



Southern California Edison
Rosemead, California (U 338-E)

Revised Cal. PUC Sheet No. 27758-E
Cancelling Revised Cal. PUC Sheet No. 19746-E

Sheet 1

MOMENTARY PARALLEL GENERATION CONTRACT

Form 14-459

(To be inserted by utility)

Advice 1489-E

Decision _____

Issued by

John R. Fielder

Senior Vice President

(To be inserted by Cal. PUC)

Date Submitted Sep 29, 2000

Effective Nov 8, 2000

Resolution _____

MOMENTARY PARALLEL GENERATION CONTRACT

1. PARTIES

This Contract is entered into between _____ ("Customer") located at _____ and Southern California Edison Company ("SCE") located at 2244 Walnut Grove Avenue, Rosemead, California 91770.

2. RECITALS

- 2.1 Customer is receiving electric service from SCE under provisions of SCE's tariffs.
- 2.2 Customer has installed an auxiliary/emergency Generating Facility as described in Exhibit "A" of this Momentary Parallel Generation Contract ("Contract") to serve its load during such periods when SCE's service is limited or unavailable.
- 2.3 The Parties desire to agree on terms and conditions which will provide for Customer's Generating Facility to be Operated in parallel with SCE's electric system on a momentary basis in certain situations.
- 2.4 This Contract is made with reference to the "Requirements for Operating, Metering, and Protective Relaying for Cogenerators and Small Power Producers" as referenced in SCE's tariff Rule 21.

3. DEFINITIONS

When used in this Contract with initial capitalizations, whether in the singular or in the plural, the following terms shall have the following meanings:

- 3.1 Commission: The California Public Utilities Commission
- 3.2 Contract: This document and appendices, as amended from time to time
- 3.3 Customer's Facility: The premises and equipment of Customer.
- 3.4 Double-Throw Switch: A switch that provides for the interconnection of Customer's Generating Facility with SCE's electrical system in such a way that Customer's Generating Facility is not operated in parallel with SCE's electrical system.
- 3.5 SCE: The Southern California Edison Company
- 3.6 SCE's Electric System Integrity: The state of operation of SCE's electric system in a manner which is deemed by SCE to minimize the risk of injury to persons and/or property and enables SCE to provide adequate and reliable electric service to its customers.
- 3.7 Emergency: A condition or situation which in SCE's sole judgment affects SCE's Electric System Integrity.
- 3.8 Generating Facility: All of Customer's generators, together with all protective and other associated equipment and improvements, necessary to produce electrical power at Customer's Facility excluding associated land, land rights, and interests in land.
- 3.9 Generator: The generator(s) and associated prime mover(s), which are a part of the Generating Facility.
- 3.10 Interconnection Facilities: Those protection, metering, electric line(s), and other facilities required, in SCE's sole judgment, to permit an electrical interface between SCE's system and the Generating Facility in accordance with SCE's tariff Rule 21 titled "Cogeneration and Small Power Production Interconnection Standards", filed with the Commission.
- 3.11 Momentary Parallel: Interconnection of SCE's electrical system with any other source of electrical supply (except by means of a Double-Throw Switch) for continuous periods of less than 60 seconds.
- 3.12 Operate: To provide the engineering, purchasing, repair, supervision, training, inspection, testing, protection, operation, use, management, replacement, retirement, reconstruction, and maintenance of and for the Generating Facility in accordance with applicable California utility standards and good engineering practices.
- 3.13 Operate in Parallel: Interconnection of SCE's electrical system with any other source of electrical supply (except by means of a Double-Throw Switch).
- 3.14 Operation Representatives: Individual(s) appointed by each Party for the purpose of securing effective cooperation and interchange of information between the Parties in connection with administration and technical matters related to this Contract.

3. DEFINITIONS (Continued)

3.15 Parties: SCE and Customer.

3.16 Party: SCE or Customer.

3.17 Point of Interconnection: The point where the transfer of electrical energy between SCE's electrical system and Customer's electrical system takes place.

3.18 Protective Apparatus: That equipment and apparatus installed by Customer and/or SCE pursuant to SCE's "Requirements for Operating, Metering and Protective Relaying for Cogenerators and Small Power Producers" referenced in SCE's tariff Rule 21 and other protective equipment as required by SCE.

4. AGREEMENT

Therefore, with reference to the recitals stated in Section 2, and in consideration of the terms and conditions stated in this Contract, the Parties agree as follows:

4.1 SCE shall allow Customer to operate its Generating Facility in Momentary Parallel for the limited purposes of:

4.1.1 testing the Generating Facility, or

4.1.2 allowing Customer's interruptible electrical load to be transferred from SCE's electrical system to customer's Generating Facility without interruption when SCE initiates a Period of Interruption as defined in SCE's interruptible rate schedule.

4.2 Customer shall allow its Generating Facility to Operate in Parallel on only a Momentary Parallel basis. If Customer is not served under an interruptible rate schedule Customer shall not operate its Generating Facility on a Momentary Parallel basis during SCE's On-Peak period as defined in SCE's tariff Schedule TOU-8.

4.3 Customer shall install control equipment as required by SCE, which limits the duration of parallel operation at Customer's expense.

4.4 Customer shall install Protective Apparatus as required by SCE.

4.5 SCE shall have the right to install equipment to monitor the operation of Customer's Generating Facility for the purpose of monitoring Customer's compliance with this Contract.

4.6 SCE shall have the right to terminate this Contract and require Customer to install equipment, i.e., a Double-Throw Switch, at Customer expense as a result of Customer's noncompliance with this Contract.

4.7 Customer shall not sell or transfer electric energy or capacity to SCE at Customer's location, and no provisions for such transactions are made by this Contract.

4.8 SCE and Customer further agree to the following terms and conditions:

5. TERM

This Contract shall be effective on the date it is executed by both Parties and shall remain effective until either Party gives 90 days prior written notice of termination to the other Party.

6. GENERATING FACILITY

6.1 Ownership: The Generating Facility shall be owned by Customer.

6.2 Design

6.2.1 Customer, at no cost to SCE, shall:

a. Design the Generating Facility.

b. Acquire all permits and other approvals necessary for the construction, operation, and maintenance of the Generating Facility.

c. Complete all environmental impact studies necessary for the construction, operation, and maintenance of the Generating Facility.

6. GENERATING FACILITY (Continued)

6.2 DESIGN (Continued)

6.2.1 Customer, at no cost to SCE, shall: (Continued)

- d. Furnish and install the relays, meters, power circuit breakers, synchronizer, and other control and Protective Apparatus necessary for proper and safe operation of the Generating Facility in parallel with SCE's electrical system in accordance with SCE's "Requirements for Operating, Metering, and Protective Relaying for Cogenerators and Small Power Producers" as referenced in SCE's tariff Rule 21.
- e. Install, own, operate, and maintain in good state of repair, metering equipment which will continuously monitor and permanently record operation of the Generating Facility; and provide SCE reasonable access to the equipment and the permanent operating record.
- f. At SCE's request, permit SCE to install, own, and maintain equipment as SCE, at its sole option, may determine necessary to prevent the operation of the Generator in parallel with SCE's electrical system, except on a momentary basis.

6.2.2 SCE shall have the right to:

- a. Review the design of the Generating Facility's electrical system and the Interconnection Facilities. Such review may include, but not be limited to, the Generator, governor, excitation system, synchronizing equipment, protective relays, and neutral grounding.
- b. Request modifications to the design of the Generating Facility's electrical system and the Interconnection Facilities. Such modifications shall be required, if necessary, to maintain SCE's Electric System Integrity when the Generating Facility is operated in parallel with the SCE electric system.

6.2.3 Customer shall be notified in writing of any modifications required as a result of SCE's review of specifications and design of the Generating Facility and the Interconnection Facilities. SCE's written notice shall describe: (1) any flaws perceived by SCE in the design; and (2) modifications required to maintain SCE's Electric System Integrity when Generating Facility is operated in parallel with SCE's electric system.

6.3 Operation

6.3.1 Customer shall operate and maintain its Protective Apparatus in accordance with applicable California utility industry standards and good engineering practices with respect to synchronizing, voltage and reactive power control. SCE shall have the right to monitor operation of the Generating Facility and may require changes in Customer's method of operation if such changes are necessary, in SCE's sole judgment, to maintain SCE's Electric System Integrity.

6.3.2 Customer shall notify SCE's Operation Representative in writing at least 14 days prior to:

- a. The initial testing of Protective Apparatus; and
- b. The initial parallel operation of Customer's Generator with SCE's electrical system.

Customer shall not Operate in Parallel until receiving written confirmation from SCE. SCE shall have the right to have a representative present at each event.

6.3.3 SCE shall have the unrestricted right to refuse to allow Customer to Operate in Parallel, and may require customer to disconnect the Generator while in parallel operation with SCE's electric system. If SCE requires Customer to disconnect the Generator from the SCE electric system pursuant to this Section 6.3.3, Customer shall have the right to continue to serve its total electrical requirements from the Generator. Each Party shall endeavor to correct, within a reasonable period, the condition on its system which necessitates the disconnection. The duration of the disconnection shall be limited to the period of time such a condition exists.

6. GENERATING FACILITY (Continued)

6.3 Operation (Continued)

- 6.3.4 Customer shall operate the Generating Facility at all times with all of Customer's Protective Apparatus in service whenever the Generator is connected to or is operated in parallel with the SCE electric system.
- 6.3.5 Customer shall maintain an operating log at Customer's Facility with records of: Protective Apparatus operations, and any unusual conditions found during inspections, such as, but not limited to, inoperative equipment or abnormal equipment operations. In addition, Customer shall maintain records applicable to the Generating Facility, including the electrical characteristics of the Generator and settings or adjustments of the Generator control equipment and protective devices. Information maintained pursuant to this Section, 6.3.5 shall be provided to SCE within 30 days of SCE's request.
- 6.3.6 If, at any time, SCE doubts the integrity of any of Customer's Protective Apparatus and believes that such loss of integrity would impair SCE's Electric System Integrity, Customer shall demonstrate, to SCE's satisfaction, the correct calibration and operation of the equipment in question. If, in SCE's sole opinion, Customer has not demonstrated, to SCE's satisfaction, the correct calibration and operation of the equipment in question, SCE has the right to terminate this Contract.
- 6.3.7 Customer shall test all protective devices installed pursuant to this Contract with qualified SCE personnel present at intervals not to exceed four years.

6.4 Maintenance

Customer shall maintain the Generating Facility in accordance with applicable California utility industry standards and good engineering and operating practices. SCE shall have the right to monitor such maintenance of the Generating Facility. Customer shall maintain and deliver a maintenance record of the Generating Facility to SCE's Operating Representative upon request.

7. INTERCONNECTION FACILITIES

7.1 Ownership

The Interconnection Facilities shall be owned by Customer.

7.2 Design

- 7.2.1 The nature of the Interconnection Facilities and the Point of Interconnection shall be set forth either by equipment lists or appropriate one line diagrams.
- 7.2.2 The design, installation, operation, maintenance, and modifications of the Interconnection Facilities shall be at Customer's expense.
- 7.2.3 Customer, at no cost to SCE, shall acquire all permits and approvals and complete all environmental impact studies necessary for the design, installation, operation, and maintenance of the Interconnection Facilities.
- 7.2.4 SCE shall have the right to review any changes in the design of the Interconnection Facilities and require modifications to the design as it deems necessary for proper and safe operation of the Generating Facility when in parallel with the SCE electric system. The Customer shall be notified in writing of any flaws perceived by SCE in the proposed design changes as a result of SCE's review of all specifications related to the proposed design changes.
- 7.2.5 To the extent that SCE deems it necessary to effect the arrangements contemplated by this Contract, SCE may, from time to time, require the Customer to design, install, operate, maintain, modify, replace, repair or remove any or all of the Interconnection Facilities.

7. INTERCONNECTION FACILITIES (Continued)

7.2 Design (Continued)

7.2.6 Notwithstanding the provisions of Section 8, Customer, having elected to own, operate, and maintain the Interconnection Facilities, shall accept all liability and release SCE from and indemnify SCE against any liability for injury or damage to Customer's Interconnection Facilities. Customer's Generating Facility, the SCE electric system, and the public, as a result of the operation of Customer's Generating Facilities.

8. LIABILITY

8.1 Each Party hereby releases the other Party, its directors, officers, employees, and agents from any loss, damage, claim, cost, charge, or expense of any kind or nature (including any direct, indirect, or consequential loss, damage, claim, cost, charge, or expense) including attorney's fees and other costs of litigation incurred by such Party in connection with loss or damage to property of such Party caused by or arising out of either Party's construction, engineering, repair, supervision, inspection, testing, protection, operation, maintenance, replacement, reconstruction, use of ownership of its facilities, to the extent that such loss, damage, claim, cost, charge, or expense is caused by the negligence of the indemnifying Party, its directors, officers, employees, agents, or any person or entity whose negligence would be imputed to such Party.

8.2 Each Party shall indemnify and hold harmless the other Party, its directors, officers, and employees or agents from and against any loss, damage, claim, cost, charge (including direct, indirect or consequential loss, damage, claim, cost, charge, or expense), including attorney's fees and other costs of litigation incurred by the other Party in connection with the injury to or death of any person or loss or damage to property of a third party arising out of the indemnifying Party's construction, engineering, repair, supervision, inspection, testing, protection, operation, maintenance, replacement, reconstruction, use, or ownership of its facilities, to the extent that such loss, damage, claim, cost, charge, or expense is caused by the negligence of the indemnifying Party, its directors, officers, employees, agents, or any person or entity whose negligence would be imputed to the indemnifying Party. Customer releases and shall defend and indemnify SCE from any claim, cost, loss, damage, or liability arising from any representation concerning the effect of SCE's review of the design, construction, operation, or maintenance of the Generating Facility.

8.3 Notwithstanding the provisions of Sections 8.1, 8.2, 8.4, and 8.5 Customer, having elected to own, operate, and maintain the Interconnection Facilities, shall accept all liability and release SCE from and indemnify SCE against any liability for injury or damage to Customer's Interconnection Facilities, the SCE electric system and the public as a result of the operation of Customer's Generating Facilities and Customer shall release, indemnify and hold harmless SCE from and against any loss, damage, claim, cost, charge, or expense of any kind or nature (including direct, indirect or consequential loss, damage, claim, cost, charge, or expense, including attorney's fees and other costs of litigation) incurred by SCE and/or Customer in connection with the injury to or death of any person or loss or damage to property, including the property of the Parties, caused by or arising out of Customer's use, ownership maintenance or operation of Customer's Generating Facility in parallel with the SCE electric system.

8.4 The provisions of this Section 8 shall not be construed so as to relieve any insurer of its obligations to pay any insurance claims in accordance with the provisions of any valid insurance policy.

8.5 Neither Party shall be indemnified under this Section 8 for its liability or loss resulting from its sole negligence or willful misconduct.

9. INSURANCE

9.1 Until this Contract is terminated, Customer shall obtain and maintain in force, as hereinafter provided, comprehensive general liability coverage, with a combined single limit of (i) not less than \$1,000,000 each occurrence for Generating Facilities 100 kW or greater; (ii) not less than \$500,000 For each occurrence for Generating Facilities between 20 kW and 100 kW; and (iii) not less than \$100,000 for each occurrence for Generating Facilities less than 20 kW. The insurance carrier or carriers and form of policy shall be subject to review and approval by SCE. This Contract is terminated if such insurance is not in effect.

9. INSURANCE (Continued)

- 9.2 Prior to the date Customer's Generating Facility is first operated in parallel with SCE's electric system, Customer shall (i) furnish certificate of insurance to SCE, which certificate shall provide that such insurance shall not be terminated nor expire except on thirty days written notice to SCE, maintain such insurance in effect for so long as this Contract is in effect; and (iii) furnish to SCE an additional insured endorsement with respect to such insurance in substantially the following form:

"In consideration of the premium charged, Southern California Edison Company (SCE) is named as additional insured with respect to all liabilities arising out of Customer's use and ownership of Customer's Generating Facility.

The inclusion of more than one insured under this policy shall not operate to impair the rights of one insured against another insured and the coverages afforded by this policy will apply as though separate policies had been issued to each insured. The inclusion of more than one insured will not, however, operate to increase the limit of the carrier's liability. SCE will not, by reason of its inclusion under this policy, incur liability to the insurance carrier for payment of premium for this policy.

Any other insurance carried by SCE which may be applicable shall be deemed excess insurance and Customer's insurance primary for all purposes despite any conflicting provisions in Customer's policy to the contrary."

If, after reasonable attempts to obtain the insurance specified in Section 9.1, the requirement of Section 9.2 (iii) prevents Customer from obtaining the insurance, then upon written notification by Customer to SCE, Section 9.2 (iii) shall be waived.

- 9.3 The requirements of this Section 9 shall not apply to a customer who is a self-insured governmental agency with an established record of self-insurance.
- 9.4 If Customer fails to comply with the provisions of this Section 9, Customer shall, at Customer's own cost, defend, indemnify and hold harmless SCE, its directors, officers, employees, agents, assigns, and successors in interest from and against any and all loss, damage, claim, cost, charge, or expense of any kind of nature (including direct, indirect or consequential loss, damage, claim, cost, charge, or expense, including attorney's fees and other costs of litigation) resulting from the death or injury to any person or loss or damage to any property, including the personnel and property of SCE, to the extent that SCE would have been protected had Customer complied with all of the provisions of this Section 9.

10. JURISDICTION OF CALIFORNIA PUBLIC UTILITIES COMMISSION

- 10.1 This Contract shall at all times be subject to such changes or modifications by the Commission as the Commission may, from time to time, direct in the exercise of its jurisdiction
- 10.2 Except as otherwise provided herein, this Contract is subject to the tariff schedules of SCE as now in effect or hereafter authorized by the Commission.
- 10.3 Notwithstanding any other provisions of this Contract, SCE shall have the right to unilaterally file with the Commission, pursuant to the Commission's rules and regulations, an application for a change in rates, charges, classification, or service, or any rule, regulation, or contract relating thereto.

11. NONDEDICATION OF FACILITIES

Neither Party, by this Contract, dedicates any part of its facilities involved in this Contract to the public or to the service provided under the Contract, and such service shall cease upon termination of the Contract.

12. NOTICES AND CORRESPONDENCE

All notices and correspondence pertaining to this Contract shall be in writing and shall be sufficient if delivered in person or sent by certified mail , postage prepaid, return receipt requested, to Customer or SCE at their respective addresses as follows:

Southern California Edison
Attention: Regulatory Policy & Affairs Department
Tariffs Division
2244 Walnut Grove Avenue
Rosemead, CA 91770

All notices sent pursuant to this Section 12 shall be effective when received, and each Party shall be entitled to specify as its proper address any other address in the United States upon written notice to the other Party.

13. PREVIOUS COMMUNICATIONS

This Contract contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter of this Contract, and the Contract merges and supersedes all prior agreements, commitments, representations, and discussions between the Parties. No Party shall be bound to any other obligations, conditions, or representations with respect to the subject matter of this Contract.

14. NONWAIVER

None of the provisions of the Contract shall be considered waived by either Party except when such waiver is given in writing. The failure of either SCE or Customer to insist on any one or more instances of strict performance of any of the provisions of the Contract 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 to remain in full force and effect.

15. SUCCESSORS AND ASSIGNS

Neither Party shall assign its rights nor delegate its duties under this Contract, or any part of such rights or duties, except in connection with the sale or merger of a substantial portion of its properties and then, only with the written consent of the other Party, which consent will not be unreasonably withheld. Any such assignment or delegation made without such written consent shall be null and void. When duly assigned in accordance with the foregoing, this Contract shall be binding on and inure to the benefit of the respective successors and assigns of the Parties.

16. EFFECT OF SECTION HEADINGS

Section headings appearing in this Contract are inserted for convenience only, and shall not be construed as interpretations of text.

17. GOVERNING LAW

This Contract 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.

18. MULTIPLE ORIGINALS

This Contract is executed in two counterparts, each of which shall be deemed an original.

SIGNATURES

IN WITNESS WHEREOF, the Parties hereto have executed this Contract this _____ day of _____

(Customer) _____ SOUTHERN CALIFORNIA EDISON COMPANY

By _____ By _____

Name _____ Name _____

Title _____ Title _____

EXHIBIT A
DESCRIPTION OF GENERATING FACILITIES

Make: _____ Model: _____

Type: _____ Serial No.: _____

Nameplate Rating: _____ Volts: _____ Phase: _____

Make: _____ Model: _____

Type: _____ Serial No.: _____

Nameplate Rating: _____ Volts: _____ Phase: _____

Make: _____ Model: _____

Type: _____ Serial No.: _____

Nameplate Rating: _____ Volts: _____ Phase: _____

Make: _____ Model: _____

Type: _____ Serial No.: _____

Nameplate Rating: _____ Volts: _____ Phase: _____

Make: _____ Model: _____

Type: _____ Serial No.: _____

Nameplate Rating: _____ Volts: _____ Phase: _____

Make: _____ Model: _____

Type: _____ Serial No.: _____

Nameplate Rating: _____ Volts: _____ Phase: _____