

Interconnection and Net Energy Metering Agreement

This Interconnection and Net Energy Metering Agreement for Solar or Wind Turbine Electric Facilities (“Agreement”) is made and entered into by and between _____ (“Customer”), whose mailing address is _____ and the City of Vernon, a municipal corporation acting by and through its Department of Light & Power (“Vernon”), 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)(2) of the California Public Utilities Code on the effective date of this Agreement. Customer represents that customer is an Eligible Customer-Generator.

2. DESCRIPTION OF CUSTOMER'S SOLAR OR WIND ELECTRIC GENERATING FACILITY

- (a) Customer elects to interconnect and operate a generating facility capable of generating electricity from solar or wind turbine electric generating facility, or hybrid system of both, located on Customer’s owned, leased or rented premises within Vernon’s service area (“Generating Facility”) in parallel with Vernon’s electric grid. Customer represents that the Generating Facility is intended primarily to offset part or all of the Customer's own electrical requirements.
- (b) Generating Facility Identification Number: _____.
- (c) Photovoltaic/Solar Facility Effective Rating: _____ kW
- (d) Wind Turbine (“WT”) rating _____ kW
Generating Facility Location: (Address) _____,
Vernon, California _____.
- (e) Generating Facility will be ready for operation and interconnection on or about: _____.
- (f) Customer represents the Generating Facility is a (check all applicable descriptions):
 - _____ Solar electrical generating facility
 - _____ Wind turbine electrical generating facility
 - _____ Hybrid Solar/Wind generating facility

3. CUSTOMER PAYMENT SCHEDULE

As further described in Section 12, if Customer is a Residential or Commercial Customer, Customer elects to be billed and to make payments to Vernon for Customer's Net Energy Metering Consumption as pursuant to the applicable Rate Schedule.

4. INTERRUPTION OR REDUCTION OF DELIVERIES

- (a) Vernon shall not be obligated to accept or credit Customer for, and may require Customer to curtail, interrupt or reduce, deliveries of available energy from its Generating Facility (i) when necessary in order to construct, install, maintain, repair, replace, remove, investigate, or inspect any of its equipment or part of Vernon's system, or (ii) if Vernon determines in its sole discretion that such curtailment, interruption, or reduction is convenient or necessary due to emergency, forced outage, force majeure, or compliance with prudent electrical practices.
- (b) Whenever reasonably possible, Vernon shall give Customer reasonable notice of the possibility that curtailment, interruption or reduction of such deliveries may be required.
- (c) Notwithstanding any other provision of this Agreement, if at any time Vernon determines that either (i) the Generating Facility or its operation may endanger the health, safety or welfare of Vernon personnel, any person or the public, or (ii) the continued operation of the Generating Facility may endanger the integrity of Vernon's electric system, any property or the environment, Vernon shall have the right to enter onto Customer's premises and disconnect Customer's Generating Facility from Vernon's system. Customer's Generating Facility shall remain disconnected until such time as Vernon is satisfied that the condition(s) referenced in (i) and (ii) of this Subsection 4(c) have been corrected.

5. INTERCONNECTION

- (a) Customer shall deliver the available energy to Vernon at the Required Meter (as defined in Subsection 7(a) below) located on the Customer's premises.
- (b) Customer shall not commence parallel operation of the Generating Facility until Customer receives written approval from Vernon's Authorized Representative. Vernon's Authorized Representative shall provide such written approval within ten (10) working days from Vernon'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.
- (c) Vernon shall have the right to have its representatives 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 Vernon

in accordance with the terms of Section 14, herein, at least five days prior to such inspection.

6. CUSTOMER REQUIREMENTS

- (a) 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.
- (b) Customer shall conform to all applicable solar or wind 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 Vernon’s Rules for Electric Service, as may be amended from time to time.
- (c) 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 Vernon 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.
- (d) Customer shall comply with City of Vernon General Guidelines for the Interconnection of Customer Owned Solar or Wind Generating Facility, which are incorporated into and hereby made a part of this Agreement.

7. REQUIRED METER

- (a) In accordance with Vernon’s published Rules for Electric Service, Vernon 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 except those currently in the Residential rate.
- (b) If the Customer’s existing electrical meter 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 Vernon’s purchase and installation of a Required Meter, except for Customers in the Domestic Service Rate. These Domestic Service Rate customers are not required to install time-of-use meters.
- (c) 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 Vernon, and the additional metering shall be used only to provide the information necessary to accurately bill or credit Customer pursuant to Section 12 below, or to collect generating system performance information for research purposes.
- (d) If an additional meter or meters are installed, the Net Energy Metering (as defined in Subsection 12(a) below) calculation shall yield a result identical to that of a single meter.

8. MAINTENANCE AND PERMITS

Customer shall (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 6, and (b) obtain any governmental authorizations and permits required for the construction and operation of the Generating Facility and interconnection facilities. Customer shall reimburse Vernon 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.

9. ACCESS TO PREMISES

- (a) Vernon may enter Customer's premises (a) to inspect, at reasonable hours, Customer's protective devices and read or test meters, and (b) to disconnect, without notice, the interconnection facilities if, in Vernon's opinion, a hazardous condition exists and such immediate action is necessary to protect persons, Vernon's facilities, or property of others from damage or interference caused by Customer's Generating Facility or lack of properly operating protective devices.

10. INDEMNITY AND LIABILITY

- (a) Except as to Vernon's sole negligence or willful misconduct, Customer shall defend, indemnify and hold harmless Vernon, its officers, employees, and agents against and from any and all loss, liability, damage, claim, cost, charge, demand, or expense (including without limitation any direct, indirect or consequential loss, liability, damage, claim, cost, charge, demand, expense, or attorneys' fees) for injury or death to any person, and damage to property, including without limitation property of either Party, arising out of or in connection with (a) any act or omission in the engineering, design, construction, destruction, maintenance, repair, operation, supervision, inspection, testing, protection or ownership of the Generating Facility, (b) any act or omission in the replacement, addition, betterment, reconstruction, removal, or destruction, of or to the Generating Facility, or (c) the Generating Facility.
- (b) Vernon will not be liable directly or indirectly for permitting or continuing to allow an attachment of Customer's Generating Facility, or for the acts or omissions of the Customer that cause loss or injury, including death, to any third party.
- (c) The provisions of this Section 10 shall not be construed to relieve any insurer of its obligations to pay any insurance claims in accordance with the provisions of any valid insurance policy.

11. INSURANCE

- (a) To the extent that Customer has currently in force all risk property insurance and comprehensive personal or commercial general liability insurance, Customer agrees that it will maintain such insurance in force for the duration of this

Agreement in no less amounts than those currently in effect. Vernon shall have the right to inspect or obtain a copy of the original policy or policies of insurance prior to commencing operation.

- (b) If Customer meets the standards and rules set forth in Section 6, Customer shall not be required to purchase any additional liability insurance over and above that referenced in Subsection 11(a).
- (c) Prior to Vernon's execution of this Agreement, Customer shall provide Vernon with evidence of Customer's compliance with the requirements of this section.

12. RATES AND BILLING

- (a) All rates charged will be in accordance with, as applicable, Vernon's Schedule NM, Schedule NM-Small or Schedule NM-Large, and 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 one-month billing period as described in Subsection 12(e) below. In the event of a conflict between Customer's otherwise applicable tariff (Rate Schedule) and Schedule NM, the provisions of Schedule NM shall govern.
- (b) Customer's otherwise applicable tariff (Rate Schedule) or "Rate Schedule" means the Rate Schedule in Vernon's published Electrical Rates that would otherwise apply to Customer from time to time in the absence of this Agreement.
- (c) Customer is responsible for paying all charges in its Rate Schedule including the minimum charge (such as Distribution and Customer Charge) and demand charge, when applicable, regardless of Customer's monthly or annual net generation.
- (d) Customer is exempted from any new or additional charge imposed by Vernon Light & Power that would increase Customer's charges under Customer's Rate Schedule beyond those of other customers in the rate class to which Customer would otherwise be assigned.
- (e) If the Customer is taking service under Schedule NM-Small, the customer shall be billed on an annual basis, regardless of the customer's billing cycle. If the Customer is taking service under Schedule NM or Schedule NM-large, the customer will be billed on a monthly basis, regardless of the customer's previous billing cycle. The 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 the applicable billing period. At the end of each billing period following the date of first interconnection, Vernon Light & Power shall determine if Customer was a net consumer or a net producer of electricity during the applicable billing period. In the event the electricity supplied by Vernon during the applicable billing period

- (f) If Customer is a net energy consumer, Vernon Light & Power 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 in accordance with Customer's regular billing statement. A customer taking service under Schedule NM or Schedule NM-Large shall receive a credit for any excess kilowatt-hours generated during a monthly billing cycle, which credit shall be carried over to the following billing period (up to a maximum of twelve consecutive months upon the anniversary of the interconnection). Any monthly credit for a customer taking service under Schedule NM shall be a monetary credit calculated at the rates in the Customer's Rate Schedule. A monthly credit for a customer taking service under Schedule NM-Large may be either a monetary credit calculated at the rates in the Customer's Rate Schedule or a kilowatt hour credit, as specified in Schedule NM-Large. In the event the energy generated exceeds the energy consumed during the twelve-month period, Vernon Light & Power shall retain any excess energy generated by Customer.
- (i) If Customer's Rate Schedule employs "time of use" rates, any net monthly consumption of electricity shall be calculated according to the terms of the Rate Schedule. When Customer is a net generator during any discrete time of use period, the net kilowatt hours produced shall be valued at Vernon Light & Power's average cost of power applicable to that specific time period. If Customer's time of use electrical meter is unable to measure the flow of electricity in two directions, the provisions of Section 7 shall apply.
- (g) If Customer's Rate Schedule 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 cost of power to Vernon 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 Vernon would charge for electricity over the baseline quantity during that billing period.
- (h) Vernon shall provide Customer with Net Energy Metering consumption information on a monthly basis.
- (i) If Customer terminates service under this Agreement prior to the end of any twelve month period, Vernon shall reconcile Customer's consumption and production of electricity and bill Customer for Net Energy Metering charges, if any, and adjust the excess energy to zero, if any.

- (j) If Customer is a net energy consumer during the applicable billing period, the Public Benefits Charge that is applicable to Customer under Customer's Rate Schedule shall be calculated based upon the sum of Customer's net energy consumption, monthly minimum charge (including customer and service charge) and monthly demand charge for such billing period.

13. 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 Los Angeles, 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.

14. MODIFICATIONS, WAIVER, INTERPRETATION

- (a) 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.
- (b) This Agreement shall supersede any existing agreement with Vernon 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.
- (c) 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.
- (d) Except as expressly modified herein, Vernon's published Rules for Electric Service as adopted from time to time by Vernon shall continue to be applicable to Vernon's provision of electrical service to Customer.

15. NOTICES

- (a) 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:

Vernon:

City of Vernon
Department of Light & Power
4305 Santa Fe Avenue
Vernon, California 90058

Customer:

To the mailing address listed on page 1 of this Agreement.

- (b) 15.2 Customer's notices to Vernon pursuant to this Section shall refer to the Generating Facility Identification Number that is set forth in Section 2(b).
- (c) In the event of an emergency, Customer shall immediately notify Vernon Light & Power at its 24-hour emergencies number, _____, of any emergency situation related to the Generating Facility.

16. TERM AND TERMINATION OF AGREEMENT

- (a) This Agreement shall become effective on the date this Agreement is duly executed by both Parties as set forth in Section 19 below, and shall continue in full force and effect until terminated as provided herein.
- (b) This Agreement shall terminate on the earliest to occur of:
 - (i) The thirtieth day after Customer gives Vernon prior written notice of termination with or without cause in accordance with Section 15;
 - (ii) The date both Parties agree in writing to terminate this Agreement;
 - (iii) The first day after Vernon gives Customer written notice of termination for cause, provided that Vernon shall first have given Customer written notice of Customer's breach of this Agreement and within thirty days of Vernon'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;
 - (iv) The date Vernon is no longer the electric supplier to Customer's premises;
or
 - (v) 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)(2) of the California Public Utilities Code on the effective date of this Agreement.

- (c) After termination of this Agreement, any electric service provided by Vernon to Customer shall be pursuant to and in accordance with Customer's Rate Schedule.

17. AUTHORIZED REPRESENTATIVE

Vernon's Authorized Representative is the Director of Light & Power, or his designee. Vernon may change its Authorized Representative by giving Customer notice pursuant to Section 15.

18. 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.

19. 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.

Customer

Vernon

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ATTEST:

By: _____

City Clerk

APPROVED AS TO FORM:

By: _____

City Attorney