Customer note: Please return two original agreements to MVU

Net Energy Metering (NEM) Interconnection Agreement For Residential Solar Electric Generating Facilities With Moreno Valley Electric Utility

This Net Energy Metering (NEM) Interconnection Agreement for Solar Electric Generating Facilities ("Agreement") is made and entered into by and between _____ ("Customer") and the City of Moreno Valley Electric Utility ("MVU").

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)(4) 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 ELECTRIC GENERATING FACILITY

2.1 Customer elects to interconnect and operate a solar electrical generating facility, with a capacity of not more than 1,000 kW that is located on Customer's owned leased or rented premises ("Generating Facility") in parallel with MVU's electric grid.

2.2 Customer represents that the Generating Facility is intended primarily to offset part or all of the Customer's own electrical requirements at the premises listed below:

Customer name _____

Physical address/Installation address: _____

Billing address of Customer: _____

Account Number: _____

Customer Phone number: _____

Photovoltaic ("PV") Nameplate Rating: _____kW dc

3. INTERRUPTION OR REDUCTION OF DELIVERIES

3.1 MVU 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 MVU's system, or (b) if MVU 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.

3.2 Whenever reasonably possible, MVU shall give Customer reasonable notice of the possibility that curtailment, interruption or reduction of such deliveries may be required.

3.3 Notwithstanding any other provision of this Agreement, if at any time MVU determines that either (a) the Generating Facility or its operation may endanger the health, safety or welfare of MVU personnel, any person or the public, or (b) the continued operation of the Generating Facility may endanger the integrity of MVU's electric system, any property or the environment, MVU shall have the right to enter onto Customer's premises and disconnect Customer's Generating Facility from MVU's system. Customer's Generating Facility shall remain disconnected until such time as MVU is satisfied that the condition(s) referenced in (a) and (b) of this Subsection 3.3 have been corrected.

4. INTERCONNECTION

4.1 Customer shall deliver the available energy to MVU at the Required Meter (as defined in Subsection 6.1 below) located on the Customer's premises.

4.2 Customer shall not commence parallel operation of the Generating Facility until Customer receives written approval from MVU's Authorized Representative. MVU's Authorized Representative shall provide such written approval within ten (10) working days from MVU'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.

4.3 MVU 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 MVU in accordance with the terms of Section 15, herein, at least five days prior to such inspection.

5. CUSTOMER REQUIREMENTS

5.1 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.

5.2 Customer shall conform to all applicable solar 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 Moreno Valley Utility Electric Rules, as may be amended from time to time.

5.3 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 MVU employees at all times. Disconnect shall be installed in close proximity to, or no more than eight (8') feet from MVU's electric meter.

6. REQUIRED METER

6.1 In accordance with MVU's published Electrical Rules and Rates, MVU shall own, operate and maintain on Customer's premises a single meter capable of registering the flow of energy in two directions ("Required Meter").

6.2 If the existing electrical meter of Customer is not capable of measuring the flow of energy in two directions, MVU shall be responsible for the costs of its purchase and installation.

6.3 An additional meter or meters to monitor the flow of energy in each direction may be installed with the consent of Customer, at the expense of MVU, and the additional metering shall be used only to provide the information necessary to accurately bill or credit Customer pursuant to Section 11 below, or to collect solar electric generating system performance information for research purposes.

6.4 If an additional meter or meters are installed, the Net Energy Metering (as defined in Subsection 11.1 below) calculation shall yield a result identical to that of a single meter.

7. 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 5, and (b) obtain any governmental authorizations and permits required for the construction and operation of the Generating Facility and interconnection facilities. Customer

shall reimburse MVU 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.

8. ACCESS TO PREMISES

MVU 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 MVU's opinion, a hazardous condition exists and such immediate action is necessary to protect persons, MVU’s facilities, or property of others from damage or interference caused by Customer’s Generating Facility or lack of properly operating protective devices.

9. INDEMNITY AND LIABILITY

9.1 Except as to MVU’s negligence or willful misconduct, Customer shall defend, indemnify and hold harmless the MVU, 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.

9.2 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.

10. INSURANCE

10.1 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. MVU shall have the right to inspect or obtain a copy of the original policy or policies of insurance prior to commencing operation.

10.2 If Customer meets the standards and rules set forth in Section 5, Customer shall not be required to purchase any additional liability insurance over and above that referenced in Subsection 10.1.

10.3 Prior to MVU's execution of this Agreement, Customer shall provide MVU with evidence of Customer's compliance with the requirements of this section.

11. RATES AND BILLING

11.1 All rates charged will be in accordance with Customer's otherwise applicable tariff (rate schedule), as is in effect from time to time, on a Net Energy Metering basis. "Net Energy Metering" means measuring the difference between the energy supplied through the electric grid to the Customer and the energy generated by Customer's Generating Facility and fed back to the electric grid over a twelve-month period.

11.2 Customer's otherwise applicable tariff (rate schedule) or "OAT" means the rate schedule in MVU's published Electric Rules and Rates that would otherwise apply to Customer from time to time for electrical services to the premises, provided that Customer's OAT shall not include Rate Schedule NEM.

11.3 Customer is responsible for paying all charges in its OAT including the minimum charges (including service, customer, reliability, or demand charges), when applicable, regardless of Customer's monthly or annual net generation.

11.4 Customer is subject to any new or additional charge(s) that may be imposed by MVU on the other customers in the rate class to which Customer would otherwise be assigned.

11.5 Customer's twelve-month period, as set forth in Subsection 11.1 herein, shall commence with the Customer's regularly scheduled meter read date following the date of final interconnection.

11.6 If Customer's OAT is the Residential or General Service Rate, the following provisions apply:

> 11.6.1 The annualized Net Energy Metering calculation shall be made by measuring the difference between the energy supplied to Customer and the energy generated by Customer and fed back to MVU's grid over a twelve-month period. At the end of each twelve-month period, and at each anniversary date thereafter, MVU shall determine if Customer was a net consumer or a net generator of energy during the twelve-month period. In the event the energy supplied by MVU during the twelve-month period exceeds the energy generated by Customer during that same period, Customer is a net energy consumer.
>
> 11.6.2 If Customer is a net energy consumer, MVU will bill Customer for the net energy consumed during the twelve-month period based on Customer's OAT and Customer shall pay for such net energy consumed annually.

11.7 If Customer's OAT employs "time of use" rates, any net energy consumed monthly shall be calculated according to the terms of the OAT. When Customer is a net generator during any discrete time of use period over a billing period, the net kilowatt-hours generated shall be valued at the same price per kilowatt-hour as MVU 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 energy in two directions, the provisions of Section 6 shall apply.

11.8 If Customer's OAT employs "tiered" rates, any net energy consumed monthly shall be calculated according to the terms of the OAT. When 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 MVU would charge for the same tiered quantity of energy during that billing period.

12. CUSTOMER PAYMENT SCHEDULE FOR NET ENERGY GENERATION

12.1 MVU shall provide Customer with Net Energy Metering consumption and generation information on a monthly basis. Such monthly update shall include the current accrued balance owed to MVU for Net Energy Metering charges, or current accrued credits for Net Energy Metering generation, whichever applies.

12.2 If the energy generated exceeds the energy consumed by the Customer, the Customer is a net energy generator. If Customer is a net generator of energy over a normal billing period, any excess kilowatt-hours generated during the billing period shall be carried forward as a kWh credit to the following billing period (until the end of the Customer's twelve-month period).

12.3 At the end of each twelve-month period, the following provisions apply:

> 12.3.1 MVU shall retain any net surplus energy generated by Customer, including any associated environmental attributes or renewable energy credits ("REC"), and Customer's monetary value shall be reset to zero for the subsequent twelve-month period. No payment will be made to Customer for the excess energy delivered to MVU's grid, unless Customer elects a compensation option in Subsection 12.3.3.
>
> 12.3.2 Customer may be eligible for net surplus energy compensation. The Customer's net surplus energy compensation shall be calculated over a twelve-month period beginning with the Customer's regularly scheduled meter read date at the start of their next 12 month billing cycle.
>
> 12.3.3 At the end of the twelve-month period, upon certification by the Customer that they have sole ownership of the environmental attributes and REC associated with the excess energy generated from the Generating Facility in accordance with Subsection 12.3.5, Customer may

receive net surplus energy compensation for net surplus energy by affirmatively electing one of the following methods (**Please initial A or B**):

A. ___ *Receive compensation based on an annual time differentiated per kilowatt-hour rate for net surplus energy generated during the prior twelve-month period.*

B. ___ *Receive the net surplus energy as a kilowatt-hour credit calculated using the net surplus energy compensation rate and applied against future billing periods.*

___ ***(Please initial)*** *By making this election, I also agree that all environmental attributes and REC associated with the kilowatt-hours generated shall be the property of MVU.*

12.3.4 Affirmative elections remain effective for each twelve-month period following the execution of such election. Customers are eligible to revise their net surplus energy compensation elections by giving written notice to MVU at least thirty-days prior to the beginning of each succeeding twelve-month period.

12.3.5 Customer hereby certifies that they have sole ownership of the environmental attributes and REC associated with the excess energy generated from the Generating Facility. For Customers who elect to receive net surplus energy compensation based on a per kilowatt-hour rate in accordance with Subsection 12.3.3, the environmental attributes and REC associated with the kilowatt-hours in which the Customer received net surplus energy compensation at the per kilowatt-hour rate shall be the property of MVU. Customer hereby transfers to MVU all rights, title, and interest Customer has to such environmental attributes and REC. Customers who elect to receive net surplus energy compensation based on a per kilowatt-hour credit calculated using the net surplus energy compensation rate and applied in accordance with Subsection 12.3.3 may elect to transfer to MVU all rights, title, and interest Customer has to such environmental attributes and REC.

12.4 If Customer terminates service under this Agreement prior to the end of any twelve-month period, MVU shall reconcile Customer's energy consumed and generated following the last reconciliation, according to the requirements set forth in this Agreement, except that those requirements shall apply only to the months since the most recent twelve-month bill.

12.5 Rate Schedule—NEM, in effect on the effective date of this Agreement and as established by MVU through The City of Moreno Valley's City Council from time to time, is incorporated into this Agreement as though set forth herein in full. This Agreement is the 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 Riverside, 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 MVU 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, MVU’s published Rates and Rules as adopted from time to time by MVU shall continue to be applicable to MVU’s provision of electrical service to Customer.

15. NOTICES

All written notices shall be directed as follows:

Electric Utility Division Manager
Moreno Valley Electric Utility
Public Works Department
14331 Frederick Street, Suite 2
P.O. Box 88005
Moreno Valley, CA 92552-0805

16. TERM AND TERMINATION OF AGREEMENT

16.1 This Agreement shall become effective on the date this Agreement is duly executed by both Parties 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 MVU prior written notice of termination with or without cause in accordance with Section 15; or

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

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

16.2.4 The date MVU 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)(4) 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 MVU to Customer shall be pursuant to and in accordance with Customer's OAT.

17. AUTHORIZED REPRESENTATIVE

MVU's Authorized Representative is the Electric Utility Division Manager or his/her designee.

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.

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 dates set forth below.

Moreno Valley Electric Utility	Customer
By:_____	By:_____
Electric Utility Division Manager	Customer
Date:_____	Date:_____

Approved as to Form:

By:_____
City Attorney

Date:_____