

Form No. 76
INTERCONNECTION AND NET ENERGY METERING AGREEMENT FOR
LOCAL WATER AGENCIES

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PLEASE SEE ATTACHED

(N)

BEAR VALLEY ELECTRIC SERVICE

(N)

INTERCONNECTION AND NET ENERGY METERING AGREEMENT FOR
LOCAL WATER AGENCIES

(N)

(N)

(FORM AVAILABLE UPON REQUEST)

(N)

BEAR VALLEY ELECTRIC SERVICE
INTERCONNECTION AND NET ENERGY METERING AGREEMENT FOR
LOCAL WATER AGENCIES

DECLARATIONS

This "Interconnection and Net Energy Metering Agreement for local Water Agencies ("WA") is entered into by and between WA, the "Customer-Generator" ("CG") and the "American States Water Company" ("AWR") and "Bear Valley Electric Service" ("BVES") a Subsidiary of AWR, sometimes referred to herein jointly as "Parties" or individually as "Party". This Agreement applies to the CG's "Solar Generating Facility" ("Facility") identified below with the specified characteristics and does not allow interconnection or operation of facilities different than those described. Accordingly, the Parties agree as follows:

1. APPLICABILITY

This Agreement is applicable only to WA installing a Facility not to exceed 1,000 KW capacity that is located on the CG's premises and is intended to be used primarily to offset the CG's electric use at the premises. The qualifying CG must have previously submitted an Application for Interconnection and Net Energy Metering to BVES that has been accepted by BVES as complete.

2. IDENTITY AND LOCATION OF CG's FACILITY

This Agreement is applicable only to a Facility at the location below. Facility may not be relocated or connected to BVES' system at any other location without BVES' express written permission.

Customer Meter Number: _____ (Assigned by BVES)

Customer Account Number: _____ (Assigned by BVES)

Applicable Rate Schedule: _____ (Assigned by BVES)

Facility

Location: _____

Address: _____

City/State/Zip: _____

3. DESCRIPTION OF CG's EQUIPMENT

A. Effective Operating Capacity: See tables

	Type of Generator (Solar)	Solar Panels Rating (watts)	Manufacturer of Solar Panel
	<u>A</u>	<u>B</u>	<u>C</u>
<u>1</u>			
<u>2</u>			

	Manufacturer of Inverter/Controller & Model Number)	AC Output Rating Watts and Voltage	CEC Efficiency Rating	Effective Output (watts)
	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>
<u>1</u>				
<u>2</u>				

*(G) is computed as the lesser of (B) times (F) or (E) times (F)

B. Type of Visible and Lockable AC Disconnect Equipment:

To operate safely the CG's Facility must have the capability of being disconnected from BVES' distribution system by a dedicated switch located near but not within the customer's electrical panel, which must be accessible by BVES and labeled with BVES approved plaques.

Disconnect Switch Manufacturer	Disconnect Switch Model Number	Disconnect Switch Rating (amps)

C. Expected Date the Facility Will Commence Operation:

The Facility is expected to operate in parallel with BVES' electric system on _____ which shall be not be more than eighteen months from the date of this Agreement. However, CG shall not commence parallel operation with BVES until written approval has been provided by BVES.

(CG Initials _____).

4. METERING AND BILLING

Metering requirements and billing procedures shall be governed by WA's DGS NEM-S and

Otherwise Applicable Tariff rate schedules. By signing this Agreement CG understands it will be billed and will be required to pay charges due under CG's tariff and all payments will be reconciled as provided in Schedule DGS NEM-S.

5. DECLARATIONS, ATTACHMENTS AND AGREEMENT TO TERMS

CG has read, understands, and agrees that interconnection of the facilities of the CG shall be established and maintained in accordance with the terms in Attachment A, PROVISIONS, incorporated herein by reference.

This Agreement includes the following exhibits that are specifically incorporated herein and made a part of this Agreement.

1. Attachment A, PROVISIONS
2. In addition, BVES Electric Tariff Rules and Rates as amended from time to time, on file with the California Public Utilities Commission of the State of California ("CPUC").

6. SIGNATURES

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

CUSTOMER-GENERATOR		BEAR VALLEY ELECTRIC SERVICE	
By:	_____	By:	_____
	(Signature)		(Signature)
Name:	_____	Name:	_____
Title:	_____	Title:	_____
Date	_____	Date	_____

CUSTOMER GENERATOR INTERCONNECTION

BEAR VALLEY ELECTRIC SERVICE

CUSTOMER GENERATOR _____ (NAME)

ATTACHMENT "A"

PROVISIONS OF INTERCONNECTION AGREEMENT

(Agreement between Bear Valley Electric Service and Producer)

ATTACHMENT A - PROVISIONS OF INTERCONNECTION AGREEMENT

1. PURPOSE OF INTERCONNECTION AND REPRESENTATIONS

The purpose of this Agreement is to allow CG to interconnect with BVES' distribution system, subject to the provisions of this Agreement and BVES' tariff Schedules. CG has elected to interconnect and operate its Facility in parallel with BVES' electric grid. The Facility is intended primarily to offset part or all of the CG's own electrical requirements. CG shall at all times comply with this Agreement as well as with all applicable codes, standards, laws and tariffs, and applicable requirements of the CPUC, and as amended from time to time.

2. DISCONNECTION, INTERRUPTION OR REDUCTION OF DELIVERIES

2.1 BVES may require CG to interrupt or reduce the output of its Facility under the following circumstances:

- (a) Whenever BVES 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 BVES determines in its sole judgment, that curtailment, interruption, or reduction of CG's electrical generation is otherwise necessary due to emergencies, forced outages, force majeure, or compliance with prudent electrical practices.

2.2 Notwithstanding any other provision of this Agreement, upon termination of this Agreement or at any time BVES determines the continued parallel operation of the Facility may endanger the public or BVES personnel, or affect the integrity of BVES' electric system or the quality of electric service provided to other Customers, BVES shall have the right to require the Facility to be immediately disconnected from BVES' electric system. The Facility shall remain disconnected until such time as BVES is satisfied, in its sole judgment that the condition(s) causing such disconnection have ended or have been corrected.

2.3 Whenever feasible, BVES shall give CG reasonable notice of the possibility that interruption or reduction of deliveries may be required.

2.4 Electrical energy and capacity provided to CG during periods of curtailment or interruption of the output of the Facility shall be provided pursuant to the terms of the otherwise applicable tariff rate schedule(s) applicable to the electric service account to which the Facility is connected.

3. INTERCONNECTION

3.1 CG shall deliver the energy in excess of its on-site requirements to BVES at the utility's meter.

3.2 The metering requirements are detailed in BVES' Schedule DGS NEM-S.

3.3 CG shall not commence parallel operation of the Facility until receipt of the following by BVES and written approval has been provided by BVES:

- (a) An Application For Interconnection and Net Metering which has subsequently been accepted by BVES as “complete” including all supporting documents;
- (b) A completed and signed Interconnection and Net Energy Metering Agreement; and
- (c) A copy of the CG’s final inspection clearance from the governmental authority having jurisdiction over the Facility.

With these three documents fully complete, BVES’ field inspection and approval shall not be unreasonably withheld. Such approval shall normally be provided no later than (10) business days following BVES’ inspection.

3.4 BVES shall have the right to have its representatives present at the final inspection made by the governmental authority jurisdiction to inspect and approve the installation of the Facility. CG shall notify BVES in accordance with the terms of Section 11, herein at least five (5) days prior to such inspection.

3.5 CG authorizes BVES to release to the California Energy Commission (“CEC”) and the CPUC information regarding CG’s Facility, including customer name, location, size, and operational characteristics, as requested from time to time pursuant to the CPUC’s and the CEC’s rules and regulations.

4. FACILITY DESIGN REQUIREMENTS

4.1 CG shall be responsible for the design, installation, and operation of the Facility.

4.2 The Facility shall meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronics Engineers (“IEEE”), and accredited testing laboratories such as Underwriters Laboratories (“UL”), and, where applicable, rules of the CPUC regarding safety and reliability. This requirement shall include, but not be limited to, the provisions of IEEE Standard 929 and UL Standard 1741.

4.3 CG shall not add generation capacity in excess of the effective AC output rating set forth in the Section 3 of the Declaration to this Agreement, or otherwise modify the Facility without the prior written permission of BVES.

5. MAINTENANCE AND PERMITS

5.1 CG shall:

- (a) Maintain the Facility in a safe and prudent manner and in conformance with all applicable laws and regulations including, but not limited to, Section 4, and
- (b) Obtain any governmental authorizations and permits required for the construction and operation of the Facility. CG shall reimburse BVES for any and all losses, damages, claims, penalties, or liability it incurs as a result of CG’s failure to obtain or maintain any governmental authorizations and permits required for construction and operation of CG’s Facility.

5.2 BVES shall have the right to review and obtain copies of CG’s operations and maintenance

records, logs, or other information, pertaining to CG's Facility or its interconnection with BVES' distribution system.

6. ACCESS TO PREMISES

BVES may enter CG's premises for the following purposes:

- (a) After giving reasonable notice to CG, to inspect CG's protective devices and read or test meter(s); and,
- (b) Without notice to disconnect the Facility and/or service to CG, whenever in BVES' sole opinion, a hazardous condition exists and such immediate action is necessary to protect persons, BVES' facilities, or property of others from damage or interference caused by the Facility, or the absence or failure of properly operating protective devices.

7. INDEMNITY AND LIABILITY

7.1 Each Party as indemnitor shall defend, hold harmless, and indemnify the other Party and the directors, officers, managers, 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.

7.2 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.

7.3 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.

7.4 Except as otherwise provided in Section 7.1, neither Party shall be liable to the other Party for consequential damages incurred by that Party.

7.5 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.

7.6 If CG fails to comply with the insurance provisions of this Agreement, CG shall, at its own cost, defend, save harmless and indemnify AWR, BVES, its directors, officers, managers,

employees, agents, assignees, and successors in interest from and against any and all loss, liability, damage, claim, cost, charge, demand, or expense of any kind or nature (including attorney's fees and other costs of litigation) resulting from the death or injury to any person or damage to any property, including the personnel and property of the utility, to the extent that the utility would have been protected had CG complied with the insurance provisions of Section 8. The inclusion of this Section 7.6 is not intended to create any expressed or implied right in CG to elect not to provide any such required insurance.

7.7 Notwithstanding the provisions of Section 7.1, CG shall be responsible for protecting its Facility from damage by reason of the electrical disturbances or faults caused by the operation, faulty operation, or non-operation of BVES' facilities and BVES shall not be liable for any such damage so caused.

8. INSURANCE

8.1 To the extent that CG has currently in force Property insurance and CG Liability or Personal Liability insurance, CG agrees that it will maintain such insurance in force for the duration of this Agreement in no less amounts than those currently in effect. BVES shall have the right to inspect or obtain a copy of the original policy or policies of insurance prior to commencing parallel operation.

8.2 CG shall meet the standards and rules set forth in Sections 4 and 5, have the appropriate liability insurance required in Section 8.1 and shall not be required to purchase any additional liability insurance.

8.3 Such insurance required in Section 8.1 shall, by endorsement to the policy or policies, provide for thirty (30) calendar days written notice to the utility prior to cancellation, termination, alteration, or material change of such insurance.

8.4 All insurance certificates, endorsements, cancellations, terminations, alterations, and material changes of such insurance shall be issued and submitted to the following:

Bear Valley Electric Service
Attn: Energy Resource Manager
42020 Garstin Road
P.O. Box 1547
Big Bear Lake, CA 92315

9. GOVERNING LAW, JURISDICTION OF CPUC, INCLUSION OF BVES' RATE SCHEDULES AND RULES

9.1 This Agreement shall be interpreted, governed, and construed under the laws of the State of California as if executed and to be performed wholly within the State of California without

giving effect to choice of law provisions that might apply to the law of a different jurisdiction.

9.2 This Agreement shall, at all times, be subject to such changes or modifications by the CPUC as it may from time to time direct in the exercise of its jurisdiction.

9.3 The interconnection and services provided under this Agreement shall at all times be subject to the terms and conditions set forth in the rate schedules and rules applicable to the electric service provided by BVES.

9.4 Notwithstanding any other provisions of this Agreement, BVES shall have the right to unilaterally file with the CPUC, pursuant to the CPUC's rules and regulations, an application for change in rates, charges, classification, service, tariff or rule or any agreement relating thereto.

10. AMENDMENT, MODIFICATIONS, WAIVER OR ASSIGNMENT

10.1 This Agreement may not be altered or modified by either of the Parties, except by an instrument in writing executed by each of them.

10.2 None of the provisions of this Agreement shall be considered waived by a Party unless such waiver is given in writing. The failure of a Party to insist in anyone or more instances upon strict performance of any of the provisions of this Agreement or to take advantage of any of its rights hereunder shall not be construed as a waiver of any such provisions or the relinquishment of any such rights for the future, but the same shall continue and remain in full force and effect.

10.3 This Agreement shall supersede any existing agreement under which CG is currently operating the Facility identified in Section 2 of the Declaration, herein, and any such agreement shall be deemed terminated as of the date this Agreement becomes effective.

10.4 This Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter of this Agreement. Each party also represents that in entering into this Agreement, it has not relied on any promise, inducement, representation, warranty, agreement or other statement not set forth in this Agreement.

10.5 Neither Party shall voluntarily assign this Agreement or any of its rights or duties hereunder without the written consent of the other Party, which consent shall not be unreasonably withheld. Any such assignment or delegation made without such written consent shall be null and void.

11. NOTICES

11.1 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:

IF TO BVES: BEAR VALLEY ELECTRIC SERVICE

Attention: Energy Resource Manager

Address: 42020 Garstin Drive

P.O. Box 1547

City: Big Bear Lake, CA 92315

Phone: (800) 808-2837

FAX: (909) 866-5056

IF TO CG: CG (Name & Address Below):

Attention: _____

Address: _____

City: _____

Phone: _____

Fax: _____

12. TERM AND TERMINATION OF AGREEMENT

12.1 This Agreement shall become effective as of the later of the two dates identified by signature of CG and BVES, and shall remain in effect thereafter from month to month unless terminated by either Party on thirty (30) days prior written notice in accordance with Section 11, herein.

12.2 This Agreement shall terminate, without notice, upon: (a) termination of the electric distribution service provided to CG by BVES; or (b) changes to CG's electric load which cause CG to no longer satisfy all requirements of the definition of an Eligible CG set forth in the California Public Utilities Code.