

FEED-IN TARIFF STANDARD FORM
INTERCONNECTION AGREEMENT
BETWEEN
SACRAMENTO MUNICIPAL UTILITY DISTRICT
AND

This INTERCONNECTION AGREEMENT (the “Interconnection Agreement”) is made and entered into this ____ day of _____ 2010 (“Effective Date”), by and between the Sacramento Municipal Utility District (“SMUD”), and _____ (“Facility Owner”), referred to in this Agreement individually as a “Party” and collectively as the “Parties”.

In consideration of the mutual promises and obligations stated in this Interconnection Agreement and its attachments, the Parties agree as follows:

1. SCOPE AND PURPOSE

This Interconnection Agreement provides for Facility Owner to interconnect and operate its Generating Facility (as described in Exhibit A) in parallel with the SMUD Distribution System to sell Energy produced by such Generating Facility directly to SMUD, pursuant to the Feed-In Tariff Power Purchase Agreement between the Parties, dated _____.

2. DEFINITIONS

As used in this Agreement, the following terms, when initially capitalized, shall have the meanings specified in this Section 2:

“Capacity” means the ability of a generator at any given time to produce energy at a specified rate (“Real Power”) as measured in megawatts (“MW”) or kilowatts (“kW”) (and any reporting rights associated with such).

“Delivery Point” means the point of interconnection to SMUD’s Distribution System where SMUD accepts title to the Generating Facility power and attributes as described herein and shown in Exhibit C.

“Energy” means electrical energy delivered to the SMUD Distribution System with the voltage and quality required by SMUD, and measured in megawatt-hours (“MWh”) or kilowatt-hours (“kWh”).

“Feed-In Tariff” means the tariff established by SMUD Board of Directors Resolution 09-06-05 under which SMUD will purchase the output of Eligible Renewable Energy Resources and qualifying Combined Heat and Power Facilities that meet the Feed-In Tariff criteria as such tariff may be modified from time to time.

“Forced Outage” means any outage of all or a portion of the Generating Facility’s components severe enough to affect the Capacity, that is not a Planned Outage and that is not the result of a Force Majeure.

“Force Majeure” means an event or circumstance which prevents one Party from performing obligations under this Interconnection Agreement, and which is not in the reasonable control of, or the result of negligence of, the Party claiming Force Majeure, and which by the exercise of due diligence is unable to overcome or cause to be avoided. Force Majeure shall include, but not be limited to: (a) An act of nature, riot, insurrection, war, explosion, labor dispute, fire, flood, earthquake, storm, lightning, tsunami, backwater caused by flood, act of the public enemy, terrorism, or epidemic; (b) Interruption of transmission or generation services as a result of a physical emergency condition (and not congestion-related or economic curtailment) not caused by the fault or negligence of the Party claiming Force Majeure and reasonably relied upon and without a reasonable source of substitution to make or receive deliveries hereunder, civil disturbances, strike, labor disturbances, labor or material shortage, national emergency, restraint by court order or other public authority or governmental agency, actions taken to limit the extent of disturbances on the electrical grid; or (c) Other similar causes beyond the control of the Party affected which causes such Party could not have avoided by the exercise of due diligence and reasonable care. Under no circumstances shall either Party’s financial incapacity or other economic reasons constitute an event of Force Majeure. The term “Force Majeure” does not include Forced Outages to the extent such are not caused or exacerbated by an event of Force Majeure as described above.

“Generating Facility” means the generating facility owned by Facility Owner with the characteristics described in Exhibit A.

“Good Utility Practice” means those practices, methods and acts that would be implemented and followed by prudent operators of electric energy generating facilities in the Western United States, similar to the Generating Facility, during the relevant time period, which practices, methods and acts, in the exercise of prudent and responsible professional judgment in the light of the facts known at the time the decision was made, could reasonably have been expected to accomplish the desired result consistent with good business practices, reliability, and safety. Facility Owner acknowledges that the use of Good Utility Practice by Facility Owner does not exempt Facility Owner from any obligations set forth in this Interconnection Agreement.

Good Utility Practice includes, at a minimum, those professionally responsible practices, methods and acts described in the preceding paragraph that comply with manufacturers’ warranties, restrictions in this Agreement, the interconnection requirements of SMUD, the requirements of Governmental Authorities, and WECC and NERC standards.

Good Utility Practice also includes taking reasonable steps to ensure that:

- a) Equipment, materials, resources, and supplies, including spare parts inventories, are available to meet the Generating Facility's needs;
- b) Sufficient operating personnel are available as necessary and appropriate and are adequately experienced and trained and licensed as necessary to operate the Generating Facility properly and efficiently, and are capable of responding to reasonably foreseeable emergency conditions at the Generating Facility, whether caused by events on or off the Generating Facility site;
- c) Preventive, routine, and non-routine maintenance and repairs are performed on a basis that ensures reliable, long-term and safe operation of the Generation Facility, and are performed by knowledgeable, trained, and experienced personnel utilizing proper equipment and tools;
- d) Appropriate monitoring and testing are performed to ensure equipment is functioning as designed;
- e) Equipment is not operated in a reckless manner, in violation of manufacturer's guidelines or in a manner unsafe to workers, the general public, or the connecting utility's electric system or contrary to environmental laws, permits or regulations or without regard to defined limitations such as, flood conditions, safety inspection requirements, operating voltage, current, volt ampere reactive (VAR) loading, frequency, rotational speed, polarity, synchronization, and control system limits; and equipment and components are designed and manufactured to meet or exceed the standard of durability that is generally used for electric energy generating facilities operating in the Western United States and will function properly over the full range of ambient temperature and weather conditions reasonably expected to occur at the Generating Facility site and under both normal and emergency conditions.

"Interconnection Facilities" means the electrical wires, switches, and related equipment that are required, in addition to the facilities required to provide electric distribution service to a customer, to allow the interconnection of the Generating Facility to the SMUD Distribution System.

"Interconnection Facilities Costs" means SMUD's cost to operate and maintain the Interconnection Facilities, including the risk of replacement, of the Interconnection Facilities.

"Power Purchase Agreement" means the agreement between Facility Owner and SMUD, under which Facility Owner sells the output of its Generating Facility to SMUD under the Feed-In Tariff.

"Planned Outage" means a scheduled outage of one or more of the Generating Facility's components that results in a reduction of the ability of the Generating Facility to produce Energy.

“Scheduled Commercial Operation Date” means the planned Commercial Operation Date of the Generating Facility declared by Facility Owner at the time of execution of this Interconnection Agreement, as identified in the Power Purchase Agreement (PPA).

“SMUD Distribution System” means the wires, transformers, and related equipment owned and operated by SMUD, and used to deliver electric power to SMUD’s retail customers typically at sub-transmission level voltages or lower.

3. TERM AND TERMINATION

3.1 This Interconnection Agreement shall become effective when signed by the Facility Owner and SMUD, and unless terminated by SMUD pursuant to Section 3.2 shall remain in effect until the earliest date that one of the following events occurs:

(a) The Parties agree in writing to terminate this Interconnection Agreement; or

(b) The Power Purchase Agreement associated with the Generating Facility terminates for any reason, and has not been replaced by a new power purchase agreement within 90 days of termination of the Power Purchase Agreement.

3.2 SMUD may terminate this Interconnection Agreement for one or more of the following reasons

(a) A change in applicable rules, tariffs, and regulations, as approved or directed by the applicable regulatory authority, or a change in any local, state or federal law, statute or regulation, either of which materially impairs SMUD’s ability to perform SMUD’s duties under this Interconnection Agreement. In the event of termination of the Interconnection Agreement under this Section 3.2(a), the Parties shall negotiate for a replacement interconnection agreement covering the Generating Facility.

(b) Facility Owner violates any provision of SMUD Rule 11 or SMUD Rule 21, or any provision of this Interconnection Agreement. In the event of violation under this Section 3.2(b), SMUD will notify Facility Owner in writing that its Generating Facility is out of compliance with the terms of this Interconnection Agreement, and if appropriate, request Facility Owner to take remedial action to cure such violation. SMUD’s termination right under this Section 3.2(b) shall be effective within ninety (90) days of such written notice if Facility Owner has failed to take all corrective actions specified in SMUD’s notice or has not otherwise submitted a cure plan acceptable to SMUD within the ninety (90) days; or

(c) Facility Owner abandons the Generating Facility. SMUD shall deem the Generating Facility to be abandoned if, after 120 days, the Generating Facility (1) has been non-operational, and such non-operation is not due to a Forced Majeure or Forced Outage, and (2) Facility Owner has not provided a substantive response to SMUD’s

written notice of its intent to terminate this Agreement under this Section 3.2(c). SELLER's response shall indicate the reasons for the non-operation of the Generating Facility, and shall provide a remediation plan acceptable to SMUD.

3.3 Any agreement attached to and incorporated into this Interconnection Agreement shall terminate concurrently with this Interconnection Agreement unless the Parties have agreed otherwise in writing.

4. INTERCONNECTION FACILITIES & FACILITY OWNER'S PAYMENT FOR INTERCONNECTION

4.1 Facility Owner understands, accepts and agrees that connection and operation of the Generating Facility shall be subject to the terms and conditions set forth in this Interconnection Agreement and in SMUD's Rules 11 and 21, specifically the "Rules". Any conflict between this Interconnection Agreement and the Rules will be governed by the Rules.

4.2 Facility Owner agrees, in accordance with SMUD Rule 21, and as applicable, Rule 16, to pay in advance and in full for all estimated SMUD design and construction costs of Interconnection Facilities, as identified in Exhibit A.

(a) If the actual design and construction costs incurred by SMUD for Interconnection Facilities are less than those costs specified in Exhibit A and paid to SMUD by Facility Owner, SMUD shall refund to Facility Owner the remaining funds without interest within sixty (60) days.

(b) If the actual design and construction costs incurred by SMUD for Interconnection Facilities exceed the costs specified in Exhibit A and paid to SMUD by Facility Owner, Facility Owner shall pay SMUD the additional funds without interest within sixty (60) days of receipt of an invoice from SMUD.

4.3 In the event that Facility Owner owns the real property where the Interconnection Facilities will be located, or (in the event that Facility owner is leasing or otherwise obtaining rights to locate the Generation Facilities on real property of a third party), Facility Owner shall grant to SMUD (or obtain for SMUD),

(a) The right to install the Interconnection Facilities and related equipment or materials on said real property along the most practical route which is of sufficient width to provide legal and safe clearance from all structures now or hereafter erected on said real property; and (b) The right of ingress and egress from said real property as reasonably necessary for SMUD to operate, maintain, and remove the Interconnection Facilities.

(b) Where formal rights of way and /or easements are required on or over said real property or the property of some third party for the installation of the Interconnection Facilities, Facility Owner agrees that SMUD's obligation to install the

Interconnection Facilities is expressly conditioned on the granting, without cost to SMUD, of any and all necessary rights of way and/or easements to SMUD.

4.4 SMUD makes no warranties or guarantees, express or implied, as to the design, installation, construction, use, operation, maintenance or fitness for a particular purpose of the Interconnection Facilities. Further, SMUD makes no warranties or guarantees as to the provision or reliability of electric service or that such service shall be free from outages or curtailment. The parties expressly agree that the Facility Owner charges and payments for Interconnection Facilities under this Agreement represent the additional cost associated with the Interconnection Facilities and are not to be construed as guarantying any level of service or reliability.

4.5 Interconnection Facilities are described in Exhibit B, and a one-line diagram of the interconnection (at the Delivery Point) is included as Exhibit C. Interconnection Facilities provided under this Agreement shall at all times be and remain the sole property of SMUD. Interconnection Facilities shall be owned, maintained, and operated by SMUD.

4.6 Facility Owner shall make payment to SMUD for all Interconnection Facilities Costs, as described in Exhibit B. The direct cost for design and construction of Interconnection Facilities is to be paid in advance by Facility Owner. Facility Owner shall be additionally responsible for costs related to ongoing operations, maintenance, and replacement of the Interconnection Facilities, as charged through one of the following options: (a) a monthly payment, or (b) a one-time payment, as described in Section B.3 of Exhibit B. Upon determination of the final cost of Interconnection Facilities in accordance with Section 4.2, Facility Owner must notify SMUD if they wish to make a one-time payment for costs related to operations, maintenance, and replacement. In the absence of such notification, Facility Owner shall make a monthly payment for costs related to operations, maintenance, and replacement.

In the case of the monthly payment option, SMUD may unilaterally amend Exhibit B to the extent that the costs incurred by SMUD to operate and maintain the Interconnection Facilities increase or decrease.

4.7 Upon discontinuance of the use of the Interconnection Facilities due to termination of this Agreement, or otherwise:

(a) If Facility Owner has chosen the monthly payment option as under Section 4.6(a), Facility Owner shall pay to SMUD, within ninety (90) days of notice of termination, in addition to all past and current rates and charges, a facility termination charge to be calculated as the net present value of the annual operation and maintenance charges owed SMUD, as described in Section 4 and Exhibit B, over the remainder of the years of this Interconnection Agreement.

(b) Within 180 days, the District shall have the right to remove any portion of the Interconnection Facilities located on the property where the Interconnection Facilities are installed.

5. INTERRUPTION OR REDUCTION OF DELIVERIES

5.1 SMUD shall not be obligated to accept, and SMUD may require Facility Owner to interrupt or reduce deliveries of Energy to SMUD: (a) when necessary in order to construct, install, maintain, repair, replace, remove, investigate, or inspect any of SMUD's equipment or part of SMUD's system; or (b) if SMUD determines that curtailment, interruption, or reduction of receipt of energy from the Generating Facility is necessary because of an emergency, a Forced Outage, Force Majeure, or compliance with Good Utility Practice.

5.2 Notwithstanding any other provision of this Interconnection Agreement, if at any time SMUD, in its sole discretion, determines that either (a) the Generating Facility may endanger SMUD personnel or members of the general public, or (b) the continued operation of the Generating Facility may impair the integrity of the SMUD Distribution System, SMUD shall have the right to disconnect the Facility from the SMUD Distribution System. The Generating Facility shall remain disconnected until such time as SMUD is satisfied that the condition(s) referenced in (a) or (b) of this paragraph have been corrected, and SMUD shall not be obligated to compensate Facility Owner for any loss of use of generation of energy during any and all periods of such disconnection under this Section 5.2.

6. CONDITIONS OF FACILITY OPERATIONS

6.1 Facility Owner shall deliver energy from the Generating Facility to SMUD at SMUD's meter at the designated Delivery Point.

6.2 Facility Owner, and not SMUD, shall be solely responsible for all legal and financial obligations arising from the construction, installation, design, operation, and maintenance of the Generating Facility in accordance with all applicable laws and regulations.

6.3 Metering / Telemetry

6.3.1 SMUD shall furnish and install one or more standard watt-hour meters to read energy generated by the Generating Facility. When requested, Facility Owner shall provide and install a meter socket in accordance with SMUD's metering standards. For pole-mounted primary metering, SMUD provides the metering panel and socket. SMUD reserves the right to install additional metering equipment.

6.3.2 The Generating Facility will be metered at the location designated on Exhibit C. Facility Owner shall provide a voice grade phone line at the meter location for SMUD's periodic meter data retrieval. Additionally, for Facilities 1 MW and greater in capacity, Facility Owner will provide a data grade phone line at the meter location for streaming production data to SMUD's Power Systems Operations.

6.4 Facility Owner shall not connect the Generating Facility, or any portion of it, to the SMUD Distribution System, until written approval of the Generating Facility has been given to Facility Owner by SMUD. Such approval shall not be unreasonably delayed or withheld. SMUD shall have the right to have representatives present at the initial testing of the Generating Facility.

6.5 Facility Owner may reconnect its Generating Facility to the SMUD Distribution System following normal operational outages and interruptions without notifying SMUD unless SMUD has disconnected service, or SMUD notifies Facility Owner that a reasonable possibility exists that reconnection would pose a safety hazard.

6.6 If SMUD has disconnected service to the Generating Facility, or SMUD has notified Facility Owner that a reasonable possibility exists that the reconnection would pose a safety hazard, Facility Owner may call SMUD at (916) 732-5334 to request authorization to reconnect the Generating Facility.

6.7 The Generating Facility, and all portions of it used to provide or distribute electrical power and parallel interconnection with the SMUD Distribution System equipment shall be designed, installed, constructed, operated, and maintained in compliance with NEC, IEEE 1547, General Order 95 & 128, and Good Utility Practice. Compliance is mandatory unless prior written SMUD approval is provided for those specific items not in compliance. Exemptions shall be in writing, signed by SMUD, and shall be attached to and become a part of this Interconnection Agreement.

7. MAINTENANCE, PERMITS, AND STANDARD OF CARE

7.1 Facility Owner, at Facility Owner's sole expense, shall obtain and possess all permits and authorizations for the Generating Facility in accordance with all applicable laws and regulations for the construction, installation, design, operation, and maintenance of the Generating Facility.

7.2 Standard of Care. Facility Owner shall: (a) operate and maintain the Generating Facility in a safe manner in accordance with its existing applicable laws and regulations including but not limited to, requirements of Section 6, above, and manufacturer's guidelines, warranty requirements, Good Utility Practice, industry norms (including standards of the National Electrical Code (NEC), Institute of Electrical and Electronic Engineers, American National Standards, and the Underwriters Laboratories (UL)), and in accordance with the requirements of all applicable federal, state and local laws and the National Electric Safety Code, as such laws and code norms may be amended from time to time; (b) obtain any governmental authorizations and permits required for the construction and operation thereof. Facility Owner shall make any necessary and commercially reasonable repairs with the intent of optimizing the availability of electricity to SMUD. Facility Owner shall reimburse SMUD for any and all losses, damages, claims, penalties, or liability SMUD incurs as a result of Facility Owner's failure to obtain or maintain any governmental authorizations and permits

required for construction and operation of the Generating Facility throughout the Term of this Interconnection Agreement.

8. ACCESS TO PREMISES

SMUD, its authorized agents, employees and inspectors may enter the Generating Facility premises without prior notice for the exercise of any and all rights secured to SMUD by law, or its tariff schedules, or for any purpose reasonably connected with this Interconnection Agreement, including (a) to inspect at all reasonable hours Generating Facility's protective devices and read or test any meter for the Generating Facility; (b) to disconnect, at any time, without notice, the Generating Facility if, in SMUD's sole opinion, a hazardous condition exists and that immediate action is necessary to protect persons, or SMUD's facilities, or property of others from damage or interference caused by (1) the Generating Facility, or (2) Facility Owner's failure to comply with the requirements of this Interconnection Agreement; and (c) to read the meter(s). SMUD shall make reasonable efforts to coordinate its emergency activities with the safety and security departments, if any, of the Generating Facility operator. Facility Owner shall keep SMUD advised of current procedures for communicating with the Facility operator's safety and security departments. Seller agrees, as required by SMUD to allow access to Interconnection Facilities, to equip the Generating Facility premise's access gates or doors with dual-lock or multi-lock hasps to provide for SMUD padlock installation.

9. FORCE MAJEURE

9.1 SMUD or SELLER, as the case may be, shall be excused from performance under this Agreement to the extent, but only to the extent, that performance hereunder is prevented by an act or event of Force Majeure. SMUD or Seller, as the case may be, shall exercise due diligence to overcome or mitigate the effects of such an act or event of Force Majeure; provided, however, that nothing in this Agreement shall be deemed to obligate the Party affected by an act or event of Force Majeure (a) to forestall or settle any strike, lock-out or other labor dispute against its will; or (b) for Force Majeure affecting Seller only, to purchase electric power to cure the event of Force Majeure.

9.2 In the event of any delay or nonperformance resulting from an event of Force Majeure, the Party suffering the Force Majeure shall, as soon as practicable under the circumstances, notify the other Party in writing of the nature, cause, date of commencement thereof and the anticipated extent of any delay or interruption in performance.

9.3 If a Party is prevented from performing its material obligations under this Agreement for a period of twelve (12) consecutive months or longer, the unaffected Party may terminate this Agreement, without liability of either Party to the other, upon thirty (30) Days written notice at any time during the Force Majeure event.

10. INDEMNITY & LIABILITY BY FACILITY OWNER

10.1 Facility Owner shall indemnify and hold SMUD, its directors, officers, agents and employees harmless against all loss, damages, expense and liability to third persons for injury to, or death of persons or injury to property caused by the Facility Owner's engineering, design, construction, installation, ownership, maintenance or operations of, or the making of replacements, additions or betterments to or by failure of, the Generating Facility in connection with these provisions by reason or omission or negligence, whether active or passive. Facility Owner shall, on SMUD's request, defend any suit asserting a claim covered by the indemnity. Facility Owner shall pay all costs that may be incurred by SMUD in enforcing this indemnity.

10.2 Neither SMUD, its officers, agents nor employees shall be liable for damages of any kind to the Generating Facility caused by any electrical disturbance of the SMUD system or on the system of another, whether or not the electrical disturbance results from the negligence of SMUD.

10.3 Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Interconnection Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages of any kind whatsoever.

10.4 Nothing, in this Interconnection Agreement, shall be construed to create any duty to, any standard of care with reference to, or any liability to, any person not a Party to this Interconnection Agreement. Neither SMUD, its officers, agents or employees shall be liable for any claims, demands, costs, losses, causes of action, or any other liability of any nature or kind, arising out of the engineering, design, construction, ownership, maintenance or operation of, or making of replacements, additions or betterment to, the Generating Facility except to the extent actually caused by the sole and gross negligence of SMUD.

11. GOVERNING LAW

THIS INTERCONNECTION AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS

OF LAW. TO THE EXTENT ENFORCEABLE AT SUCH TIME, EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER OR IN CONNECTION WITH THIS INTERCONNECTION AGREEMENT.

12. AMENDMENTS, MODIFICATIONS, OR WAIVERS

Except as explicitly stated, any amendments or modifications to this Interconnection Agreement shall be in writing and agreed to 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 Interconnection 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.

13. NOTICES

All written notices shall be directed as follows:

For Contract Administration:

To SMUD:
Sacramento Municipal Utility District
Power Contracts Administration

6301 S Street
Sacramento, CA 95817-1899

Or,

P.O. Box 15830
Sacramento, CA 95852-1830

Email: PowerContractsAdmin@smud.org

To Facility Owner:

14. ASSIGNMENT

Neither Party shall assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld; provided, however;

- 14.1 Upon written request of SELLER, SMUD will execute a Consent and Agreement between SELLER and SELLER's lender in the form attached as Exhibit D.
- 14.2 Notwithstanding the foregoing, no consent shall be required for:
 - 14.2.1 Any assignment or transfer of this Agreement by SELLER to an affiliate of SELLER, provided that such affiliate's creditworthiness is equal to or better than that of SELLER; or
 - 14.2.2 Any assignment or transfer of this Agreement by SELLER or SMUD to a person succeeding to all or substantially all of the assets of such Party, provided that such person's creditworthiness is equal to or greater than that of such Party, as reasonably determined by the non-assigning or non-transferring Party.

15. AMENDMENT

No amendment to or modification of this Interconnection Agreement shall be enforceable unless reduced to writing and executed by both parties. This Interconnection Agreement shall not impart any rights enforceable by any third party other than a permitted successor or assignee bound to this Interconnection Agreement.

16. NON-WAIVER

None of the provisions of this Interconnection Agreement shall be considered waived by a Party unless such waiver is given in writing. The failure of a Party to insist in any one or more instances upon strict performance of any of the provisions of this Interconnection 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.

17. CONSTRUCTION OF TERMS/HEADINGS

The term "including" when used in this Interconnection Agreement shall be by way of example only and shall not be considered in any way to be in limitation. The headings used herein are for convenience and reference purposes only.

18. ENTIRE AGREEMENT

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

SAMPLE

IN WITNESS WHEREOF, each Party has caused this Interconnection Agreement to be duly executed by its authorized representative as of the date of last signature provided below.

**SACRAMENTO MUNICIPAL
UTILITY DISTRICT**

FACILITY OWNER

By: _____

By: _____

Name: John DiStasio

Name: _____

Title: General Manager and Chief
Executive Officer

Title: _____

Date: _____

Date: _____

SAMPLE

EXHIBITS

Exhibit A – Description and Location of Generating Facility

Exhibit B – Description and Cost of Interconnection Facilities

Exhibit C – Interconnection One-Line Diagram

Exhibit D – Form of Lender Consent and Agreement

SAMPLE

Exhibit A

DESCRIPTION AND LOCATION OF GENERATING FACILITY

A.1 Facility Owner’s Feed-In Tariff Power Purchase Agreement Number:

A.2 Facility Owner’s Feed-In Tariff Record Number: _____

A.3 The Generating Facility is described as

A.4 The Generating Facility is located at _____ in Sacramento County, California.

A.5 SMUD Account Number for Service Address: _____

A.6 Generating Facility’s primary fuel / technology is _____.

A.7 Contract Capacity (AC) at Delivery Point is _____ kW.

A.8 The Date of Energization of Interconnection Facilities is ____ (initially blank) ____.

A.9 The Generating Facility is connected to the SMUD Distribution System at _____ kV.

A.10 SMUD shall revise this Exhibit A as appropriate, give written notice to Facility Owner regarding the revision, and issue a new Exhibit A which shall then become part of the Agreement, in the event of changes to the information contained within Exhibit A.

Exhibit B

DESCRIPTION AND COST OF INTERCONNECTION FACILITIES

B.1 The Interconnection Facilities under this Agreement are described as

B.2 The direct cost for design and construction of Interconnection Facilities is to be paid upfront by the Facility Owner under Rule 16 of SMUD’s Rates, Rules and Regulations as adopted by the Board of Directors and amended from time to time.

B.2.1 The Initial Estimated SMUD Design and Construction Costs is

\$_____.

B.2.2 The Actual SMUD Design and Construction Cost is

\$____(initially blank)_____.

B.3 The costs related to ongoing operations, maintenance and replacement of the Interconnection Facilities are charged through one of two options:

A Monthly Interconnection Facilities Costs Payment, calculated as follows:

$\$6.63/\$1,000 * \text{Actual SMUD Design and Construction Cost}$

Or:

A One-time Interconnection Facilities Cost Payment, calculated as follows:

$\$1,201/\$1,000 * \text{Actual SMUD Design and Construction Cost}$

B.4 SMUD shall revise this Exhibit B as appropriate, give written notice to Facility Owner regarding the revision, and issue a new Exhibit B which shall then become part of the Agreement, in the event of changes to the information contained within Exhibit B.

Exhibit C

INTERCONNECTION ONE-LINE DIAGRAM

- Interconnection One-line Diagram inserted as Page __-1.
- Site Layout inserted as Page __-2.

SAMPLE

Exhibit D

FORM OF LENDER CONSENT AND AGREEMENT

(Insert final agreement from PPA, Exhibit K)

SAMPLE