

**NET ENERGY METERING  
AGREEMENT**

This Net Energy Metering Agreement (“Metering Agreement”), dated, for convenience, \_\_\_\_\_, \_\_\_\_\_, is entered into by and between the CITY OF PALO ALTO, a California chartered city (“CPAU”), and \_\_\_\_\_ (“Customer”), located at \_\_\_\_\_ Palo Alto, CA 9430 \_\_, Palo Alto (“Premises”) (individually, “Party”, and, collectively, “Parties”).

**CUSTOMER INFORMATION**

Name: \_\_\_\_\_

Mail Address: \_\_\_\_\_, Palo Alto, CA 9430\_\_

CPAU Electric Service Account Number: \_\_\_\_\_

CPAU Electric Service Rate: E-10

Service Address: \_\_\_\_\_, Palo Alto, CA 9430\_\_

**SECTION 1. TERM**

1.1 This Metering Agreement shall become effective upon its execution by the Parties, and shall continue in force until a Party gives thirty (30) days’ prior written notice of termination to the other Party. The termination shall become effective upon the last day of Customer’s regular full billing cycle following the receipt of the notice, as determined in accordance with CPAU’s Utilities Rules and Regulations. This Metering Agreement shall be coterminous with any of the following agreements between the Parties: (A) Interconnection Agreement; and (B) Photovoltaic/Solar Demonstration Program Grant Agreement.

**SECTION 2. SERVICE ELIGIBILITY**

2.1 During the term of this Metering Agreement, and in accordance with CPAU’s Utility Rate Schedule E-10 or successor utility rate schedule or schedules, CPAU’s Utilities Rules and Regulations and section 2827 of the California Public Utilities Code, Customer shall become and remain eligible for participation in CPAU’s net energy metering program, provided the following conditions are met:

- (A) Customer owns and operates a Photovoltaic/solar or wind electric generating facility (“Equipment”) with a rated capacity of no more than one thousand kilowatts (1,000 kW);
- (B) The Equipment must be permanently located at the Premises, and it must operate in parallel with CPAU’s electric utility distribution system; and
- (C) The Equipment must be operated primarily to offset part or all of Customer’s electrical service requirements.

2.2 Customer shall become eligible for participation in CPAU’s net energy metering program, provided Customer signs CPAU’s agreement entitled “Interconnection Agreement [Photovoltaic/Solar or Wind Electric Generating Facility Rated at 1 Megawatt or Less]”.

**SECTION 3. METERING REQUIREMENTS**

3.1 As a condition precedent to participation in CPAU’s net energy metering program, Customer shall use only a non-demand, non-time differentiated meter to measure the differential between the electrical energy, measured in kilowatt-hours (“kWh”), generated and supplied by an energy service provider to Customer, and the electrical energy generated and supplied by Customer to the energy service provider. For the purposes of this Metering Agreement, CPAU shall be deemed the energy service provider, unless Customer designates another energy service provider, and give notice thereof, in writing, to CPAU, in accordance with applicable laws, rules and regulations.

3.2 Subject to Utility Rate Schedule E-10's provisions to the contrary, Customer, at Customer’s sole cost and expense, shall or shall cause the meter referred to in Section 3.1 to be obtained, installed, repaired and maintained during the term of this Metering Agreement at the Premises. CPAU, at its sole cost and expense, shall be entitled to verify or otherwise authenticate the accuracy of the meter. Customer grants to CPAU, its officers, employees, agents and representatives the non-exclusive right of ingress and egress on, over and across the Premises upon 48 hours’ prior notice for the purpose of authenticating the operation of the Equipment.

**SECTION 4. NET ENERGY RATE; SETTLEMENT METHOD**

4.1 If, in a regular monthly billing cycle, the energy supplied by CPAU to Customer is greater than the energy supplied by Customer to CPAU, Customer will be billed by CPAU for the difference in energy provided or net energy, measured in kWh, at a rate calculated in accordance with the applicable CPAU utility rate schedule; provided, however, Customer will be charged at a rate no less than the minimum utility rate that would have been charged to Customer for the net energy delivered by CPAU. At the end of each twelve-month billing cycle period, or, at Customer’s election, at the end of each monthly billing cycle, following the commencement of net energy metering by the Parties, CPAU will issue either a final billing statement or an interim billing statement, should Customer elect to be subject to a monthly billing cycle period, in settlement of all credits and debits. The amount in settlement will be calculated in accordance with the following algebraic formula:

$$[(P - E) \times R]$$

where:

P is either the sum total of all payments actually made by Customer over the previous twelve-month billing cycle period, or the payment actually made by Customer for the previous monthly billing cycle period, if Customer has elected the monthly billing option;

E is the cost of net energy, if any, measured in kWh, supplied by CPAU to Customer; and

R is the customer class average rate of energy per kWh applicable to Customer over the previous twelve-month billing cycle period, or the previous monthly billing cycle, if Customer has elected the monthly billing option..

4.2 If, in a regular monthly billing cycle, the energy supplied by CPAU to Customer is less than the energy supplied by Customer to CPAU, CPAU will issue to Customer a credit for the net energy supplied to CPAU. The credit shall reflect, in part, the actual usage by Customer and the actual supply delivered by CPAU in the next monthly billing cycle statement. The actual usage amount could be a negative number, because Customer’s energy generation will exceed CPAU’s supply of energy, but such usage will not be greater than zero (0) kWh. Customer shall receive a credit determined under CPAU’s standard utility rate applicable to the class of customers to which Customer would be assigned. The credit, if any, will be carried forward to the next monthly billing statement; provided, however, at the end of the twelve-month billing cycle period following the commencement of net energy metering by the Parties, CPAU will not issue a cash payment or a billing credit to Customer for any net energy supplied by Customer to CPAU during that period, because any net energy provided by Customer shall be deemed netted to zero. For the purposes of this Metering Agreement, Customer shall be deemed to have waived the right to receive any payment in cash or in kind from CPAU for generating net energy in excess of energy supplied by CPAU.

4.3 Standby service charges for backup or maintenance electric service shall be waived for Customer, provided Customer qualifies for participation in net energy metering at the Service Address.

4.4 The provisions of Utility Rate Schedule E-10 or successor utility rate schedule or schedules and the Utilities

Rules and Regulations shall apply to the energy rates that are applicable to net energy metering activities. To the extent the provisions of this Section 4 are in conflict with the E-10 rate schedule or any successor schedule, the rates, rules and regulations set forth in Utility Rate Schedule E-10 or other successor utility rate schedule shall govern.

**SECTION 5. INDEMNITY**

5.1 Each Party, as indemnitor, shall defend, protect, indemnify and hold harmless the other Party, as indemnitee, its directors, officers, employees, and agents of the other Party from and against any and all losses, liability, damages, claims, costs, charges, demands, or expenses (including any direct, indirect or consequential loss, liability, damage, claim, cost, charge, demand, or expense, and reasonable attorneys' fees) for injury or death to persons and damage to property, arising, directly or indirectly, 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; provided, however, Customer's duty to indemnify CPAU shall not extend to any loss, liability, damage, claim, cost, charge, demand, or expense resulting from interruptions in electrical service to CPAU's electric utility customers other than Customer. Neither Party shall be indemnified hereunder for its loss, liability, damage, claim, cost, charge, demand, or expense arising out of or resulting from its sole negligence or willful misconduct.

5.2 Notwithstanding the foregoing indemnity, and except for a Party's willful misconduct or sole negligence, each Party shall be solely responsible for damage to its facilities resulting from electrical disturbances or faults.

5.3 The provisions of this Section 9 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.

5.4 EXCEPT AS OTHERWISE PROVIDED IN SECTION 9.1, A PARTY SHALL NOT BE LIABLE TO THE OTHER PARTY FOR ANY CONSEQUENTIAL DAMAGES INCURRED BY THAT OTHER PARTY.

**SECTION 6. NOTICE**

6.1 Any notice required to be given under this Agreement shall be delivered, in writing, and mailed at any United States Post Office with postage prepaid and correctly addressed to the Party, or personally delivered to the Party, at the address below. Changes to such designation may be made by notice similarly given. All written notices shall be directed, as follows:

CITY:

City of Palo Alto  
Department of Utilities  
250 Hamilton Ave.  
Palo Alto, CA 94301  
ATTN.: Lindsay Joye  
Telephone No.: (650) 329-2680  
Facsimile No.: (650) 617-3140

CUSTOMER:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
ATTN.: \_\_\_\_\_  
Telephone No.: \_\_\_\_\_  
Facsimile No.: \_\_\_\_\_

**SECTION 7. MISCELLANEOUS PROVISIONS**

7.1 This Agreement shall be governed by and interpreted 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.

7.2 Any amendments or modifications of this Net Metering Agreement shall not be binding upon the Parties, unless the Parties agree thereto, in writing. The failure of a 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 a Party of the breach of any covenant, term or condition contained in this Net Metering Agreement, whether by conduct or otherwise, shall be deemed or be construed as a further or continuing waiver of any such breach or a waiver of the breach of any other covenant, term or condition, unless such waiver is stated, in writing.

7.3 The Interconnection Agreement shall supersede any existing agreement other than a Grant Agreement, to which Customer may be a party, under which Customer is currently operating the Facility, and any such agreement shall be deemed terminated as of the date this Agreement becomes effective.

7.4 The provisions of CPAU's utility rate schedule and Utilities Rules and Regulations now or hereafter in effect shall apply to this Net Metering Agreement.

IN WITNESS WHEREOF, the Parties by their duly appointed representatives have executed this Net Metering Agreement in Palo Alto, County of Santa Clara, as of the date first above stated.

**CITY OF PALO ALTO**

**CUSTOMER**

\_\_\_\_\_  
ASSISTANT CITY MANAGER

\_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_

\_\_\_\_\_  
SENIOR ASSISTANT CITY ATTORNEY

APPROVED:

\_\_\_\_\_  
DIRECTOR OF UTILITIES