coverage IE has the right to disconnect the Generating Facility.

## 11. GOVERNING LAW, VENUE

This Agreement shall be interpreted under, governed by, and construed in accordance with the laws of the State of California as if executed and to be performed wholly within the State of California, without regard to conflicts of law rules thereof. Any action at law or equity brought by either Party for the purpose of enforcing a right or rights provided in this Agreement shall be brought only in a court of proper jurisdiction in the County of Contra Costa, State of California, and the Parties hereby

waive all other provisions of law providing for a change of venue in such proceedings to any other county. In event of a conflict between this contract and applicable provisions of state law, the later shall apply.

## 12. MODIFICATIONS, WAIVER, INTERPRETATION

- 12.1 No amendment or modification to this Agreement shall be effective unless in a writing duly executed by both Parties. The failure of any Party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any Party of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, shall be deemed to be construed as a further or continuing waiver of any such breach or a waiver of the breach of any other term or covenant unless such waiver is in writing.
- 12.2 This Agreement shall supersede any existing agreement with IE under which Customer is currently operating the Generating Facility identified in Section 2, herein, and any such agreement shall be deemed terminated as of the effective date of this Agreement.
- 12.3 This Agreement constitutes the final, complete and exclusive statement of the terms of the agreement between the Parties pertaining to the subject matter of this Agreement, and supersedes all prior and contemporaneous understandings or agreements of the Parties. Neither Party has been induced to enter into this Agreement by, and neither party is relying on, any representation or warranty outside those expressly set forth in this Agreement.
- 12.4 Except as expressly modified herein, IE's Operational Standards as adopted from time to time by IE shall continue to be applicable to IE's provision of electrical service to Customer and performance of this Agreement.

## 13. NOTICES

- 13.1 Any notice required under this Agreement shall be in writing and mailed at any United States Post Office with postage prepaid and addressed to the Party, or personally delivered to the Party, at the address below. Changes in such designation may be made by notice similarly given. All written notices shall be directed as follows:
- Island Energy:  
440 Walnut Ave.  
Mare Island, Vallejo, CA 94592
- 13.2 Customer's notices to IE pursuant to this Section shall refer to the Generating Facility Identification Number that is set forth in Section 2.2.
- 13.3 In the event of an emergency, Customer shall immediately notify IE at its 24-hour emergencies number, 707-750-4477, of any emergency situation related to the Generating Facility.



14. TERM AND TERMINATION OF AGREEMENT

14.1 This Agreement shall become effective on the date this Agreement is duly executed by both Parties as set forth in Section 17 below, and shall continue in full force and effect until terminated as provided herein.

14.2 This Agreement shall terminate on the earliest to occur of:

14.2.1 The thirtieth day after Customer gives IE prior written notice of termination with or without cause in accordance with Section 13;

14.2.2 The date both Parties agree in writing to terminate this Agreement;

14.2.3 The first day after IE gives Customer written notice of termination for cause, provided that IE shall first have given Customer written notice of Customer's breach of this Agreement and within thirty days of IE's sending notice of such breach, Customer fails to cure such breach or, if such breach requires more than thirty days to cure, Customer fails to promptly commence cure of such breach and diligently prosecute such cure to completion;

14.2.4 The date IE is no longer the electric supplier to Customer's premises; or

14.2.5 The date changes to Customer's electric load, or other circumstances, cause Customer to no longer satisfy all requirements of the definition of an Eligible Customer-Generator, as set forth in Section 2827(b)(4) of the California Public Utilities Code on the effective date of this Agreement.

14.3 After termination of this Agreement, any electric service provided by IE to Customer shall be pursuant to and in accordance with Customer's Rate Schedule.

15. AUTHORIZED REPRESENTATIVE

IE's Authorized Representative is the General Manager of IE, or his designee. IE may change its Authorized Representative by giving Customer notice pursuant to Section 13.

16. ASSIGNMENT PROHIBITED

Customer understands and agrees that this Agreement is personal to Customer and that Customer shall not assign or transfer in any way all or any portion of this Agreement to any other person or entity of any kind. Any attempt by Customer to assign or transfer in any way all or any portion of this Agreement shall be void ab initio.

17. OWNERSHIP OF ENVIRONMENTAL ATTRIBUTES

Customer shall assign IE any and all environmental attributes, renewable energy credits ("RECs"), green tags, energy or carbon credits/allowances with respect to the

PV solar systems that receive rebates from IE, and agree that IE shall have sole discretion and full benefits of any and all environmental attributes from distributed solar generation within IE's service territory.

18. SIGNATURES

IN WITNESS WHEREOF, the Parties hereto have caused two originals of this Agreement to be executed by their duly authorized representatives on the dates set forth below. This Agreement is effective as of the latter of the two dates set forth below.

<b>Customer</b>	<b>Island Energy</b>
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ATTEST:

By: \_\_\_\_\_ Office Manager