

**NET ENERGY METERING INTERCONNECTION AGREEMENT
FOR SOLAR OR WIND TURBINE ELECTRIC GENERATING FACILITIES
(STANDARD CONTRACT-NEM)**

This Net Energy Metering Interconnection Agreement for Solar or Wind Turbine Electric Generating Facilities ("Agreement") is made and entered into by and between _____ ("Customer"), whose mailing address is _____ and the City of Colton, a municipal corporation acting by and through its Department of Public Utilities (Colton Electric Utility), 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

2.1 Customer elects to interconnect and operate a solar or wind turbine electrical generating facility, or hybrid system of both, located on Customer's owned, leased or rented premises within Colton Electric Utility's service area ("Generating Facility") in parallel with Colton'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 Photovoltaic/Solar ("PV") Array Rating: _____ kW
Wind Turbine ("WT") Rating: _____ kW

2.4 Generating Facility Location: (Address) _____, Colton, California 92324.

2.5 Generating Facility will be ready for operation and interconnection on or about: _____, 200__.

2.6 Customer represents that the Generating Facility shall be as shown on Exhibit "A" ("Generating Facility Plan"), attached hereto and incorporated herein by this reference.

2.7 Customer represents the Generating Facility is a (check all applicable descriptions):

- Solar electrical generating facility
 Wind turbine electrical generating facility
 Hybrid solar/wind turbine electrical generating facility

3. RESIDENTIAL OR SMALL COMMERCIAL CUSTOMER PAYMENT SCHEDULE

As further described in Section 12, if Customer is a Residential or Small Commercial Customer, Customer elects to be billed and to make payments to Colton for Customer's Net Energy Metering Consumption as follows (Check one):

Monthly Annually

4. INTERRUPTION OR REDUCTION OF DELIVERIES

4.1 Colton 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) when necessary in order to construct, install, maintain, repair, replace, remove, investigate, or inspect any of its equipment or part of Colton's system, or (b) if Colton 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.

- 4.2 Whenever reasonably possible, Colton shall give Customer reasonable notice of the possibility that curtailment, interruption or reduction of such deliveries may be required.
- 4.3 Notwithstanding any other provision of this Agreement, if at any time Colton determines that either (a) the Generating Facility or its operation may endanger the health, safety or welfare of Colton personnel, any person or the public, or (b) the continued operation of the Generating Facility may endanger the integrity of Colton electric system, any property or the environment, Colton shall have the right to enter onto Customer's premises and disconnect Customer's Generating Facility from Colton system. Customer's Generating Facility shall remain disconnected until such time as Colton is satisfied that the condition(s) referenced in (a) and (b) of this Subsection 4.3 have been corrected.

5. INTERCONNECTION

- 5.1 Customer shall deliver the available energy to Colton at the Required Meter (as defined in Subsection 7.1 below) located on the Customer's premises.
- 5.2 Customer shall not commence parallel operation of the Generating Facility until Customer receives written approval from Colton's Authorized Representative. Colton's Authorized Representative shall provide such written approval within ten (10) working days from Colton'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.
- 5.3 Colton 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 Colton in accordance with the terms of Section 14, herein, at least five days prior to such inspection.

6. CUSTOMER REQUIREMENTS

- 6.1 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.
- 6.2 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 Colton Electric Utility's Rules, as may be amended from time to time.
- 6.3 Customer shall install a visible disconnect switch for the Generating Facility as shown on Exhibit "A". The disconnect switch shall be lockable in the open position and directly accessible to Colton employees at all times.

7. REQUIRED METER

- 7.1 In accordance with Colton's published Electrical Rules and Rates, Colton shall own, operate and maintain on Customer's premises a single meter capable of registering the flow of electricity in two directions ("Required Meter").
- 7.2 If the existing electrical meter of Customer is not capable of measuring the flow of electricity in two directions, Customer shall be responsible for all expenses involved in Colton's purchase and installation of

a Required Meter.

- 7.3 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 Colton, 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 solar or wind electric generating system performance information for research purposes.
- 7.4 If an additional meter or meters are installed, the Net Energy Metering (as defined in Subsection 12.1 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 Colton 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

Colton 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 Colton's opinion, a hazardous condition exists and such immediate action is necessary to protect persons, Colton'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

- 10.1 Except as to Colton's negligence or willful misconduct, Customer shall defend, indemnify and hold harmless Colton, 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.
- 10.2 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

- 11.1 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. Colton shall have the right to inspect or obtain a copy of the original policy or policies of insurance prior to commencing operation.
- 11.2 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 11.1.
- 11.3 Prior to Colton's execution of this Agreement, Customer shall provide Colton with evidence of Customer's compliance with the requirements of this section.

12. RATES AND BILLING

- 12.1 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 a twelve-month period as described in Subsection 12.5 below.
- 12.2 Customer's otherwise applicable tariff (rate schedule) or "OAT" means the rate schedule in Colton's published Electric Rules and Rates that would otherwise apply to Customer from time to time in the absence of Schedule NEM and this Agreement. Provided that, Customer's OAT shall not include Rate Schedule NEM or Rate Schedule S-Stand-By Service.
- 12.3 Customer is responsible for paying all charges in its OAT including the minimum charge (such as customer and service charge) and demand charge, when applicable, regardless of Customer's monthly or annual net generation.
- 12.4 Customer is exempted from any new or additional charge imposed by Colton that would increase Customer's charges under Customer's OAT beyond those of other customers in the rate class to which Customer would otherwise be assigned.
- 12.5 If Customer's OAT is the Residential or Small Commercial Rate, the following provisions apply.
- 12.5.1 The annualized Net Energy Metering calculation shall be made by measuring the difference between the electricity supplied to Customer and the electricity generated by Customer and fed back to the grid over a twelve-month period. At the end of each twelve-month period following the date of first interconnection, and at each anniversary date thereafter, Colton shall determine if Customer was a net consumer or a net producer of electricity during the twelve-month time period. In the event the electricity supplied by Colton during the twelve-month period exceeds the electricity generated by Customer during the same period, Customer is a net energy consumer.
- 12.5.2 If Customer is a net energy consumer, Colton will bill Customer for the net energy consumption during the twelve-month period based on Customer's OAT and Customer shall pay for such net energy consumption annually, unless Customer elects to be billed monthly under Section 3 above.
- 12.5.3 Customer may elect to be billed monthly for net energy consumption upon initiation of service under this Agreement or upon written notice to Colton no later than thirty-days prior to the end of any twelve-month period coinciding with the anniversary of interconnection. Such change shall only be made by Colton at the beginning of a new twelve-month period coinciding with the anniversary of interconnection.
- 12.6 If Customer's OAT is a Commercial, Industrial or Municipal Rate the following provisions apply.
- 12.6.1 In the event the electricity supplied by Colton to Customer during the preceding billing period exceeds the electricity generated by Customer during the same period, Customer is a net electricity consumer.
- 12.6.2 Colton shall bill Customer for the net energy consumption during such billing period based on Customer's OAT and Customer shall pay for such net energy consumption monthly in accordance with Customer's monthly billing statement.
- 12.7 If Customer's OAT employs "time of use" rates, any net monthly consumption of electricity shall be calculated according to the terms of the OAT. When Customer is a net generator during any discrete time of use period, the net kilowatt hours produced shall be valued at the same price per kilowatt hour as Colton would charge for retail kilowatt hour sales during that same time of use 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.

- 12.8 If Customer's OAT employs "baseline" and "over baseline" rates, any net monthly consumption of electricity shall be calculated according to the terms of the OAT. 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 Colton 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 Colton would charge for electricity over the baseline quantity during that billing period.
- 12.9 Colton shall provide Customer with Net Energy Metering consumption information on a monthly basis. Such monthly update shall include the current accrued balance owed to Colton for Net Energy Metering charges, or current accrued credits for Net Energy Metering generation, whichever applies.
- 12.10 If Customer is a net producer of electricity over a normal billing cycle, any excess kilowatt hours generated during the billing cycle shall be carried over to the following billing period (up to a maximum of twelve consecutive months upon the anniversary of interconnection).
- 12.11 In the event the energy generated exceeds the energy consumed during the twelve-month period, Colton shall retain any excess energy generated by Customer. In addition, no payment will be made to Customer for the excess energy delivered to Colton's grid, unless Colton enters into a written purchase agreement with Customer for that excess energy.
- 12.12 If Customer terminates service under this Agreement prior to the end of any twelve-month period, Colton 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.
- 12.13 If Customer is a net energy consumer during the applicable billing period, the Public Benefits Charge that is applicable to Customer under Customer's OAT 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.
- 12.14 Rate Schedule-NEM, in effect on the effective date of this Agreement, is incorporated into this Agreement as though set forth herein in full. This Agreement is that Standard Contract-NEM referenced in Rate Schedule--NEM.

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 San Bernardino, 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.

14. MODIFICATIONS, WAIVER, INTERPRETATION

- 14.1 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.
- 14.2 This Agreement shall supersede any existing agreement with Colton 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.

14.3 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.

14.4 Except as expressly modified herein, Colton's published Rates and Rules as adopted from time to time by Colton shall continue to be applicable to Colton's provision of electrical service to Customer.

15. NOTICES

15.1 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:

Colton Electric Utility
Energy Services
150 S. 10th Street
Colton, CA 92324

Customer:

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

15.2 Customer's notices to Colton pursuant to this Section shall refer to the Generating Facility Identification Number that is set forth in Section 2.2.

15.3 In the event of an emergency, Customer shall immediately notify Colton Electric Utility number, (909) 370-5104 any emergency situation related to the Generating Facility.

16. TERM AND TERMINATION OF AGREEMENT

16.1 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.

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

16.2.1 The thirtieth day after Customer gives Colton prior written notice of termination with or without cause in accordance with Section 15;

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

16.2.3 The first day after Colton gives Customer written notice of termination for cause, provided that Colton shall first have given Customer written notice of Customer's breach of this Agreement and within thirty days of Colton'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;

16.2.4 The date Colton is no longer the electric supplier to Customer's premises; or

16.2.5 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)(2) of the California Public Utilities Code on the effective date of this Agreement.

16.3 After termination of this Agreement, any electric service provided by Colton to Customer shall be pursuant to and in accordance with Customer's OAT.

17. AUTHORIZED REPRESENTATIVE

Colton’s Authorized Representative is the Director of Colton Electric Utility, or his designee. Colton 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

Colton

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

Exhibit "A"

GENERATING FACILITY PLAN