

**INTERCONNECTION AGREEMENT FOR NET ENERGY  
METERING GENERATING FACILITIES**

This Interconnection Agreement (the "Agreement"), dated, \_\_\_\_\_ (the "Effective Date"), is entered into by and between the CITY OF PALO ALTO UTILITIES Department on behalf of the CITY OF PALO ALTO, a California chartered municipal corporation ("CPAU" or "City"), and the "Producer", a CPAU Customer with a Generating Facility located at the Service Address stated in Exhibit A (the "Premises"), (individually, a "Party", and, collectively, the "Parties"). The Parties agree as follows:

**SECTION 1 PURPOSE and APPLICABILITY**

- 1.1** This Agreement applies to all Producers with a Generating Facility located at the Service Address. The Generating Facility may not be used to sell or otherwise provide Electric Service to any person, entity, real estate parcel, premise, or location other than those that are the subject of this Interconnection Agreement.
- 1.2** All capitalized terms used in this Agreement shall have the meanings assigned to them in CPAU's Rules and Regulations, unless this Agreement has indicated otherwise.

**SECTION 2 TERM AND TERMINATION**

- 2.1** This Agreement takes effect on the Effective Date, and shall continue in full force and effect, until the earliest date that one of the following occurs:
- 2.1.1** The Parties agree in writing to terminate this Agreement;
- 2.1.2** Producer provides 30 days written notice to CPAU that it desires to terminate this Agreement, along with notice that Producer has permanently disconnected the Generating Facility from CPAU's Electric Distribution System and CPAU has verified that such disconnection has occurred.
- 2.2** Producer may elect to terminate this Agreement under the terms of Section 2.1.2 for any reason. CPAU may elect to terminate this Agreement for any of the following reasons:
- 2.2.1** CPAU determines that Producer has violated any of the terms of the Agreement or any applicable CPAU Rules and Regulations, and has failed to take any corrective actions required by CPAU;
- 2.2.2** Changes in applicable Law materially alter or otherwise affect CPAU's ability or obligation to perform CPAU's duties under this Agreement;
- 2.2.3** CPAU determines that Producer has abandoned the Generating Facility, or that the Generating Facility is not operating in compliance with all applicable safety and performance standards.

**SECTION 3 INTERCONNECTION REQUIREMENTS**

- 3.1** The provisions of all of CPAU's applicable Utility Rate Schedule(s) and Utilities Rules and Regulations now in effect and as may be amended from time to time, shall apply to this Agreement.

- 3.2** Producer is responsible for installing, operating, maintaining, and repairing the Generating Facility and using the meter(s) in a safe and prudent manner, in conformance with CPAU's Rules and Regulations, City building codes, the Design Requirements in Exhibit B, and all applicable federal, state and local Laws, and safety and performance standards established by the National Electrical Code (NEC), the Institute of Electrical and Electronics Engineers (IEEE) and accredited testing laboratories such as Underwriters Laboratories (UL), and in accordance with the applicable rules of the California Public Utilities Commission regarding safety and reliability of electrical generating systems.
- 3.3** CPAU, at its sole cost and expense, is entitled to inspect and approve the installation of the Generating Facility and verify or otherwise authenticate the accuracy of the meter(s) as a condition precedent to permitting any interconnection.
- 3.4** Producer grants to City, its officers, employees, agents and representatives the non-exclusive right of ingress and egress on, over and across the Premises: 1) upon reasonable prior notice for the purpose of inspecting and approving the installation and operation of the Generating Facility and authenticating the accuracy of the meter(s), or 2) without notice in the event of an emergency, where in City's sole judgment, a condition hazardous to life or property exists, and immediate action is necessary to protect life or property from damage or interference caused by the Generating Facility or as a result of the lack of properly operating protective devices, or in regard to a disconnection of the Generating Facility.
- 3.5** Before connecting the Generating Facility to CPAU's Electric Utility Distribution System and for the full term of this Agreement, Producer will obtain and maintain the required governmental authorizations, permits, and any policy or policies of insurance, including, without limitation, commercial general liability, property, and professional liability insurance, as may be required by applicable Laws.
- 3.6** CPAU will not be obligated to accept or pay for, and it may require Producer to interrupt or reduce, the delivery of available energy generated by the Generating Facility whenever CPAU in its sole judgment determines that the interruption or reduction is necessary in order for CPAU to construct, install, maintain, repair, replace, remove, investigate, or inspect any part of CPAU's Electric Utility Distribution System; or that the interruption or reduction is necessary on account of an emergency, voluntary or involuntary outage, event of force majeure, or to maintain compliance with Good Utility Practice.

3.7 Notwithstanding any other provision of this Agreement, if CPAU in its sole judgment determines that either (a) the operation of the Generating Facility may threaten or endanger the health, safety or welfare of the public, CPAU's personnel or CPAU's or its personnel's property, or (b) the continued operation of the Generating Facility may endanger the operational integrity of CPAU's Electric Utility Distribution System, CPAU has the right to temporarily or permanently disconnect the Generating Facility from CPAU's Electric Utility Distribution System upon the delivery of reasonable notice to Producer; provided, however, CPAU may act without prior notice, if CPAU determines that it is impracticable or unsafe to provide such. The Generating Facility will remain disconnected until such time as CPAU's Director of Utilities is reasonably satisfied that the conditions referred to in this subsection have been corrected or sufficiently addressed.

3.8 Neither the City, nor its Council members, officers, employees or agents shall be liable for damages of any kind to the Generating Facility or the Premises caused by any electric disturbance on the CPAU system or on the system of another, whether or not the electrical disturbance results from the negligence of CPAU.

**SECTION 4 INDEMNITY**

4.1 To the fullest extent permitted by Law, Producer shall indemnify, protect, defend and hold harmless the City and its City Council, officers, agents, employees, contractors, and volunteers (each an "Indemnified Party") from and against any claim, injury, liability, loss, cost and/or expense or damage, including all costs and reasonable attorney's fees in providing a defense to any claim, arising from or in any manner related to Producer's negligent performance or non-performance, reckless or wrongful acts, errors, or omissions with respect to or in any way connected with the installation, ownership, operation, maintenance or repair of the Generating Facility by Producer, its agents, and/or assigns under this Agreement. Notwithstanding the above, nothing in this section shall require Producer to indemnify an Indemnified Party from claims arising from the active negligence, sole negligence or willful misconduct of an Indemnified Party.

4.2 Producer will reimburse City for any and all losses, damages, claims, penalties, or liability that City may incur or sustain as a result of Producer's failure to obtain and maintain any and all governmental approvals, authorizations, insurance and permits that may be required for the construction, installation, operation, repair and maintenance of the Generating Facility.

4.3 The provisions of this Section 4 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.

4.4 EXCEPT AS OTHERWISE PROVIDED IN SECTION 4.1, A PARTY SHALL NOT BE LIABLE TO THE OTHER PARTY FOR ANY CONSEQUENTIAL, PUNITIVE, EXEMPLARY SPECIAL OR INCIDENTAL DAMAGES (INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF BUSINESS, LOSS OF REVENUE, LOSS OF OPPORTUNITY OR LOSS OF DATA), HOWSOEVER CAUSED, WHETHER ARISING UNDER TORT, CONTRACT, OR OTHERWISE, AND WHETHER OR NOT FORESEEABLE, INCURRED BY THAT OTHER PARTY.

**SECTION 5 NOTICE**

5.1 All notice to the Parties shall, unless otherwise requested in writing, be addressed as follows:

To City:

City of Palo Alto Utilities Department:

250 Hamilton Avenue

Palo Alto, CA 94301

Phone No: (650) 617-3106

Email: [Utilities.Engineering@CityofPaloAlto.org](mailto:Utilities.Engineering@CityofPaloAlto.org)

To Producer: as addressed in Exhibit A.

**SECTION 6 MISCELLANEOUS PROVISIONS**

6.1 This Agreement is governed by and interpreted and construed in accordance with the laws of the State of California.

6.2 Any amendment or modification to this Agreement will not be binding upon the Parties, unless the Parties agree in writing.

6.3 The Producer represents and warrants that it has the authority to enter into this Agreement.

6.4 Any subsequent owner of the Premises on which the Generating Facility is located shall either agree to be bound by the terms of this Agreement, or this Agreement shall be terminated in writing as set forth in Section 2. Any subsequent owner shall provide notice to CPAU of their intent regarding this Agreement within 10 days of occupying the Premises.

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IN WITNESS WHEREOF, the Parties by their duly appointed representatives have executed this Interconnection Agreement in Palo Alto, County of Santa Clara, as of the Effective Date.

**PRODUCER**

Signature: \_\_\_\_\_

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

**CITY OF PALO ALTO**

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

APPROVED AS TO FORM:

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

**EXHIBIT "A"**

**PRODUCER AND GENERATING FACILITY**

**1. Generating Facility Description: INFORMATION**

- a. Service Address where Generating Facility is located:
- b. Inverter Model Number(s):
- c. Inverter Equipment Rating: kW-AC (total system, all Generation Facility)
- d. Photovoltaic Facility Rating: kW(CEC-AC), Number of panels:
- e. Energy Storage Facility Energy Rating: kWh
- f. Energy Storage Facility Maximum Continuous Power Rating: kW-AC (charge/discharge)
- g. Attach a copy of the Generating Facility single-line diagram.
- h. Please select one of the following:
  - i.  This is a new Generating Facility
  - ii.  This is an addition to an existing Generating Facility
  - iii.  This is a replacement of an existing Generating Facility
- i. If you have selected (ii) or (iii) in (h), describe the existing Generating Facility (Solar/Wind/Storage, size of each):

**2. Producer Information:**

- a. Producer Name:
- b. Phone Number:
- c. E-mail:
- d. Address (if different from Service Address where Generating Facility is located):
  - i.
- e. CPAU Electric Service Account Number for Generating Facility on the Premises:
- f. Palo Alto Building Permit Number (if available) :

Comments from CPAU:

Date:

NOTE: Installed Generating Facility ratings (Items 1(c)-(f) above) might differ slightly from the values listed on this Exhibit A. City of Palo Alto Utilities (CPAU) will update and maintain records of the 'as-installed' ratings, as needed.

**EXHIBIT "B"**  
**INTERCONNECTION STANDARDS**  
**FOR SOLAR AND WIND TURBINE ELECTRICAL GENERATING FACILITIES**  
**OR A HYBRID SYSTEM OF BOTH**

**General**

These interconnection standards apply to interconnected non-utility-owned solar, wind turbine, energy storage or similar electric generation facilities, including energy storage facilities, or a hybrid system of these that are connected for parallel operation with CPAU's Electric Utility Distribution System.

**Design Requirements**

1. Producer will conform to the applicable National Electric Code (NEC) Standards [NEC 690] and applicable building codes, as well as the current IEEE and UL standards applicable to energy storage facilities.
2. Producer will have a dedicated circuit from the inverter to service panel with a circuit breaker or fuse [NEC 690-64(b)(1)].
3. Producer's overcurrent device at the service panel will be marked to indicate solar power source [NEC 690-64(b)(4)].
4. Producer shall install a visible break, lockable AC disconnect switch in the dedicated circuit to the inverter. This switch will be located where it is easily accessible by CPAU personnel and will be equipped with a CPAU padlock (CPAU Rule and Regulation 27).
5. Producer's inverter will be UL 1741 approved and have the following specifications for parallel operation with CPAU's Electric Utility Distribution System:
  - A. Inverter output will automatically disconnect from CPAU's utility source upon loss of utility voltage and will not reconnect until at least five (5) minutes after normal utility voltage and frequency have been restored [UL 1741].
  - B. Inverter will automatically disconnect from CPAU's utility source within 120 cycles (2 seconds) if CPAU's utility voltage is less than 106 volts or greater than 132 volts on a 120-volt base [UL 1741].
  - C. Inverter will automatically disconnect from CPAU's utility source within 10 cycles (0.17 seconds) if CPAU's utility frequency fluctuates is less than 59.3 hertz or greater than 60.5 hertz [UL 1741] cycle.
  - D. Inverter output will comply with IEEE 519 standards for harmonic distortion (CPAU Rule and Regulation 27).